

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF JURISDICTIONAL FACTORS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

SCHEDULE D-3
Page 1 of 1
Witness Responsible: **S.A. Valentine**

Line No	Acct	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
JURISDICTIONAL STATISTICS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30,2005

SCHEDULED-4
Page 1 of 1

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

Line No	Description	Statistic Total Company	Adjustment	Adjusted Total	Statistic for	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED RMSE D
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

SCHEDULED-5
Page 1 of 1

Line No	Account No	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED RMSED
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (CENTRAL DIVISION)

SCHEDULE D-1C
Page 1 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D-2.1	Adj. D-2 Sch D2.2	Adj. D-3 Sch D2.2	Total Adjustments
1		Water Revenues					
2	461100	Residential - Billed	\$ 22,730,759	(490,298)	\$0	\$0	(\$490,298)
3	461110	Residential- Unbilled	67,951	(67,951)	0	0	(67,951)
4	461200	Commercial- Billed	10,958,927	(443,413)	0	0	(443,413)
5	461210	Commercial - Unbilled	80,463	(80,463)	0	0	(80,463)
6	461300	Industrial-Billed	1,497,592	82,607	0	0	82,607
7	461310	Industrial- Unbilled	34,339	(34,339)	0	0	(34,339)
8	461400	Miscellaneous - Billed	9,523	6,385	0	0	6,385
9	461410	Miscellaneous- Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	844,721	(5,721)	0	0	(5,721)
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	1,835,565	(33,390)	0	0	(33,390)
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	3,386,603	(265,515)	0	0	(265,515)
15	464210	OPA - Unbilled	15,645	(15,645)	0	0	(15,645)
16	466000	Sales for Resale - Billed	847,567	(76,253)	0	0	(76,253)
17	466100	Sales for Resale - Unbilled	41,775	(41,775)	0	0	(41,775)
18		Total Water Revenues	42,351,430	(1,465,771)	0	0	(1,465,771)
19							
20		Sewer Revenues					
21	461000	Residential- Billed	19,013	(19,013)	0	0	(19,013)
22	461010	Residential- Billed Surcharge	0	0	0	0	0
23	461020	Commercial - Billed	734	(734)	0	0	(734)
24	461030	Commercial - Unbilled	0	0	0	0	0
25	462210	Industrial-Billed	829	(829)	0	0	(829)
26	462110	Industrial - Unbilled	0	0	0	0	0
27		Total Sewer Revenues	20,576	(20,576)	0	0	(20,576)
28							
29							
30		OTHER OPERATING REVENUES					
31	471100	Reconnection Charges	22,316	0	(22,316)	0	(22,316)
32	471200	Other Miscellaneous Service Revenues	140,771	0	(104,658)	0	(104,658)
33	472000	Rents from Water Property	104,338	0	(21,598)	0	(21,598)
34	474100	Billing & Collection Services	749,953	0	31,723	0	31,723
35	474300	Other Water Revenues	26,696	0	187,531	0	187,531
36		AFUDC	0	0	0	417,280	417,280
37		TOTAL OTHER OPERATING REVENUES	1,044,074	0	70,682	417,280	487,962
38							
39		TOTAL OPERATING REVENUES	\$43,416,080	(\$1,486,347)	\$70,682	\$417,280	\$0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO **OPERATING** INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL **UPDATED** R M S E D
WORKPAPER REFERENCE NO(S): SCH **D-2.1/D-2.2** (CENTRAL DMSION)

SCHEDULE **D-1C**
Page 2 of 19

Witness **Responsible: M A Miller, S A Valentine**

Line No.	Account Number	Description	Base Penod	Adj. D-1 Sch D-2.1	Adj. D 2 Sch D2.2	Adj. D 3 Sch D2.2					Total Adjustments
1											
2											
3		<u>Revenues from Water/Wastewater</u>									
4		Residential	\$ 22,817,723	(\$577,262)	\$0	\$0	\$0	\$0	\$0	\$0	(\$577,262)
5		Commercial	11,040,124	(524,610)	0	0	0	0	0	0	(524,610)
6		Industrial	1,532,760	47,439	0	0	0	0	0	0	47,439
7		Other Pubic Authority (OPA)	3,402,248	(281,160)	0	0	0	0	0	0	(281,160)
8		Sales for Resale (OWU)	889,342	(118,028)	0	0	0	0	0	0	(118,028)
9		Miscellaneous	9,523	6,385	0	0	0	0	0	0	6,385
10		Private Fire Service	844,721	(5,721)	0	0	0	0	0	0	(5,721)
11		Public Fire Service	1,835,565	(33,390)	0	0	0	0	0	0	(33,390)
12											
13		Total Water/Wastewater Revenues	42,372,006	(1,486,347)	0	0	0	0	0	0	(1,486,347)
14		Other Operating Revenues	1,044,074	0	70,682	417,280	0	0	0	0	487,962
15											
16		Total Operating Revenues	<u>\$43,416,080</u>	<u>(\$1,486,347)</u>	<u>\$70,682</u>	<u>\$417,280</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$998,385)</u>
17											
18		<u>TAX RATE</u>									
19		Slate Income Tax Impact	8.25%	(\$122,624)	\$5,831	\$34,426	\$0	\$0	\$0	\$0	(\$82,367)
20		Federal Income Tax Impact	35.00%	(\$477,303)	\$22,698	\$133,999	\$0	\$0	\$0	\$0	(\$320,606)
21		Net Operating Income Impact		<u>(\$886,420)</u>	<u>\$42,153</u>	<u>\$248,855</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$595,412)</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF AWJUSTMENTSTO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHSENDED: NOVEMBER 30,2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED — REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 3 of 19
Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D 4 Sch D2.3 Col2	Adj D 5 Sch D2.3 Col3	Adj D 6 Sch D-2.3 Col4	Adj D 7 Sch D-2.3 Col5	Adj D 8 Sch D2.3 Col6	Adj D-9 Sch D2.3 Col7	Adj D-10 Sch D2.3 Col8	Adj D-11 Sch D-2.3 Col9	Adj D-12 Sch D-2.3 Col10	Total Adjustments
1		SOURCE OF SUPPLY EXP (SS)	Col1	Col2	Col3	Col4	Col5	Col6	Col7	Col8	Col9	Col10	
2	600000	Operahon Supervision & Eng- neening	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	601100	Operabon Expenses	0	0	0	0	0	0	0	0	0	0	0
4	601200	Operabon Labor	0	0	0	0	0	0	0	0	0	0	0
5	602000	Purchased Water	61,278	0	0	0	0	0	0	0	0	0	0
6	603100	Miscellaneous Expenses	10,862	0	0	0	0	0	0	0	0	0	0
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0	0	0
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0	0	0
9	604000	Rents	2,400	0	0	0	0	0	0	0	0	0	0
10	610000	Maint Supervision & Engineering Ord	1,965	(1,965)	0	0	0	0	0	0	0	0	(1,965)
11	610010	Maint Supervision & Engineeng Prg	0	0	0	0	0	0	0	0	0	0	0
12	611100	Maint Struc & Improv-Materials Ord	0	0	0	0	0	0	0	0	0	0	0
13	611110	Maint Struc & Improv-MatenalsPrg	0	0	0	0	0	0	0	0	0	0	0
14	611200	Maint Struc & Improv-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
15	611210	Maint Struc & Improv-LaborPrq	0	0	0	0	0	0	0	0	0	0	0
16	612100	Maint Col & Imp Res-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
17	612110	Maint Col & Imp Res-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0	0	0
19	612200	Maint Col & Imp Res-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
20	612210	Maint Col & Imp Res-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
23	613120	Amort Lake, River & Other Intakes	21,946	0	0	0	0	0	0	0	0	0	0
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
26	614120	Amort Def Exp Wells & Sprngs	0	0	0	0	0	0	0	0	0	0	0
27	616110	Maint Supply Mains-Materials Prg	0	0	0	0	0	0	0	0	0	0	0
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	617100	Maint Misc Water Source Plant-MatOrd	220,934	0	0	0	0	0	0	0	0	0	0
31	617110	Maint Misc Water Source Plant-MatPrg	0	0	0	0	0	0	0	0	0	0	0
32	617200	Maint Misc Water Source Plant-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
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35													
36		TOTAL SS EXPENSES	319,385	(1,965)	0	0	0	0	0	0	0	0	(1,965)
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KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 2004-00103

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OR THE TH MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD

TYPE OF FILING: X ORIGINAL UPDATED REVISED

WORKPAPER REFERENCE NO(S): SCH D-2.3 (CENTRAL DMSION)

SCHEDULED-1C

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Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Penod	Adi D 4 Sch D2.3	Adi D 5 Sch 02.3	Adi D 6 Sch D2.3	Adi D 7 Sch D2.3	Adi D-8 Sch D-2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adi D-11 Sch 02.3	Adi D-12 Sch D2.3	Total Adjustments
1		PUMPING EXPENSES											
2	620200	Operabon Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	Operabon Sup & Eng-Other	0	0	0	0	0	0	0	0	0	0	0
4	622100	Power Producbn Expenses	0	0	0	0	0	0	0	0	0	0	0
5	622200	Power Producbn Labor	0	0	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	1,066,532	0	856,109	0	0	0	0	0	0	0	856,109
7	623120	Power Purchased for Pumping-Elec Adi	0	0	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumping-Other	972,975	0	(972,975)	0	0	0	0	0	0	0	(972,975)
9	624200	Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	3,618	0	0	0	0	0	0	0	0	0	0
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
17	627200	Rents-Electric	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rents-Other	8,034	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	54,314	113,966	0	0	0	0	0	0	0	0	113,966
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0	0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0	0	0
23	631100	Maint Pumping Struc & Inprov-Material Ord	0	0	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumping Struc & Inprov-Material Prg	0	0	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumping Struc & Inprov-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
26	631210	Maint Pumping Struc & Inprov-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
27	632100	Maint Power Producbn Equip-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Producbn Equip-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Producbn Equip-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
30	632210	Maint Power Producbn Equip-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
31	633200	Maint Pumping Equip-Material-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Material-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Material-Other Ord	0	0	0	0	0	0	0	0	0	0	0
34	633310	Maint Pumping Equip-Material-Other Prg	0	0	0	0	0	0	0	0	0	0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	2,105,473	113,966	(116,866)	0	0	0	0	0	0	0	(2,900)

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED — RMSE D
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 5 of 19

Witness Responsible: M A Miller, S. A Valentine

Line No.	Account Number	Description	Base Period	Adi D 4 Sch D2.3	Adi D 5 Sch D2.3	Adi D-6 Sch D2.3	Adi D-7 Sch D2.3	Adi D-8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adi D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		WATER TREATMENT EXPENSES (WT)											
2	640000	OperabonSupervision & Engneering	\$0	\$374,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$374,088
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	1,358,500	0	0	(138,204)	0	0	0	0	0	0	(138,204)
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0
6	642100	GeneralWT Labor	1,333,008	(478,212)	0	0	0	0	0	0	0	0	(478,212)
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	232,484	0	0	0	0	0	0	0	0	0	0
9	642390	General WT Administration	0	0	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	54,338	0	0	0	0	0	0	0	0	0	0
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	145,607	0	0	0	8,393	0	0	0	0	0	8,393
15	643310	Amort Waste Disposal Expenses	21,062	0	0	0	63,934	0	0	0	0	0	63,934
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	118,160	(6,929)	0	0	0	0	0	0	0	0	(6,929)
18	650010	Maint Supervision & Engneering Prg	0	0	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc 8 Improvements-MatOrd	188,788	0	0	0	0	0	0	0	0	0	0
20	651110	Mamt WT Struc 8 Improvements-MatPrg	0	0	0	0	0	0	0	0	0	0	0
21	651120	Amort WT Structures	162,454	0	0	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc 8 Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
23	651210	Mamt WT Struc 8 Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
25	652110	Mamt General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
26	652200	Mamt Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
29													
30		TOTAL WT EXPENSES	3,634,673	(111,053)	0	(138,204)	72,327	0	0	0	0	0	(176,930)
31													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME **UNIT**
FOR THE TWELVE **IS** **NOVEMBER** **;**

DATA: **X** **BASE PERIOD** **X** **FORECASTED PERIOD**
TYPE OF FILING: **X** **ORIGINAL** **UPDATED** **REVISED**
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DMSION)

SCHEDULED-1C
Page 6 of 19

Witness Responsible: M.A. Miller/ S. A Valentine

Line No.	Account Number	Description	Base Period	Adi D 4 Sch 02.3	Adi D-5 Sch D2.3	Adi D 6 Sch D-2,3	Adi D-7 Sch D2.3	Adi D-8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adi D11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		TRANS & DIST EXPENSES (T&D)											
2	660000	Operabon Supervision 8 Engineenng	\$0	\$345,929	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$345,929
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0	0	0	0	0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0	0	0	0	0	0
5	662100	T&D Lines - Expenses	12,950	0	0	0	0	0	0	0	0	0	0
6	662200	T&D Lines - Labor	1,047,767	(597,656)	0	0	0	0	0	0	0	0	(597,656)
7	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0	0	0	0	0	0
8	663200	Meter Expenses-Remove and Reset-Labor	0	0	0	0	0	0	0	0	0	0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0	0	0	0	0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0	0	0	0	0	0
11	664100	Customer Installabon - Expenses	0	0	0	0	0	0	0	0	0	0	0
12	664200	Customer Installabon- Labor	0	0	0	0	0	0	0	0	0	0	0
13	665100	Maps and Records - Expenses	0	0	0	0	0	0	0	0	0	0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0	0	0
15	665200	Maps and Records - Labor	0	47,984	0	0	0	0	0	0	0	0	47,984
16	665300	Misc Expenses	232,018	0	0	0	0	0	0	0	0	0	0
17	665400	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
18	666000	Rents	4,756	0	0	0	0	0	0	0	0	0	0
19	670000	Maint Supervision 8 Engineering Ord	15,848	(15,848)	0	0	0	0	0	0	0	0	(15,848)
20	670010	Maint Supervision & Engineenng Prg	0	0	0	0	0	0	0	0	0	0	0
21	671100	Maint Struct 8 Improvements-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
22	671110	Maint Struct 8 Improvements-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
23	671200	Maint Struct & Improvements-Labor Ord	18,306	(18,306)	0	0	0	0	0	0	0	0	(18,306)
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
25	672100	Maint Res & Standp-pes Matenals Ord	979	0	0	0	0	0	0	0	0	0	0
26	672110	Maint Res 8 Standpipes - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
27	672120	Amort Res 8 Standp-pes	190,177	0	0	0	0	0	0	0	0	0	0
28	672200	Maint Res 8 Standp-pes Labor Ord	5,403	(5,403)	0	0	0	0	0	0	0	0	(5,403)
29	672210	Maint Res & Standp-pes Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	673100	Maint T&D Mains - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
31	673110	Maint T&D Mains - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0	0	0	0	0	0
33	673200	Maint T&D Mains - Labor Ord	191,511	388,419	0	0	0	0	0	0	0	0	388,419
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
35	675100	Maint Services - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
36	675110	Maint SeMces - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
37	675200	Maint Services - Labor Ord	188,756	(188,756)	0	0	0	0	0	0	0	0	(188,756)
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
39	676100	Maint Meter - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
40	676110	Maint Meter - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
41	676200	Maint Meter - Labor Ord	30,073	102,523	0	0	0	0	0	0	0	0	102,523
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
43	676300	Maint Meter Installabon - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
44	676310	Maint Meter Installation - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
45	676400	Maint Meter Installabon - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
47													
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49													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH **D-23** (CENTRAL DMSION)

SCHEDULE **D-1C**
Page 7 of 19

Witness Responsible: M A Miller, S. A Valentine

Line No.	Account Number	Description	Base Period	Adi D-4 Sch D2.3	Adi D-5 Sch D2.3	Adi D 6 Sch D2.3	Adi D-7 Sch D2.3	Adi 0 8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch 02.3	Adi D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		TRANS & DIST EXPENSES (T&D) (Cont'd)											
2	677100	Maint Hydrants - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
3	677110	Maint Hydrants - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
4	677200	Maint Hydrants - Labor Ord	92,564	(59,083)	0	0	0	0	0	0	0	0	(59,083)
5	677210	Maint Hvdnants - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
6	678100	Maint Other T&D Plant- Matenals Ord	328,863	0	0	0	0	0	0	0	0	0	0
7	678110	Maint Other T&D Plant- Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
8	678200	Maint Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
9	678210	Maint Other T&D Plant - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
10													
11													
12		TOTAL T&D EXPENSES	2,359,971	(197)	0	0	0	0	0	0	0	0	(197)
13													
14		CUSTOMER ACCOUNTS EXPENSE (CA)											
15	901000	Supervision	\$0	\$85,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,687
16	902100	Meter Reading Expensesenses	0	0	0	0	0	0	0	0	0	0	0
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	0	0
18	902200	Meter Reading Labor	0	809,314	0	0	0	0	0	0	0	0	809,314
19		CUST RECORDS & COLLECTION EXPENSES											
20	903100	Contacts and Orders - Expenses	43,221	0	0	0	0	0	0	0	0	0	0
21	903200	Contacts and Orders - Labor	988,813	(750,492)	0	0	0	0	0	0	0	0	(750,492)
22	903300	Collecting - Expenses	186,177	0	0	0	0	0	0	0	0	0	0
23	903400	Collecting - Salanes	0	0	0	0	0	0	0	0	0	0	0
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	0	0
25	903520	Billing & Accounting - Other Expenses	419,470	0	0	0	0	0	0	0	0	0	0
26	903600	Billing & Accounting Salanes	0	0	0	0	0	0	0	0	0	0	0
27	904000	Uncollectible Accounts	186,300	0	0	0	0	0	0	0	0	0	0
28	905100	Misc Expenses	13,945	0	0	0	0	0	0	0	0	0	0
29	905200	Misc Salanes	0	0	0	0	0	0	0	0	0	0	0
30													
31		TOTAL CA EXPENSES	1,837,926	144,509	0	0	0	0	0	0	0	0	144,509
32													
33		CUSTOMER SERVICE EXPENSES											
34	907100	Cust Service and Information - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	907200	Cust Service and Information - Salanes	0	0	0	0	0	0	0	0	0	0	0
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	0	0
37													
38		SALES PROMOTION EXPENSES											
39	910100	Sales Promotion - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40													
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	0	0
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43													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO **OPERATING** INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, **2005**

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL — UPDATED — R M S E D
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-D-1C
Page 5 of 19

Witness Responsible: M A Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D-4 Sch D2.3	Adi D-5 Sch D-2.3	Adj D-6 Sch D2.3	Adi D-7 Sch D2.3	Adi D 8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adj D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)											
2	920000	Salaries	\$837,683	(\$158,142)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$158,142)
3	920500	Incentive Plan Expense	13,743	215,403	0	0	0	0	0	0	0	0	215,403
4	921100	Expenses of Employees	80,436	0	0	0	0	0	0	0	0	0	0
5	921130	Dues for Clubs - Ded	0	0	0	0	0	0	0	0	0	0	0
6	921200	Misc Office Expenses	271,079	0	0	0	0	0	0	0	0	0	0
7	923100	Service Company Charges	3,027,803	0	0	0	0	748,836	0	0	0	0	748,836
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0	0	0
9	923200	Auditing Services	26,220	0	0	0	0	0	0	0	0	0	0
10	923300	Legal SeMces	98,308	0	0	0	0	0	0	0	0	0	0
11	923400	Engineering Services	600	0	0	0	0	0	0	0	0	0	0
12	923500	Other SeMces - Current	885,792	0	0	0	0	0	0	0	0	0	0
13	924000	Property Insurance	185,350	0	0	0	0	0	0	0	0	(45,652)	(45,652)
14	925110	Workers Compensation	59,237	0	0	0	0	0	0	0	0	3,703	3,703
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (CLR)	0	0	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	2,100	0	0	0	0	0	0	0	0	0	0
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
21	925400	General Liability	243,735	0	0	0	0	0	0	0	0	91,560	91,560
22		EMPLOYEE PENSIONS & BENEFITS											0
23	926100	Accrued OPEB Expense	678,595	0	0	0	0	0	94,821	0	0	0	94,821
24	926110	Group Insurance Expense	884,022	0	0	0	0	0	12,309	0	0	0	12,309
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (CLR)	0	0	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	118,173	0	0	0	0	0	0	0	0	0	0
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	53,540	0	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	85,632	0	0	0	0	0	0	0	0	0	0
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (CLR)	0	0	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pav	0	0	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (CLR)	0	0	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	963,675	0	0	0	0	0	0	(98,695)	0	0	(98,695)
44	926600	Other Pension Plan Expenses	0	0	0	0	0	0	0	0	0	0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized- (A&B)	0	0	0	0	0	0	0	(150,507)	0	0	(150,507)
47	926900	Pensions - Capitalized- (H)	0	0	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized- (CLR)	0	0	0	0	0	0	0	0	0	0	0
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): SCH D-2.3 DIVISION)

SCHEDULE D-1C
 Page 9 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line NO	Account Number	Description	Base Period	Adj D 4 Sch D 2.3	Adj D-5 Sch 0 2.3	Adj D 6 Sch 0 2.3	Adj D 7 Sch D 2.3	Adj D-8 Sch D 2.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D 2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G) - CONT											
2		REGULATORY COMMISSION EXPENSES											
3	928100	Amort Expense of Rate Proceedings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218.404	\$0	\$218,404
4	928110	Amort Serv study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0	0	0
7	928400	Other Regulatory Expenses - Current	19,712	0	0	0	0	0	0	0	(8,000)	0	(8,000)
8	930200	Amort Misc Charges	187,704	0	0	0	0	0	0	0	0	0	0
9	930210	Misc General Expenses Current	440,197	0	0	0	0	0	0	0	0	0	0
10	930220	Amort Ong Cost study	0	0	0	0	0	0	0	0	0	0	0
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0	0	0
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0	0	0
13	930250	Amort Plant Expansion study	0	0	0	0	0	0	0	0	0	0	0
14	930260	Meals & Travel Expenses - Taxable	15,182	0	0	0	0	0	0	0	0	0	0
15	930270	Donabons	30	0	0	0	0	0	0	0	0	0	0
16	930290	Data Processing Communicabon Exp	0	0	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Expenses	24,184	0	0	0	0	0	0	0	0	0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0	0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
21	930600	Transportabon Expenses	353,776	0	0	0	0	0	0	0	0	0	0
22	930610	Transportabon Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
23	930620	Transportabon Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
24	930630	Transportabon Cap (H)	0	0	0	0	0	0	0	0	0	0	0
25	930880	Misc Gen Exp - Company Dues	31,270	0	0	0	0	0	0	0	0	0	0
26	930890	Misc Gen Exp - Other	169,096	0	0	0	0	0	0	0	0	0	0
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
28	931000	Rents	24,859	0	0	0	0	0	0	0	0	0	0
29	932100	Maint A&G Struc & Improv-Maternal Ord	55,502	0	0	0	0	0	0	0	0	0	0
30	932110	Maint A&G Struc & Improv-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-Maternal Ord	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Communication Equip-Maternal	0	0	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Maternal Ord	22,386	0	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	9,859,621	57,261	0	0	0	748,836	107,130	(249,202)	210,404	49,612	924,041
46													
47		Total O & M Expenses	\$20,117,049	\$202,521	(\$116,866)	(\$138,204)	\$72,327	\$748,836	\$107,130	(\$249,202)	\$210,404	\$49,612	\$886,558
48													
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DMSION)

SCHEDULED-1C
Page 10 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Line Number	Description	Base Perod	Adi D 4 Sch D2.3	Adi D-5 Sch D-2.3	Adi D 6 Sch D2.3	Adi D 7 Sch D2.3	Adi D-8 Sch 02.3	Adi D-9 Sch D2.3	Adi D-10 Sch 52.3	Adj D 11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1													
2	08	Operation Labor Expenses	\$4,938,893	\$202,521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,521
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0	0	0
4													
5		Total Labor	\$4,938,893	\$202,521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,521
6													
7													
8		Total Operation Expenses	\$18,208,120	(\$106,097)	(\$116,866)	(\$138,204)	\$72,327	\$748,836	\$107,130	(\$249,202)	\$210,404	\$49,612	\$577,940
9		Total Maintenance Expenses	1,908,929	308,618	0	0	0	0	0	0	0	0	308,618
10													
11		Total O & M Expenses	\$20,117,049	\$202,521	(\$116,866)	(\$138,204)	\$72,327	\$748,836	\$107,130	(\$249,202)	\$210,404	\$49,612	\$886,558
12													
13													
14													
15													
16													
17	08	Labor	\$4,938,893	\$202,521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,521
18	09	Purchased Water	61,278	0	0	0	0	0	0	0	0	0	0
19	10	Fuel and Power	2,039,507	0	(116,866)	0	0	0	0	0	0	0	(116,866)
20	11	Chemicals	1,358,500	0	0	(138,204)	0	0	0	0	0	0	(138,204)
21	12	Waste Disposal	166,669	0	0	0	72,327	0	0	0	0	0	72,327
22	13	Management Fees	3,027,803	0	0	0	0	748,836	0	0	0	0	748,836
23	14	Group Insurance	1,562,617	0	0	0	0	0	107,130	0	0	0	107,130
24	15	Pension	963,675	0	0	0	0	0	0	(249,202)	0	0	(249,202)
25	16	Regulatory Expense	19,712	0	0	0	0	0	0	0	210,404	0	210,404
26	17	Insurance Other than Group	488,322	0	0	0	0	0	0	0	0	49,612	49,612
27	18	Customer Accounting	849,113	0	0	0	0	0	0	0	0	0	0
28	19	Rents	60,321	0	0	0	0	0	0	0	0	0	0
29	20	General Office Expense	366,697	0	0	0	0	0	0	0	0	0	0
30	21	Miscellaneous	3,022,892	0	0	0	0	0	0	0	0	0	0
31	25	Other Maintenance	1,191,050	0	0	0	0	0	0	0	0	0	0
32													
33		Total O & M Expenses	\$20,117,049	\$202,521	(\$116,866)	(\$138,204)	\$72,327	\$748,836	\$107,130	(\$249,202)	\$210,404	\$49,612	\$886,558
34													
35		State Income Tax Impact	8.25%	(\$16,708)	\$9,641	\$11,402	(\$5,967)	(\$61,779)	(\$8,838)	\$20,559	(\$17,358)	(\$4,093)	(\$73,141)
36													
37		Federal Income Tax Impact	35.00%	(\$76,730)	\$44,278	\$52,362	(\$27,403)	(\$283,715)	(\$40,589)	\$94,416	(\$79,717)	(\$18,797)	(\$335,894)
38													
39		Net Operating Income Impact		(\$109,083)	\$62,947	\$74,440	(\$38,957)	(\$403,342)	(\$57,703)	\$134,227	(\$113,329)	(\$26,722)	(\$477,523)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL — UPDATED — R M S E D
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DMSION)

SCHEDULED-1C
Page 11 of 19
Witness Responsible: M A Miller, S A Valentine

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D 2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D 2.3	Adj D-17 Sch D 2.3	Adj D-18 Sch D 2.3	Total Adjustments	Grand Total Adjustments	
			Col1	Col2	Col3	Col4	Col5	Col6	Col7			
1		SOURCE OF SUPPLY EXPENSES (SS)										
2	600000	Operabon Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	601100	Operabon Expenses	0	0	0	0	0	0	0	0	0	
4	601200	Operabon Labor	0	0	0	0	0	0	0	0	0	
5	602000	Purchased Water	61,278	0	0	0	0	0	10,722	10,722	10,722	
6	603100	Miscellaneous Expenses	10,862	0	0	0	9,868	0	0	9,868	9,868	
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0	
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0	
9	604000	Rents	2,400	0	2,400	0	0	0	0	2,400	2,400	
10	610000	Maint Supervision & Engineering Ord	1,965	0	0	0	0	0	0	0	(1,965)	
11	610010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	
12	611100	Maint Struct & Improv-Materials Ord	0	0	0	0	0	0	0	0	0	
13	611110	Maint Struct & Improv-Materials Prg	0	0	0	0	0	0	0	0	0	
14	611200	Maint Struct & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	
15	611210	Maint Struct & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	
16	612100	Maint Col & Imp Res-Materials Ord	0	0	0	0	0	0	0	0	0	
17	612110	Maint Col & Imp Res-Materials Prg	0	0	0	0	0	0	0	0	0	
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0	
19	612200	Maint Col & Imp Res-Labor Ord	0	0	0	0	0	0	0	0	0	
20	612210	Maint Col & Imp Res-Labor Prg	0	0	0	0	0	0	0	0	0	
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0	
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0	
23	613120	Amort Lake, River & Other Intakes	21,946	0	0	0	0	(21,946)	0	(21,946)	(21,946)	
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0	
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0	
26	614120	Amort Def Exp Wils & Sprngs	0	0	0	0	0	17,304	0	17,304	17,304	
27	616110	Maint Supply Mains-Materials Prg	0	0	0	0	0	0	0	0	0	
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0	
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0	
30	617100	Maint Misc Water Source Plant-Mat Ord	220,934	0	0	0	0	74,567	0	74,567	74,567	
31	617110	Maint Misc Water Source Plant-Mat Prg	0	0	0	0	0	0	0	0	0	
32	617200	Maint Misc Water Source Plant-Labor Ord	0	0	0	0	0	0	0	0	0	
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0	
34												
35												
36		TOTAL SS EXPENSES	319,385	0	2,400	0	9,868	69,925	10,722	0	92,915	90,950
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DMSION)

SCHEDULE D-1C
Page 12 of 19
Witness Responsible: M A Miller, S. A Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D 2.3	Adj D-15 Sch D 2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D 2.3	Adj D-18 Sch D 2.3	Total Adjustments	Grand Total Adjustments
1		PUMPING EXPENSES									
2	620200	Operabon Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
3	620300	Operabon Sup & Eng-Other	0	0	0	0	0	0		0	0
4	622100	Power Producton Expenses	0	0	0	0	0	0		0	0
5	622200	Power Producbon Labor	0	0	0	0	0	0		0	0
6	623110	Power Purchased for Pumping-Elec	1,066,532	0	0	0	0	0		0	856,109
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0		0	0
8	623210	Power Purchased for Pumping-Other	972,975	0	0	0	0	0		0	(972,975)
9	624200	Pumpmg Labor-Electnc	0	0	0	0	0	0		0	0
10	624300	Pumpmg Labor-Other	0	0	0	0	0	0		0	0
11	624500	Pumpmg Expenses-Electric	0	0	0	0	500	0		500	500
12	624600	Pumpmg Expenses-Other	0	0	0	0	0	0		0	0
13	626200	Misc Pumpmg Labor-Electric	0	0	0	0	0	0		0	0
14	626300	Misc Pumpmg Labor-Other	0	0	0	0	0	0		0	0
15	626500	Misc Pumpmg Expenses-Electric	3,618	0	0	0	(1,218)	0		(1,218)	(1,218)
16	626600	Misc Pumpmg Expenses-Other	0	0	0	0	0	0		0	0
17	627200	Rents-Electric	0	0	0	0	0	0		0	0
18	627300	Rents-Other	8,034	0	5,626	0	0	0		5,626	5,626
19	630200	Maint Sup & Eng-Electric Ord	54,314	0	0	0	0	0		0	113,986
20	630210	Maint Sup 8 Eng-Electric Prg	0	0	0	0	0	0		0	0
21	630300	Maint Sup 8 Eng-Other Ord	0	0	0	0	0	0		0	0
22	630310	Mamnt Sup 8 Eng-Other Prg	0	0	0	0	0	0		0	0
23	631100	Mamnt Pumpmg Struc & Inprov-Maternal Ord	0	0	0	0	0	0		0	0
24	631110	Maint Pumpmg Struc & Inprov-Maternal Prg	0	0	0	0	0	0		0	0
25	631200	Maint Pumpmg Struc & Inprov-Labor Ord	0	0	0	0	0	0		0	0
26	631210	Mamnt Pumpmg Struc & Inprov-Labor Prg	0	0	0	0	0	0		0	0
27	632100	Mamnt Power Producbon Equip-Mat Ord	0	0	0	0	0	0		0	0
28	632110	Maint Power Producbon Equip-Mat Prg	0	0	0	0	0	0		0	0
29	632200	Mamnt Power Producbon Equip-Lab Ord	0	0	0	0	0	0		0	0
30	632210	Maint Power Producbon Equip-Lab Prg	0	0	0	0	0	0		0	0
31	633200	Maint Pumpmg Equip-Maternal-Electric Ord	0	0	0	0	0	0		0	0
32	633210	Maint Pumpmg Equip-Maternal-Electric Prg	0	0	0	0	0	0		0	0
33	633300	Maint Pumpmg Equip-Maternal-Other Ord	0	0	0	0	0	0		0	0
34	633310	Mamnt Pumpmg Equip-Maternal-Other Prg	0	0	0	0	0	0		0	0
35	633500	Mamnt Pumpmg Equip-Labor-Electric Ord	0	0	0	0	0	0		0	0
36	633510	Maint Pumpmg Equip-Labor-Electric Prg	0	0	0	0	0	0		0	0
37	633600	Mamnt Pumpmg Equip-Labor-Other Ord	0	0	0	0	0	0		0	0
38	633610	Mamnt Pumpmg Equip-Labor-Other Prg	0	0	0	0	0	0		0	0
39		TOTAL PUMPING EXPENSES	2,105,473	0	5,626	0	(718)	0	0	4,908	2,008
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO **OPERATING** INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE X PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH **D-2.3** (CENTRAL DMSION)

SCHEDULE **D-1C**
Page **13** of **19**
Witness Responsible: M A Miller/ S A Valentine

Line No.	Account Number	Description	Base Penod	Adi D-13 Sch D2.3	Adi D-14 Sch D2.3	Adi D-15 Sch 02.3	Adi D-16 Sch D2.3	Adi D-17 Sch D2.3	Adi D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments	
1		WATER TREATMENT EXPENSES (WT)										
2	640000	Operabon Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$374,088	
3	641110	Chemicals-Carbon	0	0	0	0	0	0		0	0	
4	641100	General Chemicals	1,358,500	0	0	0	0	0		0	(138,204)	
5	641200	Softening Chemicals	0	0	0	0	0	0		0	0	
6	642100	General Wt Labor	1,333,008	0	0	0	0	0		0	(478,212)	
7	642200	Softening Labor	0	0	0	0	0	0		0	0	
8	642300	General Wt Expenses	232,484	0	0	0	(88,776)	0		(88,776)	(88,776)	
9	642390	General Wt Administration	0	0	0	0	0	0		0	0	
10	642400	Softening Expenses	0	0	0	0	0	0		0	0	
11	643100	Misc Expenses	54,338	0	0	0	87,929	0		87,929	87,929	
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0		0	0	
13	643200	Misc Labor	0	0	0	0	0	0		0	0	
14	643300	Waste Disposal Expenses	145,607	0	0	0	0	0		0	8,393	
15	643310	Amort Waste Disposal Expenses	21,062	0	0	0	0	0		0	63,934	
16	644000	Rents	20,272	0	21,143	0	0	0		21,143	21,143	
17	650000	Maint Supervision & Engineering Ord	118,160	0	0	0	0	0		0	(6,929)	
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0		0	0	
19	651100	Maint Wt Struc & Improvements-Mat Ord	188,788	0	0	0	0	(52,024)		(52,024)	(52,024)	
20	651110	Maint Wt Struc & Improvements-Mat Prg	0	0	0	0	0	0		0	0	
21	651120	Amort Wt Structures	162,454	0	0	0	0	(21,646)		(21,646)	(21,646)	
22	651200	Maint Wt Struc & Improvements-Labor Ord	0	0	0	0	0	0		0	0	
23	651210	Maint Wt Struc & Improvements-Labor Prg	0	0	0	0	0	0		0	0	
24	652100	Maint General Wt Equ-pment-Mat Ord	0	0	0	0	0	99,867		99,867	99,867	
25	652110	Maint General Wt Equ-pment-Mat Prg	0	0	0	0	0	0		0	0	
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0		0	0	
27	652300	Maint General Wt Equ-pment-Labor Ord	0	0	0	0	0	0		0	0	
28	652310	Maint General Wt Equ-pment-Labor Prg	0	0	0	0	0	0		0	0	
29												
30		TOTAL WT EXPENSES	3,634,673	0	21,143	0	(847)	26,197	0	0	46,493	(130,437)
31												
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FUNG: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 14 of 19
Witness Responsible: M A Miller, S. A Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2,3	Adj D-14 Sch D 2,3	Adj D-15 Sch D 2,3	Adj D-16 Sch D-2,3	Adj D-17 Sch D-2,3	Adj D-18 Sch D-2,3	Total Adjustments	Grand Total Adjustments
1		TRANS & DIST EXPENSES (T&D)									
2	660000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$345,929
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0		0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0		0	0
5	662100	T&D Lines - Expenses	12,950	0	0	0	(4,037)	0		(4,037)	(4,037)
6	662200	T&D Lines - Labor	1,047,767	0	0	0	0	0		0	(597,656)
7	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0		0	0
8	663200	Meter Expenses-Remove and Reset-Labor	0	0	0	0	0	0		0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0		0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0		0	0
11	664100	Customer Installation - Expenses	0	0	0	0	0	0		0	0
12	664200	Customer Install labor - Labor	0	0	0	0	0	0		0	0
13	665100	Maps and Records - Expenses	0	0	0	0	0	0		0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0		0	0
15	665200	Maps and Records - Labor	0	0	0	0	0	0		0	47,984
16	665300	Misc Expenses	232,018	0	0	0	51,121	0		51,121	51,121
17	665400	Misc Labor	0	0	0	0	0	0		0	0
18	666000	Rents	4,756	0	404	0	0	0		404	404
19	670000	Maint Supervision & Engineering Ord	15,848	0	0	0	0	0		0	(15,848)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0		0	0
21	671100	Maint Struct & Improvements-Matenals Ord	0	0	0	0	0	0		0	0
22	671110	Maint Struct & Improvements-Matenals Prg	0	0	0	0	0	0		0	0
23	671200	Maint Struct & Improvements-Labor Ord	18,306	0	0	0	0	0		0	(18,306)
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0		0	0
25	672100	Maint Res & Standpipes - Matenals Ord	979	0	0	0	0	(979)		(979)	(979)
26	672110	Maint Res & Standpipes - Matenals Prg	0	0	0	0	0	0		0	0
27	672120	Amort Res & Standpipes	190,177	0	0	0	0	40,631		40,631	40,631
28	672200	Maint Res & Standpipes - Labor Ord	5,403	0	0	0	0	0		0	(5,403)
29	672210	Maint Res & Standpipes - Labor Prg	0	0	0	0	0	0		0	0
30	673100	Maint T&D Mains - Matenals Ord	0	0	0	0	0	0		0	0
31	673110	Maint T&D Mains - Matenals Prg	0	0	0	0	0	0		0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0		0	0
33	673200	Maint T&D Mains - Labor Ord	191,511	0	0	0	0	0		0	388,419
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0		0	0
35	675100	Maint Services - Matenals Ord	0	0	0	0	0	0		0	0
36	675110	Maint SeMces - Matenals Prg	0	0	0	0	0	0		0	0
37	675200	Maint SeMces - Labor Ord	188,756	0	0	0	0	0		0	(188,756)
38	675210	Maint SeMces - Labor Prg	0	0	0	0	0	0		0	0
39	676100	Maint Meter - Matenals Ord	0	0	0	0	0	0		0	0
40	676110	Maint Meter - Matenals Prg	0	0	0	0	0	0		0	0
41	676200	Maint Meter - Labor Ord	30,073	0	0	0	0	0		0	102,523
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0		0	0
43	676300	Maint Meter Installation - Matenals Ord	0	0	0	0	0	0		0	0
44	676310	Maint Meter Installation - Matenals Prg	0	0	0	0	0	0		0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0		0	0
46	676410	Maint Meter Install labor - Labor Prg	0	0	0	0	0	0		0	0
47											
48											
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO **OPERATING** INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DMSION)

SCHEDULED-D-1C
Page 15 of 19
Witness Responsible: **M.A. Miller, S.A. Valentine**

Line No	Account Number	Description	Base Period	Adj D-13 Sch D 2 3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D 2 3	Adj D-17 Sch D 2 3	Adj D-18 Sch D 2 3	Total Adjustments	Grand Total Adjustments	
1		TRANS & DIST EXPENSES (T&D) (Cont'd)										
2	677100	Maint Hydrants - Matenals Ord	0	0	0	0	0	0	0	0	0	
3	677110	Maint Hydrants - Matenals Prg	0	0	0	0	0	0	0	0	0	
4	677200	Maint Hydrants - Labor Ord	92,564	0	0	0	0	0	0	0	(59,083)	
5	677210	Maint Hydrants - Labor Prg	0	0	0	0	0	0	0	0	0	
6	678100	Maint Other T&D Plant - Matenals Ord	328,863	0	0	0	0	57,031	0	57,031	57,031	
7	678110	Maint Other T&D Plant - Matenals Prg	0	0	0	0	0	0	0	0	0	
8	678200	Maint Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	
9	678210	Maint Other T&D Plant* Labor Prg	0	0	0	0	0	0	0	0	0	
10												
11												
12		TOTAL T&D EXPENSES	2,359,971	0	404	0	47,084	96,683	0	0	144,171	143,974
13												
14		CUSTOMER ACCOUNTS EXPENSE (CA)										
15	901000	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,687	
16	902100	Meter Reading menses	0	0	0	0	0	0	0	0	0	
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	
18	902200	Meter Reading Labor	0	0	0	0	0	0	0	0	809,314	
19		CUST RECORDS & COLLECTION EXPENSES										
20	903100	Contracts and Orders - Expenses	43,221	(34,658)	0	0	0	0	0	(34,658)	(34,658)	
21	903200	Contracts and Orders* Labor	988,813	0	0	0	0	0	0	0	(750,492)	
22	903300	Collecting - Expenses	186,177	(13,834)	0	0	0	0	0	(13,834)	(13,834)	
23	903400	Collecting - Salanes	0	0	0	0	0	0	0	0	0	
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	
25	903520	Billing & Accounting - Other Expenses	419,470	115,046	0	0	0	0	0	115,046	115,046	
26	903600	Billing & Accounting Salanes	0	0	0	0	0	0	0	0	0	
27	904000	Uncollectible Accounts	186,300	59,896	0	0	0	0	0	59,896	59,896	
28	905100	Misc Expenses	13,945	2,263	0	0	0	0	0	2,263	2,263	
29	905200	Misc Salanes	0	0	0	0	0	0	0	0	0	
30												
31		TOTAL CA EXPENSES	1,837,926	128,713	0	0	0	0	0	0	128,713	273,222
32												
33		CUSTOMER SERVICE EXPENSES										
34	907100	Cust Service and Information - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
35	907200	Cust Service and Information - Salanes	0	0	0	0	0	0	0	0	0	
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	
37												
38		SALES PROMOTION EXPENSES										
39	910100	Sales Promotion* Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
40												
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	
42												
43												
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED — REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 16 of 19
Witness Responsible: M A Miller, S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D 2,3	Adj D-14 Sch D-2,3	Adj D-15 Sch D 2,3	Adj D-16 Sch D-2,3	Adj D-17 Sch D 2,3	Adj D-18 Sch D-2,3	Total Adjustments	Grand Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)									
2	920000	Salaries	\$837,683	\$0	\$0	\$0	\$0	\$0		\$0	(\$158,142)
3	920500	Incentive Plan Expense	13,743	0	0	0	0	0		0	215,403
4	921100	Expenses of Employees	80,436	0	0	263	0	0		263	263
5	921130	Dues for Clubs - Ded	0	0	0	25,238	0	0		25,238	25,238
6	921200	Misc Office Expenses	271,079	0	0	(39,557)	0	0		(39,557)	(39,557)
7	923100	Service Company Charges	3,027,803	0	0	0	0	0		0	748,836
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0		0	0
9	923200	Auditing Services	26,220	0	0	0	(2,535)	0		(2,535)	(2,535)
10	923300	Legal Services	98,308	0	0	0	(34,123)	0		(34,123)	(34,123)
11	923400	Engineering Services	600	0	0	0	1,700	0		1,700	1,700
12	923500	Other Services - Current	885,792	0	0	0	(439,185)	0		(439,185)	(439,185)
13	924000	Property Insurance	185,350	0	0	0	0	0		0	(45,652)
14	925110	workers Compensaton	59,237	0	0	0	0	0		0	3,703
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0		0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0		0	0
17	925140	WorkersComp Cap (CSR)	0	0	0	0	0	0		0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0		0	0
19	925300	Injuries and Damages - Expenses	2,100	0	0	0	2,072	0		2,072	2,072
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0		0	0
21	925400	General Liability	243,735	0	0	0	0	0		0	91,560
22		EMPLOYEE PENSIONS & BENEFITS									
23	926100	Accrued OPEB Expense	678,595	0	0	0	0	0		0	94,821
24	926110	Group Insurance Expense	884,022	0	0	0	0	0		0	12,309
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0		0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0		0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0		0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0		0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0		0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0		0	0
31	926200	Other Welfare & Educational Expenses	118,173	0	0	0	(2,385)	0		(2,385)	(2,385)
32	926210	Educational Expenses	0	0	0	0	0	0		0	0
33	926220	ESOP Contribution Expense	53,540	0	0	0	(17,036)	0		(17,036)	(17,036)
34	926250	401-K Contributions Expense	85,632	0	0	0	(9,277)	0		(9,277)	(9,277)
35	926260	401-K Cap (ASB)	0	0	0	0	0	0		0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0		0	0
37	926280	401-K Cap (CSR)	0	0	0	0	0	0		0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0		0	0
39	926330	OPEB Expense Cap (ASB)	0	0	0	0	0	0		0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0		0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0		0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0		0	0
43	926400	Pension Plan Payments - Current	963,675	0	0	0	0	0		0	(98,695)
44	926600	Other Pension Plan Expenses	0	0	0	0	0	0		0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0		0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0		0	(150,507)
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0		0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0		0	0
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENT TO **OPERATING** INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 17 of 19
Witness Responsible: MA. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D-13 Sch D2.3	Adi D-14 Sch D2.3	Adi D-15 Sch D2.3	Adi D-16 Sch 02.3	Adi D-17 Sch D2.3	Adi D-18 Sch D2.3	Total Adjustments	Grand Total Adjustments		
1		ADMINISTRATIVE & GENERAL EXP(A&G) - CONT											
2		REGULATORY COMMISSION EXPENSES											
3	928100	Amort Expense of Rate Proceedings	0	0	0	0	0	0	0	0	218,404		
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0		
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0		
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0		
7	928400	Other Regulatory Expenses - Current	19,712	0	0	0	0	0	0	0	(8,000)		
8	930200	Amort Misc Charges	187,704	0	0	0	(74,808)	0	0	(74,808)	(74,808)		
9	930210	Misc General Expenses Current	440,197	0	0	0	346,772	0	0	346,772	346,772		
10	930220	Amort Ong Cost Study	0	0	0	0	0	0	0	0	0		
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0		
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0		
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0		
14	930260	Meals & Travel Expenses - Taxable	15,182	0	0	(6,686)	0	0	0	(6,686)	(6,686)		
15	930270	Donations	30	0	0	0	(30)	0	0	(30)	(30)		
16	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0		
17	930300	Research & Development Expenses	24,184	0	0	0	(7,797)	0	0	(7,797)	(7,797)		
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0		
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0		
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0		
21	930600	Transportation Expenses	353,776	0	0	0	60,912	0	0	60,912	60,912		
22	930610	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0		
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0		
24	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0		
25	930880	Misc Gen Exp - Company Dues	31,270	0	0	0	(171)	0	0	(171)	(171)		
26	930890	Misc Gen Exp - Other	169,096	0	0	0	5,632	0	0	5,632	5,632		
27	930980	Misc General Exp - Taxable Co Dues	0	0	0	0	0	0	0	0	0		
28	931000	Rents	24,859	0	2,466	0	0	0	0	2,466	2,466		
29	932100	Maint A&G Struc & Improv - Material Ord	55,502	0	0	0	0	(35,392)	0	(35,392)	(35,392)		
30	932110	Maint A&G Struc & Improv - Material Prg	0	0	0	0	0	0	0	0	0		
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0		
32	932200	Maint A&G Struc & Improv - Labor Ord	0	0	0	0	0	0	0	0	0		
33	932210	Maint A&G Struc & Improv - Labor Prg	0	0	0	0	0	0	0	0	0		
34	932300	Maint A&G Office Furniture - Material Ord	0	0	0	0	0	0	0	0	0		
35	932310	Maint A&G Office Furniture - Material Prg	0	0	0	0	0	0	0	0	0		
36	932400	Maint A&G Office Furniture - Labor Ord	0	0	0	0	0	0	0	0	0		
37	932410	Maint A&G Office Furniture - Labor Prg	0	0	0	0	0	0	0	0	0		
38	932500	Maint A&G Communication Equip - Material	0	0	0	0	0	0	0	0	0		
39	932600	Maint A&G Com Equip - Labor Ord	0	0	0	0	0	0	0	0	0		
40	932610	Maint A&G Com Equip - Labor Prg	0	0	0	0	0	0	0	0	0		
41	932700	Maint A&G Misc Property - Material Ord	22,386	0	0	0	0	2,613	0	2,613	2,613		
42	932710	Maint A&G Misc Property - Material Prg	0	0	0	0	0	0	0	0	0		
43	932800	Maint A&G Misc Property - Labor Ord	0	0	0	0	0	0	0	0	0		
44	932810	Maint A&G Misc Property - Labor Prg	0	0	0	0	0	0	0	0	0		
45		Total A & G Expenses	9,859,621	0	2,466	(20,742)	(170,259)	(32,779)	0	0	(221,314)	702,727	
46													
47		Total O & M Expenses	\$20,117,049	\$128,713	\$32,039	(\$20,742)	(\$114,872)	\$160,026	\$10,722	\$0	\$0	\$195,886	\$1,082,444

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNT
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2004

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED RMSED
WORKPAPER REFERENCE NO.(S): SCHED-2.3 (CENTRAL DIVISION)

SCHEDULE D-1C
Page 18 of 19
Witness Responsible: M. A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D-13 Sch 02.3	Adi D-14 Sch D2.3	Adi D-15 Sch D-2.3	Adi D-16 Sch D2.3	Adi D-17 Sch D-2.3	Adi D-18 Sch D2.4	Total Adjustments	Grand Total Adjustments
1											
2	08	Operation Labor Expenses	\$4,938,893	\$0	\$0	\$0	\$0	(\$979)	\$0	(\$979)	\$201,542
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0
4											
5		Total Labor	\$4,938,893	\$0	\$0	\$0	\$0	(\$979)	\$0	(\$979)	\$201,542
6											
7											
8		Total Operation Expenses	\$18,208,120	\$128,713	\$32,039	(\$20,742)	(\$114,872)	\$0	\$10,722	\$35,860	\$613,800
9		Total Maintenance Expenses	1,908,929	0	0	0	0	160,026	0	160,026	468,644
10											
11		Total O & M Expenses	\$20,117,049	\$128,713	\$32,039	(\$20,742)	(\$114,872)	\$160,026	\$10,722	\$195,886	\$1,082,444
12											
13											
14											
15											
16											
17	08	Labor	\$4,938,893	\$0	\$0	\$0	\$0	(\$979)	\$0	(\$979)	\$201,542
18	09	Purchased Water	61,278	0	0	0	0	0	10,722	10,722	10,722
19	10	Fuel and Power	2,039,507	0	0	0	0	0	0	0	(116,866)
20	11	Chemicals	1,358,500	0	0	0	0	0	0	0	(138,204)
21	12	Waste Disposal	166,669	0	0	0	0	0	0	0	72,327
22	13	Management Fees	3,027,803	0	0	0	0	0	0	0	748,836
23	14	Group Insurance	1,562,617	0	0	0	0	0	0	0	107,130
24	15	Pension	963,675	0	0	0	0	0	0	0	(249,202)
25	16	Regulatory Expense	19,712	0	0	0	0	0	0	0	210,404
26	17	Insurance Other than Group	488,322	0	0	0	0	0	0	0	49,612
27	18	Customer Accounting	849,113	128,713	0	0	0	0	0	128,713	128,713
28	19	Rents	60,321	0	32,039	0	0	0	0	32,039	32,039
29	20	General Office Expense	366,697	0	0	(20,742)	0	0	0	(20,742)	(20,742)
30	21	Miscellaneous	3,022,892	0	0	0	(114,872)	0	0	(114,872)	(114,872)
31	25	Other Maintenance	1,191,050	0	0	0	0	161,005	0	161,005	161,005
32											
33		Total O & M Expenses	\$20,117,049	\$128,713	\$32,039	(\$20,742)	(\$114,872)	\$160,026	\$10,722	\$195,886	\$1,082,444
34											
35		State Income Tax Impact	8.25%	(\$10,619)	(\$2,643)	\$1,711	\$9,477	(\$13,202)	(\$885)	(\$16,161)	(\$89,302)
36											
37		Federal Income Tax Impact	35.00%	(\$48,766)	(\$12,139)	\$7,859	\$43,522	(\$60,630)	(\$4,062)	(\$74,216)	(\$410,111)
38											
39		Net Operating Income Impact		(\$69,328)	(\$17,257)	\$11,172	\$61,873	(\$86,194)	(\$5,775)	(\$105,509)	(\$583,031)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-23 (CENTRAL DIVISION)

SCHEDULED-1C
Page 19 of 19

Witness Responsible: M A Miller/ S. A Valentine

Line No	Account Number	Description	Base Period	Adi D-19 Sch D-24	Adi D-20 Sch D-24	Adi D-21 Sch D-24					Total Adjustment
1	403000	Depreciation	\$6,990,702	(\$58,816)	\$0	\$0					(\$58,816)
2	403100	Depreciation- CIAC	(944,987)	944,987							944,987
3			\$6,045,715	\$886,171	\$0	\$0	\$0	\$0	\$0	\$0	\$886,171
4											
5											
6		State Income Tax Impact	8.25%	(\$73,109)	\$0	\$0	\$0	\$0	\$0	\$0	(\$73,109)
7		Federal Income Tax Impact	35.00%	(\$335,748)	\$0	\$0	\$0	\$0	\$0	\$0	(\$335,748)
8		Net Operating Income Impact		\$467,673	\$0	\$0	\$0	\$0	\$0	\$0	\$467,673
9											
10		AMORTIZATION EXPENSE									
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0					\$0
12	404110	Amortization Franchise Expense	0	0	0	0					0
13	404430	Amortization Regulatory Asset - AFUDC	12,864	0	12,864	0					12,864
14	406000	Amortization Utility Plant Acquisition Adj	21,611	0	(8,363)	0					(8,363)
15	407000	Amortization Property Losses	653,382	0	2,796	0					2,796
16		TOTAL AMORTIZATION	\$687,857	\$0	\$7,297	\$0					\$7,297
17											
18		State Income Tax Impact	8.25%	\$0	(\$602)	\$0	\$0	\$0	\$0	\$0	(\$602)
19		Federal Income Tax Impact	35.00%	\$0	(\$2,765)	\$0	\$0	\$0	\$0	\$0	(\$2,765)
20		Net Operating Income Impact		\$0	(\$3,930)	\$0					(\$3,930)
21											
22											
23											
24		TAXES OTHER THAN INCOME									
25	408100	Real & Personal Property Taxes	\$2,111,251	\$0	\$0	\$66,539					\$66,539
26	408110	Gross Income & Receipts Taxes	83,672	0	0	(5,168)					(5,168)
27	408120	Invested Capital Tax	0	0	0	0					0
28	408030	Other General Taxes	(201)	0	0	201					201
29	408140	FUTA	3,266	0	0	10,145					10,145
30	408150	FUTA Capitalized- (A Work Order)	0	0	0	(10,375)					(10,375)
31	408040	FUTA Capitalized- (H Work Order)	0	0	0	0					0
32	408050	FUTA Capitalized- (C & R Work Order)	0	0	0	0					0
33	408160	FICA	422,032	0	0	65,014					65,014
34	408170	FICA Capitalized- (A Work Order)	0	0	0	(99,222)					(99,222)
35	408060	FICA Capitalized- (H Work Order)	0	0	0	0					0
36	408070	FICA Capitalized- (C & R Work Order)	0	0	0	0					0
37	408180	SUTA	2,047	0	0	7,590					7,590
38	408190	SUTA Capitalized- (A Work Order)	0	0	0	(6,485)					(6,485)
39	408080	SUTA Capitalized- (H Work Order)	0	0	0	0					0
40	408090	SUTA Capitalized- (C & R Work Order)	0	0	0	0					0
41	408220	Environmental Tax	0	0	0	0					0
42			\$2,622,067	\$0	\$0	\$28,239	\$0	\$0	\$0	\$0	\$28,239
43											
44		State Income Tax Impact	8.25%	\$0	\$0	(\$2,330)	\$0	\$0	\$0	\$0	(\$2,330)
45		Federal Income Tax Impact	35.00%	\$0	\$0	(\$9,068)	\$0	\$0	\$0	\$0	(\$9,068)
46		Net Operating Income Impact		\$0	\$0	(\$16,841)	\$0	\$0	\$0	\$0	(\$16,841)
47											
48											
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED REVISED
WORKPAPER REFERENCE NO(S): **W/P-2** (CENTRAL DMSION)

SCHEDULED-2.1C

Page 1 of 3

Witness Responsible: **S.A. Valentine**

Line No.	Purpose and Description of Adjustment	Billed Revenue	Workpaper Reference	Amount
1				
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.	RESIDENTIAL		
3		Forecasted Amount	WP-2	\$22,240,461
4		Base Period Amount		<u>22,730,759</u>
5		Pro Forma Adjustment		<u>(\$490,298)</u>
6				
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	COMMERCIAL		
8		Forecasted Amount	W/P-2	\$10,515,514
9		Base Period Amount		<u>10,958,927</u>
10		Pro Forma Adjustment		<u>(\$443,413)</u>
11				
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period	INDUSTRIAL		
13		Forecasted Amount	W/P-2	\$1,580,199
14		Base Period Amount		<u>1,497,592</u>
15		Pro Forma Adjustment		<u>\$82,607</u>
16				
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.	OTHER PUBLIC AUTHORITY		
18		Forecasted Amount	W/P-2	\$3,121,088
19		Base Period Amount		<u>3,386,603</u>
20		Pro Forma Adjustment		<u>(\$265,515)</u>
21				
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.	SALES FOR RESALE (OWU)		
23		Forecasted Amount	W/P-2	\$771,314
24		Base Period Amount		<u>847,567</u>
25		Pro Forma Adjustment		<u>(\$76,253)</u>
26				
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period	PUBLIC FIRE SERVICE		
28		Forecasted Amount	WP-2	\$1,802,175
29		Base Period Amount		<u>1,835,565</u>
30		Pro Forma Adjustment		<u>(\$33,390)</u>
31				
32	To adjust Private Fire Service billed revenue for the change in billing determinants at present rates for the forecasted test period	PRIVATE FIRE SERVICE		
33		Forecasted Amount	W/P-2	\$839,000
34		Base Period Amount		<u>844,721</u>
35		Pro Forma Adjustment		<u>(\$5,721)</u>
36				
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.	MISCELLANEOUS		
38		Forecasted Amount	W/P-2	\$15,908
39		Base Period Amount		<u>9,523</u>
40		Pro Forma Adjustment		<u>\$6,385</u>
41				
42				
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.	Total Billed Water Revenue Adjustment		<u>(\$1,225,598)</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, **2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED — RMSE D
WORKPAPER REFERENCE NO(S): **W/P-2** (CENTRAL DMSION)

SCHEDULED **D-2.1C**
Page 2 of 3
Witness Responsible: **S.A. Valentine**

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
		<u>Billed Revenues, Adjustment D-1</u>	
2	To eliminate the net change in Residential water unbilled accrued utility revenues recorded during the base period		
3		RESIDENTIAL	
4		Forecasted Amount	WP-2
5		Base Period Amount	\$0
6		Pro Forma Adjustment	<u>67,951</u>
7	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period		
8		COMMERCIAL	
9		Forecasted Amount	WP-2
10		Base Period Amount	\$0
11		Pro Forma Adjustment	<u>80,463</u>
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period		
13		INDUSTRIAL	
14		Forecasted Amount	WP-2
15		Base Period Amount	\$0
16		Pro Forma Adjustment	<u>34,339</u>
17	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.		
18		OTHER PUBLIC AUTHORITY	
19		Forecasted Amount	WP-2
20		Base Period Amount	\$0
21		Pro Forma Adjustment	<u>15,645</u>
22	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period		
23		SALES FOR RESALE (OWU)	
24		Forecasted Amount	WP-2
25		Base Period Amount	\$0
26		Pro Forma Adjustment	<u>41,775</u>
27		PUBLIC FIRE SERVICE	
28		Forecasted Amount	WP-2
29		Base Period Amount	\$0
30		Pro Forma Adjustment	<u>0</u>
31		PRIVATE FIRE SERVICE	
32		Forecasted Amount	WP-2
33		Base Period Amount	\$0
34		Pro Forma Adjustment	<u>0</u>
35		MISCELLANEOUS	
36		Forecasted Amount	WP-2
37		Base Period Amount	\$0
38		Pro Forma Adjustment	<u>0</u>
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period	Total Unbilled Water Revenue Adjustment	<u>(\$240,173)</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED — REVISED
WORKPAPER REFERENCE NO(S): WIP-2 (CENTRAL DIVISION)

SCHEDULED-2.1C
Page 3 of 3
Witness Responsible: S.A. Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1		<u>Billed Revenues, Adjustment D-1</u>	
2	To eliminate Residential billed sewer revenue for forecasted test period	RESIDENTIAL	
3		Forecasted Amount	\$0
4		Base Period Amount	<u>19,013</u>
5		Pro Forma Adjustment	<u>(\$19,013)</u>
6			
7	To eliminate Commercial billed sewer revenue for the forecasted test period	COMMERCIAL	
8		Forecasted Amount	\$0
9		Base Period Amount	<u>734</u>
10		Pro Forma Adjustment	<u>(\$734)</u>
11			
12	To eliminate Industrial billed sewer revenue for the forecasted test period	INDUSTRIAL	
13		Forecasted Amount	\$0
14		Base Period Amount	<u>829</u>
15		Pro Forma Adjustment	<u>(\$829)</u>
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43	The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period	Total Sewer Revenue Adjustment	<u>(20,576)</u>
44			
45		Total Revenue Adjustment	<u>(\$1,486,347)</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL **UPDATED** R M S E D
WORKPAPER REFERENCE **NO(S): W/P-2 (CENTRAL DMSION)**

SCHEDULE **D-2.2C**
Page **1** of 1
Witness Responsible: S.A. Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
		<u>Other Revenues Adjustment D-2</u>	
2	To adjust Reconnecbon Fees which was forecast under other revenues		
3		RECONNECTION FEES	
4		Forecasted Amount	\$0
5		Base Period Amount	<u>22,316</u>
6		Pro Forma Adjustment	<u><u>(\$22,316)</u></u>
7	To adjust Returned Check Charges for the forecasted test period level of bad checks and		
8	reflect other miscellaneous service revenues forecasted under other revenues		
9		OTHER MISC SERV REVENUES	
10		Forecasted Amount	\$36,113
11		Base Period Amount	<u>140,771</u>
12		Pro Forma Adjustment	<u><u>(\$104,658)</u></u>
13	To adjust for all other revenues for more current information This includes an adjustment for billing		
14	and collectng for landfill services for the Lexington-Fayette Urban County Government and Re		
15	reconnection fees		
16		OTHER REVENUES	
17		Forecasted Amount	\$1,078,643
18		Base Period Amount	<u>880,987</u>
19		Pro Forma Adjustment	<u><u>\$197,656</u></u>
20			
21		Total Other Revenue Adjustment	<u><u>\$70,682</u></u>
22			
22	To reflect AFUDC above the line based on Me overall rate of return and qualifying CWIP.		
23	This includes the gross-up of the equity piece of AFUDC per SFAS 109.		
24		<u>AFUDC Adjustment D-3</u>	
25		AFUDC ABOVE THE LINE	
26		Forecasted Amount	\$417,280
27		Base Period Amount	<u>0</u>
28		Pro Forma Adiusbnent	<u><u>\$417,280</u></u>
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43	The purpose of each adiusbnent is to reflect an appropriate level of revenue for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-3 (CENTRAL DMSION)

SCHEDULED-23C
Page 1 of 2
Witness Responsible: S.A. Valentine

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1		<u>Labor Adjustment D-4</u>	
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for	Forecasted Amount	\$5,140,435
3	non-union employees to become effective April 1, 2004 and 2005	Base Period Amount	<u>4,938,893</u>
4		Pro Forma Adjustment	<u>\$201,542</u>
5			
6		<u>Fuel & Power Adjustment D-5</u>	
7	Fuel and Power expense is being adjusted to reflect the forecasted sales	Forecasted Amount	\$1,922,641
8		Base Period Amount	<u>2,039,507</u>
9		Pro Forma Adjustment	<u>(\$116,866)</u>
10			
11		<u>Chemicals Adjustment D-6</u>	
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment	Forecasted Amount	\$1,220,296
13	for contracted chemical prices made to the forecast	Base Period Amount	<u>1,358,500</u>
14		Pro Forma Adjustment	<u>(\$138,204)</u>
15			
16		<u>Waste Disposal Adjustment D-7</u>	
17	Waste Disposal expense reflects two year amortization of the lagoon cleaning	Forecasted Amount	\$238,996
18	along with other normal recurring waste disposal expenses	Base Period Amount	<u>166,669</u>
19		Pro Forma Adjustment	<u>\$72,327</u>
20			
21		<u>Management Fees Adjustment D-8</u>	
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during	Forecasted Amount	\$3,776,639
23	the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center,	Base Period Amount	<u>3,027,803</u>
24	and the Customer Call Center	Pro Forma Adjustment	<u>\$748,836</u>
25			
26		<u>Group Insurance Adjustment D-9</u>	
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with	Forecasted Amount	\$1,669,747
28	FAS 106	Base Period Amount	<u>1,562,617</u>
29		Pro Forma Adjustment	<u>\$107,130</u>
30			
31		<u>Pensions Adjustment D-10</u>	
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs	Forecasted Amount	\$714,473
33		Base Period Amount	<u>963,675</u>
34		Pro Forma Adjustment	<u>(\$249,202)</u>
35			
36		<u>Regulatory Expense Adjustment D-11</u>	
37	Regulatory Expense reflects a three year amortization of the cost of the current filing	Forecasted Amount	\$230,116
38		Base Period Amount	<u>19,712</u>
39		Pro Forma Adjustment	<u>\$210,404</u>
40			
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44		<u>Insurance Other than Group Adjustment D-12</u>	
45		Forecasted Amount	\$537,934
46	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's	Base Period Amount	<u>488,322</u>
47	compensation and property insurance based upon the most recent actual bills.	Pro Forma Adjustment	<u>\$49,612</u>
48			
49	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED — REVISED
WORKPAPER REFERENCE NO(S): W/P-3 (CENTRAL DMSION)

SCHEDULED-23C
Page 2 of 2
Witness Responsible: **S.A. Valentine**

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1		<u>Customer Accounting Adjustment D-13</u>	
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this	Forecasted Amount	\$977,826
3	function, as well as allocations made from Central Division to Tri Village and Elk Lake.	Base Period Amount	<u>849,113</u>
4		Pro Forma Adjustment	<u>\$128,713</u>
5			
6		<u>Rents Adjustment D-14</u>	
7	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into	Forecasted Amount	\$92,360
8	during the forecasted test period.	Base Period Amount	<u>60,321</u>
9		Pro Forma Adjustment	<u>\$32,039</u>
10			
11		<u>General Office Expense Adjustment D-15</u>	
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses,	Forecasted Amount	\$345,955
13	supplies, as well as allocations from Central Division to Tri Village and Elk Lake.	Base Period Amount	<u>366,697</u>
14		Pro Forma Adjustment	<u>(\$20,742)</u>
15			
16		<u>Miscellaneous Expenses Adjustment D-16</u>	
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed	Forecasted Amount	\$2,908,020
18	adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village	Base Period Amount	<u>3,022,892</u>
19	and Elk Lake.	Pro Forma Adjustment	<u>(\$114,872)</u>
20			
21		<u>Maintenance Expense Adjustment D-17</u>	
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses	Forecasted Amount	\$1,352,055
23	include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance	Base Period Amount	<u>1,191,050</u>
24	of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village and Elk Lake.	Pro Forma Adjustment	<u>\$161,005</u>
25			
26		<u>Purchased Water Expense Adjustment D-18</u>	
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal	Forecasted Amount	\$72,000
28	System, and Owen Water & Sewer.	Base Period Amount	<u>61,278</u>
29		Pro Forma Adjustment	<u>\$10,722</u>
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-4 & W/P-5 (CENTRAL DMSION)

SCHEDULED-24C
Page 1 of 1
Witness Responsible: M.A. Miller/ S. A Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service		
3			<u>Depreciation Expense Adjustment D-19</u>
4			Forecasted Amount W/P-4-1 \$6,931,886
5			Base Period Amount 6,045,715
6			Pro Forma Adjustment <u>\$886,171</u>
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on		
8	the equity gross-up of AFUDC.		
9			<u>Amortization Expense Adjustment D-20</u>
10			Forecasted Amount W/P-4-1 \$695,154
11			Base Period Amount 687,857
12			Pro Forma Adjustment <u>\$7,297</u>
13	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated		
14	to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division		
15	to Tri Village and Elk Lake		
16			<u>General Taxes Expense Adjustment D-21</u>
17			Forecasted Amount W/P-5 \$2,650,306
18			Base Period Amount 2,622,067
19			Pro Forma Adjustment <u>\$28,239</u>
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF JURISDICTIONAL FACTORS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED — REVISED
 WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

SCHEDULED-3C
 Page 1 of 1
 Witness Responsible: **S.A. Valentine**

Line No	Acct	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2004-00103
JURISDICTIONAL STATISTICS
 FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL — UPDATED — R M S E D
 WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

SCHEDULE D-4C
 Page 1 of 1

Line No	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Rabo
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30 2005

SCHEDULED-5C
Page 11 of 11

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

Line No	Account No	Description	Procedure Approved in Prior Case	Rabonal for Change
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NOT APPUCALBLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED R M S E D
 WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (TRIVILLAGE)

SCHEDULE M T
 Page 1 of 19

Witness Responsible: MA Miller, S. A Valentine

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D2.1	Adj. D-2 Sch D-2.2	Adj. D-3 Sch D-2.2	Total Adjustments
1		Water Revenues					
2	461100	Residential- Billed	\$ 717,690	\$64,686	\$0	\$0	\$64,686
3	461110	Residential- Unbilled	0	0	0	0	0
4	461200	Commercial- Billed	55,916	(25,904)	0	0	(25,904)
5	461210	Commercial- Unbilled	0	0	0	0	0
6	461300	Industrial- Billed	0	0	0	0	0
7	461310	Industrial- Unbilled	0	0	0	0	0
8	461400	Miscellaneous - Billed	813	(813)	0	0	(813)
9	461410	Miscellaneous - Water Sales Bilkd Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	0	0	0	0	0
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	0	0	0	0	0
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	9,955	(1,920)	0	0	(1,920)
15	464210	OPA - Unbilled	0	0	0	0	0
16	466000	Sales for Resale - Billed	0	4,656	0	0	4,656
17	466100	Sales for Resale - Unbilled	0	0	0	0	0
18		Total Water Revenues	784,374	40,685	0	0	40,685
19							
20		Sewer Revenues					
21	461000	Residential - Billed	0	0	0	0	0
22	461010	Residential- Bilkd Surcharge	0	0	0	0	0
23	461020	Commercial- Billed	0	0	0	0	0
24	461030	Commercial - Unbilled	0	0	0	0	0
25	462210	Industrial- Billed	0	0	0	0	0
26	462110	Industrial- Unbilled	0	0	0	0	0
27		Total Sewer Revenues	0	0	0	0	0
28							
29							
30		OTHER OPERATING REVENUES					
31	471100	Reconnection Charges	964	0	(964)	0	(964)
32	471200	Other Miscellaneous Service Revenues	600	0	(600)	0	(600)
33	472000	Rents from Water Property	0	0	0	0	0
34	474100	Billing & Colkction Services	0	0	0	0	0
35	474300	Other Water Revenues	0	0	0	0	0
36		AFUDC	0	0	0	0	0
37		TOTAL OTHER OPERATING REVENUES	1,564	0	(1,564)	0	(1,564)
38							
39		TOTAL OPERATING REVENUES	\$785,938	\$40,685	(\$1,564)	\$0	\$0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **SCH D-2.1/D-2.2** (TRI VILLAGE)

SCHEDULE D-1T

Page 2 of 19

Witness Responsible: **M.A. Miller, S. A. Valentine**

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D2.1	Adj. D 2 Sch D2.2	Adj. D-3 Sch D2.2						Total Adjustments
1												
2												
3		Revenues from Water/Wastewater										
4		Residential	\$717,690	\$64,666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,666
5		Commercial	55,916	(25,904)	0	0	0	0	0	0	0	(25,904)
6		Industrial	0	0	0	0	0	0	0	0	0	0
7		Other Public Authority (OPA)	9,955	(1,920)	0	0	0	0	0	0	0	(1,920)
8		Sales for Resale (OWU)	0	4,656	0	0	0	0	0	0	0	4,656
9		Miscellaneous	813	(813)	0	0	0	0	0	0	0	(813)
10		Private Fire Service	0	0	0	0	0	0	0	0	0	0
11		Public Fire Service	0	0	0	0	0	0	0	0	0	0
12												
13		Total Water/Wastewater Revenues	784,374	40,685	0	0	0	0	0	0	0	40,685
14		Other Operating Revenues	1,564	0	(1,564)	0	0	0	0	0	0	(1,564)
15												
16		Total Operating Revenues	\$785,938	\$40,685	(\$1,564)	\$0	\$0	\$0	\$0	\$0	\$0	\$39,121
17												
18		TAX RATE										
19		State Income Tax Impact	8.25%	\$3,357	(\$129)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,227
20		Federal Income Tax Impact	35.00%	\$13,065	(\$502)	\$0	\$0	\$0	\$0	\$0	\$0	\$12,563
21		Net Operating Income Impact		\$24,283	(\$933)	\$0	\$0	\$0	\$0	\$0	\$0	\$23,331
22												
23												
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME :COU
FOR THE TWELVE MONT :||DI NOVEMBER 2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _ _ITE _ _REVISED
PAPER R E NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULED-1T
Page 3 of 19

Witness Responsible: MIA Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D 4 Sch D2.3 Col2	Adj D 5 Sch D2.3 Col3	Adj D-6 Sch D2.3 Col4	Adj D 7 Sch D2.3 Col5	Adj D-8 Sch D2.3 Col6	Adj D-9 Sch D2.3 Col7	Adj D-10 Sch D2.3 Col8	Adj D-11 Sch D2.3 Col9	Adj D-12 Sch D2.3 Col10	Total Adjustments
1		SOURCE OF SUPPLY EXP (SS)	CoH	Col2	Col3	Col4	Col5	Col6	Col7	Col8	Col9	Col10	
2	600000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	601100	Operation Expenses	0	0	0	0	0	0	0	0	0	0	0
4	601200	Operation Labor	0	0	0	0	0	0	0	0	0	0	0
5	602000	Purchased Water	262,278	0	0	0	0	0	0	0	0	0	0
6	603100	Miscellaneous Expenses	0	0	0	0	0	0	0	0	0	0	0
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0	0	0
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0	0	0
9	604000	Rents	0	0	0	0	0	0	0	0	0	0	0
10	610000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0
11	610010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
12	611100	Maint Struc & Improv-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
13	611110	Maint Struc & Improv-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
14	611200	Maint Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
15	611210	Maint Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
16	612100	Maint Col & Imp Res-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
17	612110	Maint Col & Imp Res-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0	0	0
19	612200	Maint Col & Imp Res-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
20	612210	Maint Col & Imp Res-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
23	613120	Amort Lake, River & Other Intakes	0	0	0	0	0	0	0	0	0	0	0
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
26	614120	Maint Supply Mains-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
27	616110	Maint Supply Mains-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	617100	Maint Misc Water Source Plant-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
31	617110	Maint Misc Water Source Plant-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
32	617200	Maint Misc Water Source Plant-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
34													
35													
36		TOTAL SS EXPENSES	262,278	0	0	0	0	0	0	0	0	0	0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200400103
SUMMARY OF IUS' VENTS TO OPERATING INC ACCOUNTS
FOR THE ELV : #O V T IS I: NDED: NOVEM 30, 2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULED-1T
Page 4 of 19

Witness Responsible: M A Miller/ S. A Valentine

Line No.	Account Number	Description	Base Penod	Adj D 4 Sch D2.3	Adj D 5 Sch D2.3	Adj D 6 Sch D2.3	Adj D-7 Sch D2.3	Adj D-8 Sch D2.3	Adj D 9 Sch D2.3	Adj D-10 Sch D2.3	Adj D-11 Sch D2.3	Adj D-12 Sch D2.3	Total Adjustments
1		PUMPING EXPENSES											
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	OperattonSup & Eng-Other	0	0	0	0	0	0	0	0	0	0	0
4	622100	Power Production Expenses	0	0	0	0	0	0	0	0	0	0	0
5	622200	Power Production Labor	0	0	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	0	0	0	0	0	0	0	0	0	0	0
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumping-Other	0	0	0	0	0	0	0	0	0	0	0
9	624200	Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
17	627200	Rents-Electric	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rents-Other	0	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	318	(318)	0	0	0	0	0	0	0	0	(318)
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0	0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0	0	0
23	631100	Maint Pumping Struc & Inprov-MatenaOrd	0	0	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumping Struc & Inprov-MatenaPrg	0	0	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumping Struc & Inprov-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
26	631210	Maint Pumping Struc & Inprov-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
27	632100	Maint Power Production Equip-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Production Equip-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Production Equip-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
30	632210	Maint Power Production Equip-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
31	633200	Maint Pumping Equip-Matena-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Matena-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Matena-Other Ord	0	0	0	0	0	0	0	0	0	0	0
34	633310	Maint Pumping Equip-Matena-Other Prg	0	0	0	0	0	0	0	0	0	0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	318	(318)	0	0	0	0	0	0	0	0	(318)

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULE M T
Page 5 of 19

Witness Responsible: **M.A. Miller, S. A. Valentine**

Line No.	Account Number	Description	Base Period	Adi D 4 Sch 02.3	Adi D 5 Sch D2.3	Adj D-6 Sch D2.3	Adi D-7 Sch D2.3	Adj D-8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adi D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		WATER TREATMENT EXPENSES (WT)											
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	580	0	0	260	0	0	0	0	0	0	260
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0
6	642100	General WT Labor	470	(470)	0	0	0	0	0	0	0	0	(470)
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	274	0	0	0	0	0	0	0	0	0	0
9	642390	General WT Administration	0	0	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	168	0	0	0	0	0	0	0	0	0	0
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc & Improvements-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
21	651120	Amort WT Structures	0	0	0	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
29													
30		TOTAL WT EXPENSES	1,492	(470)	0	260	0	0	0	0	0	0	(210)
31													
32													
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KENTUCKY-AMERICAN WATER COMPANY
CASENO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

SCHEDULE D-1T

Page 6 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D 4 Sch D2.3	Adj D 5 Sch D2.3	Adj D 6 Sch D-2.3	Adj D 7 Sch D2.3	Adj D-8 Sch D2.3	Adj D-9 Sch D2.3	Adj D-10 Sch D2.3	Adj D-11 Sch D2.3	Adj D-12 Sch D2.3	Total Adjustments
1		TRANS & DIST EXPENSES (T&D)											
2	660000	Operation Supervision & Engineering	\$0	\$55,127	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,127
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0	0	0	0	0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0	0	0	0	0	0
5	662100	T&D Lines- Expenses	2,176	0	0	0	0	0	0	0	0	0	0
6	662200	T&D Lines- Labor	68,479	2,915	0	0	0	0	0	0	0	0	2,915
7	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0	0	0	0	0	0
8	663200	Meter Expenses-Remove and Reset-Labor	0	0	0	0	0	0	0	0	0	0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0	0	0	0	0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0	0	0	0	0	0
11	664100	Customer Installation- Expenses	0	0	0	0	0	0	0	0	0	0	0
12	664200	Customer Installation- Labor	0	0	0	0	0	0	0	0	0	0	0
13	665100	Maps and Records - Expenses	0	0	0	0	0	0	0	0	0	0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0	0	0
15	665200	Maps and Records - Labor	0	0	0	0	0	0	0	0	0	0	0
16	665300	Misc Expenses	37,384	0	0	0	0	0	0	0	0	0	0
17	665400	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
18	666000	Rents	278	0	0	0	0	0	0	0	0	0	0
19	670000	Maint Supervision & Engineering Ord	629	(629)	0	0	0	0	0	0	0	0	(629)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
21	671100	Maint Struct & Improvements-Materials Ord	0	0	0	0	0	0	0	0	0	0	0
22	671110	Maint Struct & Improvements-Materials Prg	0	0	0	0	0	0	0	0	0	0	0
23	671200	Maint Struct & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
25	672100	Maint Res & Standpipes - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
26	672110	Maint Res & Standpipes- Materials Prg	0	0	0	0	0	0	0	0	0	0	0
27	672120	Amort Res & Standpipes	0	0	0	0	0	0	0	0	0	0	0
28	672200	Maint Res & Standpipes- Labor Ord	0	0	0	0	0	0	0	0	0	0	0
29	672210	Maint Res & Standpipes- Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	673100	Maint T&D Mains - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
31	673110	Maint T&D Mains - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0	0	0	0	0	0
33	673200	Maint T&D Mains - Labor Ord	18,798	(18,798)	0	0	0	0	0	0	0	0	(18,798)
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
35	675100	Maint Services - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
36	675110	Maint Services - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
37	675200	Maint Services - Labor Ord	14,642	(14,642)	0	0	0	0	0	0	0	0	(14,642)
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
39	676100	Maint Meter - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
40	676110	Maint Meter - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
41	676200	Maint Meter - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
43	676300	Maint Meter Installation- Materials Ord	0	0	0	0	0	0	0	0	0	0	0
44	676310	Maint Meter Installation- Materials Prg	0	0	0	0	0	0	0	0	0	0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
47													
48													
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 I R REFERENCE NO(S): SCH D-23 (TRI VILLAGE)

SCHEDULE D-1T
 Page 7 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D 4 Sch D2.3	Adj D-5 Sch D2.3	Adj D-6 Sch D2.3	Adi D 7 Sch D2.3	Adj D-8 Sch D2.3	Adi D-9 Sch D2.3	Adi D-10 Sch D2.3	Adj D-11 Sch D2.3	Adj D-12 Sch D-2.3	Total Adjustments
1		TRANS & DIST EXPENSES (T&D) (Cont'd)											
2	677100	Maint Hydrants - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
3	677110	Maint Hydrants - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
4	677200	Maint Hydrants - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
5	677210	Maint Hydrants - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
6	678100	Maint Other T&D Plant - Materials Ord	3,513	0	0	0	0	0	0	0	0	0	0
7	678110	Maint Other T&D Plant - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
8	678200	Maint Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
9	678210	Maint Other T&D Plant - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
10													
11													
12		TOTAL T&D EXPENSES	145,899	23,973	0	0	0	0	0	0	0	0	23,973
13													
14		CUSTOMER ACCOUNTS EXPENSE (CA)											
15	901000	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	902100	Meter Reading Expenses	0	0	0	0	0	0	0	0	0	0	0
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	0	0
18	902200	Meter Reading Labor	0	3,728	0	0	0	0	0	0	0	0	3,728
19		CUST RECORDS & COLLECTION EXPENSES											0
20	903100	Contracts and Orders - Expenses	273	0	0	0	0	0	0	0	0	0	0
21	903200	Contracts and Orders - Labor	24,655	3,916	0	0	0	0	0	0	0	0	3,916
22	903300	Collecting - Expenses	0	0	0	0	0	0	0	0	0	0	0
23	903400	Collecting - Salaries	0	0	0	0	0	0	0	0	0	0	0
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	0	0
25	903520	Billing & Accounting - Other Expenses	1,557	0	0	0	0	0	0	0	0	0	0
26	903600	Billing & Accounting Salaries	0	0	0	0	0	0	0	0	0	0	0
27	904000	Uncollectible Accounts	0	0	0	0	0	0	0	0	0	0	0
28	905100	Misc Expenses	1,264	0	0	0	0	0	0	0	0	0	0
29	905200	Misc Salaries	0	0	0	0	0	0	0	0	0	0	0
30													
31		TOTAL CA EXPENSES	27,749	7,644	0	0	0	0	0	0	0	0	7,644
32													
33		CUSTOMER SERVICE EXPENSES											
34	907100	Cust Service and Information - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	907200	Cust Service and Information - Salaries	0	0	0	0	0	0	0	0	0	0	0
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	0	0
37													
38		SALES PROMOTION EXPENSES											
39	910100	Sales Promotion - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40													
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	0	0
42													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: _X_ BASEPERIOD_X_ FORECASTEDPERIOD
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
 WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

SCHEDULE D-1T

Page 80119

Witness Responsible: MA Miller, S. A Valentine

Line No.	Account Number	Description	Base Period	Adi D 4 Sch D-2,3	Adi D-5 Sch D2,3	Adi D 6 Sch D2,3	Adj D 7 Sch D2,3	Adi D-8 Sch 02,3	Adi D 9 Sch D2,3	Adi D-10 Sch D2,3	Adi D-11 Sch 02,3	Adi D-12 Sch D2,3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)											
2	920000	Salaries	\$26,852	(\$26,852)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,852)
3	920500	Incentive Plan Expense	3,913	(3,913)	0	0	0	0	0	0	0	0	(3,913)
4	921100	Expenses of Employees	898	0	0	0	0	0	0	0	0	0	0
5	921130	Dues for Clubs - Ded	0	0	0	0	0	0	0	0	0	0	0
6	921200	Misc Office Expenses	13,317	0	0	0	0	0	0	0	0	0	0
7	923100	Service Company Charges	0	0	0	0	0	20,090	0	0	0	0	20,090
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0	0	0
9	923200	Auditing Services	0	0	0	0	0	0	0	0	0	0	0
10	923300	Legal Services	0	0	0	0	0	0	0	0	0	0	0
11	923400	Engineering Services	0	0	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	10,175	0	0	0	0	0	0	0	0	0	0
13	924000	Property Insurance	0	0	0	0	0	0	0	0	0	2,774	2,774
14	925110	Workers Compensation	(119)	0	0	0	0	0	0	0	0	1,369	1,369
15	925120	Woken Comp Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
21	925400	General Liability	0	0	0	0	0	0	0	0	0	6,659	6,659
22		EMPLOYEE PENSIONS & BENEFITS											0
23	926100	Accrued OPEB Expense	(1,371)	0	0	0	0	0	21,157	0	0	0	21,157
24	926110	Group Insurance Expense	(1,140)	0	0	0	0	0	24,070	0	0	0	24,070
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	400	0	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	410	0	0	0	0	0	0	0	0	0	0
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	(1,690)	0	0	0	0	0	0	23,814	0	0	23,814
44	926600	Other Pension Plan Expenses	0	0	0	0	0	0	0	0	0	0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0	0	(3,849)	0	0	(3,849)
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0	0	0
49													
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KENTUCKY-AMERICAN WATER COMPANY
CASENO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVEMONTHS ENDED: NOVEMBER 30, 2005

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULE D-1T
Page 9 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D 4 Sch D2.3	Adj D 5 Sch D2.3	Adj D-6 Sch D2.3	Adj D 7 Sch D2.3	Adj D-8 Sch D2.3	Adj D 9 Sch D2.3	Adj D-10 Sch D2.3	Adj D-11 Sch D2.3	Adj D-12 Sch D2.3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)- CONT											
2		REGULATORY COMMISSION EXPENSES											
3	928100	Amort Expense of Rate Proceedings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139	\$0	\$139
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0	0	0
7	928400	Other Regulatory Expenses- Current	0	0	0	0	0	0	0	0	0	0	0
8	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0	0	0
9	930210	Misc General Expenses Current	60	0	0	0	0	0	0	0	0	0	0
10	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0	0	0
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0	0	0
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0	0	0
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0	0	0
14	930260	Meals & Travel Expenses - Taxable	25	0	0	0	0	0	0	0	0	0	0
15	930270	Donations	0	0	0	0	0	0	0	0	0	0	0
16	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0	0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0	0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
21	930600	Transportation Expenses	(729)	0	0	0	0	0	0	0	0	0	0
22	930610	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
24	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0	0	0
25	930880	Misc Gen Exp - Company Dues	0	0	0	0	0	0	0	0	0	0	0
26	930890	Misc Gen Exp - Other	0	0	0	0	0	0	0	0	0	0	0
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
28	931000	Rents	13,241	0	0	0	0	0	0	0	0	0	0
29	932100	Maint A&G Struc & Improv-MatenaOrd	0	0	0	0	0	0	0	0	0	0	0
30	932110	Maint A&G Struc & Improv-MatenaPrg	0	0	0	0	0	0	0	0	0	0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Struc & Improv-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Struc & Improv-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-MatenaOrd	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-MatenaPrg	0	0	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Communication Equip-MatenaOrd	0	0	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Com Equip-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Com Equip-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-MatenaOrd	0	0	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-MatenaPrg	0	0	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	64,242	(30,765)	0	0	0	20,090	45,227	19,965	139	10,802	65,458
46													
47		Total O & M Expenses	\$501,978	\$64	\$0	\$260	\$0	\$20,090	\$45,227	\$19,965	\$139	\$10,802	\$96,547
48													
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X_ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULE D-1T
Page 10 of 19

Witness Responsible: M.A. Miller, S. A. Valentine

Line No	Line Number	Description	Base Period	Adj D-4 Sch D-2.3	Adj D 5 Sch D-2.3	Adj D 6 Sch D-2.3	Adj D-7 Sch D-2.3	Adj D 8 Sch D-2.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D-2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
1													
2	08	Operation Labor Expenses	\$158,756	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0	0	0
4													
5		Total Labor	\$158,756	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
6													
7													
8		Total Operation Expenses	\$464,078	\$34,451	\$0	\$260	\$0	\$20,090	\$45,227	\$19,965	\$139	\$10,802	\$130,934
9		Total Maintenance Expenses	37,900	(34,387)	0	0	0	0	0	0	0	0	(34,387)
10													
11		Total O & M Expenses	\$501,978	\$64	\$0	\$260	\$0	\$20,090	\$45,227	\$19,965	\$139	\$10,802	\$96,547
12													
13													
14													
15													
16													
17	08	Labor	\$158,756	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
18	09	Purchased Water	262,278	0	0	0	0	0	0	0	0	0	0
19	10	Fuel and Power	0	0	0	0	0	0	0	0	0	0	0
20	11	Chemicals	580	0	0	260	0	0	0	0	0	0	260
21	12	Waste Disposal	0	0	0	0	0	0	0	0	0	0	0
22	13	Management Fees	0	0	0	0	0	20,090	0	0	0	0	20,090
23	14	Group Insurance	(2,511)	0	0	0	0	0	45,227	0	0	0	45,227
24	15	Pension	(1,690)	0	0	0	0	0	0	19,965	0	0	19,965
25	16	Regulatory Expense	0	0	0	0	0	0	0	0	139	0	139
26	17	Insurance Other than Group	(119)	0	0	0	0	0	0	0	0	10,802	10,802
27	18	Customer Accounting	3,094	0	0	0	0	0	0	0	0	0	0
28	19	Rents	13,519	0	0	0	0	0	0	0	0	0	0
29	20	General Office Expense	14,240	0	0	0	0	0	0	0	0	0	0
30	21	Miscellaneous	50,318	0	0	0	0	0	0	0	0	0	0
31	25	Other Maintenance	3,513	0	0	0	0	0	0	0	0	0	0
32													
33		Total O & M Expenses	\$501,978	\$64	\$0	\$260	\$0	\$20,090	\$45,227	\$19,965	\$139	\$10,802	\$96,547
34													
35		State Income Tax Impact	8.25%	(\$5)	\$0	(\$21)	\$0	(\$1,657)	(\$3,731)	(\$1,647)	(\$11)	(\$891)	(\$7,965)
36													
37		Federal Income Tax Impact	35.00%	(\$24)	\$0	(\$98)	\$0	(\$7,611)	(\$17,135)	(\$7,564)	(\$53)	(\$4,093)	(\$36,579)
38													
39		Net Operating Income Impact		(\$35)	\$0	(\$141)	\$0	(\$10,822)	(\$24,361)	(\$10,754)	(\$75)	(\$5,818)	(\$52,003)
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KENTUCKY-AMERICAN WATER COMPANY
CASENO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULED-1T
Page 11 of 19
Witness Responsible: MA Miller, S. A Valentine

Line No	Account Number	Description	Base Period	Adj	Adj	Adj	Adj	Adj	Adj	Total Adjustments	Grand Total Adjustments
				D-13 Sch D-2.3	D-14 Sch D-2.3	D-15 Sch D 2.3	D-16 Sch D 2.3	D-17 Sch D 2.3	D-18 Sch D 2.3		
1		SOURCE OF SUPPLY EXPENSES (SS)	Col1	Col2	Col3	Col4	Col5	Col6	Col7		
2	600000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	601100	Operation Expenses	0	0	0	0	0	0	0	0	0
4	601200	Operation Labor	0	0	0	0	0	0	0	0	0
5	602000	Purchased Water	262,278	0	0	0	0	0	1,194	1,194	1,194
6	603100	Miscellaneous Expenses	0	0	0	0	0	0	0	0	0
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0
9	604000	Rents	0	0	0	0	0	0	0	0	0
10	610000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0
11	610010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0
12	611100	Maint Struc & Improv-Materials Ord	0	0	0	0	0	0	0	0	0
13	611110	Maint Struc & Improv-Materials Prg	0	0	0	0	0	0	0	0	0
14	611200	Maint Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
15	611210	Maint Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
16	612100	Maint Col & Imp Res-Materials Ord	0	0	0	0	0	0	0	0	0
17	612110	Maint Col & Imp Res-Materials Prg	0	0	0	0	0	0	0	0	0
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0
19	612200	Maint Col & Imp Res-Labor Ord	0	0	0	0	0	0	0	0	0
20	612210	Maint Col & Imp Res-Labor Prg	0	0	0	0	0	0	0	0	0
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0
23	613120	Amort Lake, River & Other Intakes	0	0	0	0	0	0	0	0	0
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0
26	616100	Maint Supply Mains-Materials Ord	0	0	0	0	0	0	0	0	0
27	616110	Maint Supply Mains-Materials Prg	0	0	0	0	0	0	0	0	0
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0
30	617100	Maint Misc Water Source Plant-Mat Ord	0	0	0	0	0	0	0	0	0
31	617110	Maint Misc Water Source Plant-Mat Prg	0	0	0	0	0	0	0	0	0
32	617200	Maint Misc Water Source Plant-Labor Ord	0	0	0	0	0	0	0	0	0
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0
34											
35											
36		TOTAL SS EXPENSES	262,278	0	0	0	0	0	1,194	0	1,194
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTSTO OPERATINGINCOME ACCOUNTS
FOR THE TWELVE MONTHSENDED: NOVEMBER 30,2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
 WORKPAPER REFERENCENO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULED-1T
 Page 12 of 19
 Witness Responsible: MA Miller/ L. A Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D 2 3	Adj D-15 Sch D 2 3	Adj D-16 Sch D 2 3	Adj D-17 Sch D 2 3	Adj D-18 Sch D 2 3	Total Adjustments	Grand Total Adjustments
1		PUMPING EXPENSES									
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
3	620300	Operation Sup & Eng-Other	0	0	0	0	0	0		0	0
4	622100	Power ProductionExpenses	0	0	0	0	0	0		0	0
5	622200	Power Product--orLabor	0	0	0	0	0	0		0	0
6	623110	Power Purchased for Pumping-Elec	0	0	0	0	0	0		0	0
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0		0	0
8	623210	Power Purchased for Pumping-Other	0	0	0	0	0	0		0	0
9	624200	Pumping Labor-Electric	0	0	0	0	0	0		0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0		0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0		0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0		0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0		0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0		0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0		0	0
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0		0	0
17	627200	Rents-Electric	0	0	0	0	0	0		0	0
18	627300	Rents-Other	0	0	0	0	0	0		0	0
19	630200	Maint Sup & Eng-Electric Ord	318	0	0	0	0	0		0	(318)
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0		0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0		0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0		0	0
23	631100	Maint Pumping Struc & Inprov-MatenaOrd	0	0	0	0	0	0		0	0
24	631110	Maint Pumping Struc & Inprov-MatenaPrg	0	0	0	0	0	0		0	0
25	631200	Maint Pumping Struc & Inprov-LaborOrd	0	0	0	0	0	0		0	0
26	631210	Maint Pumping Struc & Inprov-Labor Prg	0	0	0	0	0	0		0	0
27	632100	Maint Power ProductionEquip-Mat Ord	0	0	0	0	0	0		0	0
28	632110	Maint Power ProductionEquip-Mat Prg	0	0	0	0	0	0		0	0
29	632200	Maint Power ProductionEquip-Lab Ord	0	0	0	0	0	0		0	0
30	632210	Maint Power Product--orEquip-Lab Prg	0	0	0	0	0	0		0	0
31	633200	Maint Pumping Equip-Matena-Electric Ord	0	0	0	0	0	0		0	0
32	633210	Maint Pumping Equip-Matena-Electric Prg	0	0	0	0	0	0		0	0
33	633300	Maint Pumping Equip-Matena-Other Ord	0	0	0	0	0	0		0	0
34	633310	Maint Pumping Equip-Matena-Other Prg	0	0	0	0	0	0		0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0		0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0		0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0		0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0		0	0
39		TOTAL PUMPING EXPENSES	318	0	0	0	0	0	0	0	(318)

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

SCHEDULED-IT
 Page 13 of 13
 Witness Responsible: MA Miller, S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D 2 3	Adj D-14 Sch D-23	Adj D-15 Sch D-23	Adj D-16 Sch 0 2 3	Adj D-17 Sch D-23	Adj D-18 Sch D 2 3	Total Adjustments	Grand Total Adjustments	
1		WATER TREATMENT EXPENSES(WT)										
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
3	641110	Chemicals-Carbon	0	0	0	0	0	0		0	0	
4	641100	General Chemicals	580	0	0	0	0	0		0	260	
5	641200	Softening Chemicals	0	0	0	0	0	0		0	0	
6	642100	General WT Labor	470	0	0	0	0	0		0	(470)	
7	642200	Softening Labor	0	0	0	0	0	0		0	0	
8	642300	General WT Expenses	274	0	0	0	(274)	0		(274)	(274)	
9	642390	General WT Administration	0	0	0	0	0	0		0	0	
10	642400	Softening Expenses	0	0	0	0	0	0		0	0	
11	643100	Misc Expenses	168	0	0	0	(168)	0		(168)	(168)	
12	643190	Misc Expenses- Service Co	0	0	0	0	0	0		0	0	
13	643200	Misc Labor	0	0	0	0	0	0		0	0	
14	643300	Waste Disposal Expenses	0	0	0	0	0	0		0	0	
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0		0	0	
16	644000	Rents	0	0	0	0	0	0		0	0	
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0		0	0	
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0		0	0	
19	651100	Maint WT Struc & Improvements-Mat Ord	0	0	0	0	0	202		202	202	
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0		0	0	
21	651120	Amort WT Structures	0	0	0	0	0	0		0	0	
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0		0	0	
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0		0	0	
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0		0	0	
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0		0	0	
26	652200	Maint Softening Equipment-Matens	0	0	0	0	0	0		0	0	
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0		0	0	
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0		0	0	
29												
30		TOTAL WT EXPENSES	1,492	0	0	0	(442)	202	0	0	(240)	(450)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): **SCH D-2.3 (TRIVILLAGE)**

SCHEDULED-1T
Page 14 of 19
 Witness Responsible: **M.A. Miller, S. A. Valentine**

Line No	Account Number	Description	Base Period	Adj D-13 Sch P 2 3	Adj D-14 Sch D-2 3	Adj D-15 Sch D-2 3	Adj D-16 Sch D 2 3	Adj D-17 Sch D-2 3	Adj D-18 Sch D 2 3	Total Adjustments	Grand Total Adjustments
1		TRANS & DIST EXPENSES(T&D)									
2	660000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$55,127
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0		0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0		0	0
5	662100	T&D Lines - Expenses	2,176	0	0	0	470	0		470	470
6	662200	T&D Lines - Labor	68,479	0	0	0	0	0		0	2,915
7	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0		0	0
8	663200	Meter Expenses-Remove and Reset-Labor	0	0	0	0	0	0		0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0		0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0		0	0
11	664100	Customer Installation- Expenses	0	0	0	0	0	0		0	0
12	664200	Customer Installation- Labor	0	0	0	0	0	0		0	0
13	665100	Maps and Records- Expenses	0	0	0	0	0	0		0	0
14	665190	Maps and Records- Expenses Computer	0	0	0	0	0	0		0	0
15	665200	Maps and Records - Labor	0	0	0	0	0	0		0	0
16	665300	Misc Expenses	37,384	0	0	0	4,596	0		4,596	4,596
17	665400	Misc Labor	0	0	0	0	0	0		0	0
18	666000	Rents	278	0	(100)	0	0	0		(100)	(100)
19	670000	Maint Supervision & Engineering Ord	629	0	0	0	0	0		0	(629)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0		0	0
21	671100	Maint Struct & Improvements-Matenals Ord	0	0	0	0	0	0		0	0
22	671110	Maint Struct & Improvements-Matenals Prg	0	0	0	0	0	0		0	0
23	671200	Maint Struct & Improvements-Labor Ord	0	0	0	0	0	0		0	0
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0		0	0
25	672100	Maint Res & Standpipes - Matenals Ord	0	0	0	0	0	0		0	0
26	672110	Maint Res & Standpipes - Matenals Prg	0	0	0	0	0	0		0	0
27	672120	Amort Res & Standpipes	0	0	0	0	0	9,333		9,333	9,333
28	672200	Maint Res & Standpipes - Labor Ord	0	0	0	0	0	0		0	0
29	672210	Maint Res & Standpipes - Labor Prg	0	0	0	0	0	0		0	0
30	673100	Maint T&D Mains - Matenals Ord	0	0	0	0	0	0		0	0
31	673110	Maint T&D Mains - Matenals Prg	0	0	0	0	0	0		0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0		0	0
33	673200	Maint T&D Mains - Labor Ord	18,798	0	0	0	0	0		0	(18,798)
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0		0	0
35	675100	Maint Services - Matenals Ord	0	0	0	0	0	0		0	0
36	675110	Maint Services - Matenals Prg	0	0	0	0	0	0		0	0
37	675200	Maint Services - Labor Ord	14,642	0	0	0	0	0		0	(14,642)
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0		0	0
39	676100	Maint Meter - Matenals Ord	0	0	0	0	0	0		0	0
40	676110	Maint Meter - Matenals Prg	0	0	0	0	0	0		0	0
41	676200	Maint Meter - Labor Ord	0	0	0	0	0	0		0	0
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0		0	0
43	676300	Maint Meter Installation- Matenals Ord	0	0	0	0	0	0		0	0
44	676310	Maint Meter Installation- Matenals Prg	0	0	0	0	0	0		0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0		0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0		0	0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULED-4T
Page 15 of 19
 Witness Responsible: M.A. Miller/ S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D 2.3	Adj D-15 Sch D 2.3	Adj D-16 Sch D 2.3	Adj D-17 Sch D 2.3	Adj D-18 Sch D 2.3	Total Adjustments	Grand Total Adjustments	
1		TRANS & DIST EXPENSES (T&D) (Cont'd)										
2	677100	Maint Hydrants - MatenalsOrd	0	0	0	0	0	0	0	0	0	
3	677110	Maint Hydrants - MatenalsPrg	0	0	0	0	0	0	0	0	0	
4	677200	Maint Hydrants - Labor Ord	0	0	0	0	0	0	0	0	0	
5	677210	Maint Hydrants - Labor Prg	0	0	0	0	0	0	0	0	0	
6	678100	Maint Other T&D Plant - MatenalsOrd	3,513	0	0	0	0	(3,513)	0	(3,513)	(3,513)	
7	678110	Maint Other T&D Plant - MatenalsPrg	0	0	0	0	0	0	0	0	0	
8	678200	Maint Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	
9	678210	Maint Other T&D Plant - Labor Prg	0	0	0	0	0	0	0	0	0	
10												
11												
12		TOTAL T&D EXPENSES	145,899	0	(100)	0	5,066	5,820	0	0	10,786	34,760
13												
14		CUSTOMER ACCOUNTS EXPENSE (CA)										
15	901000	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16	902100	Meter Reading Expenses	0	0	0	0	0	0	0	0	0	
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	
18	902200	Meter Reading Labor	0	0	0	0	0	0	0	0	3,728	
19		CUST RECORDS & COLLECTION EXPENSES										
20	903100	Contracts and Orders - Expenses	273	(273)	0	0	0	0	0	(273)	(273)	
21	903200	Contracts and Orders - Labor	24,655	0	0	0	0	0	0	0	3,916	
22	903300	Collecting - Expenses	0	985	0	0	0	0	0	985	985	
23	903400	Collecting - Salaries	0	0	0	0	0	0	0	0	0	
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	
25	903520	Billing & Accounting - Other Expenses	1,557	4,390	0	0	0	0	0	4,390	4,390	
26	903600	Billing & Accounting Salaries	0	0	0	0	0	0	0	0	0	
27	904000	Uncollectible Accounts	0	3,956	0	0	0	0	0	3,956	3,956	
28	905100	Misc Expenses	1,264	(1,264)	0	0	0	0	0	(1,264)	(1,264)	
29	905200	Misc Salaries	0	0	0	0	0	0	0	0	0	
30												
31		TOTAL CA EXPENSES	27,749	7,794	0	0	0	0	0	0	7,794	15,438
32												
33		CUSTOMER SERVICE EXPENSES										
34	907100	Cust Service and Information - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
35	907200	Cust Service and Information - Salaries	0	0	0	0	0	0	0	0	0	
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	
37												
38		SALES PROMOTION EXPENSES										
39	910100	Sales Promotion - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
40												
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL — UPDATED REVISED
 WORKPAPER REFERENCE NO(S): **SCH D-2.3 (TRI VILLAGE)**

SCHEDULE M T
 Page 16 of 19
 Witness Responsible: **M.A. Miller, B. A. Valentine**

Line No.	Account Number	Description	Base Period	Adi D-13 Sch 02.3	Adi D-14 Sch D2.3	Adi D-15 Sch D2.3	Adi D-16 Sch D-2,3	Adi D-17 Sch D2.3	Adi D-18 Sch D2.3	Total Adjustments	Grand Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)									
2	920000	Salaries	\$26,852	\$0	\$0	\$0	\$0	\$0		\$0	(\$26,852)
3	920500	Incentive Plan Expense	3,913	0	0	0	0	0		0	(3,913)
4	921100	Expenses of Employees	898	0	0	(678)	0	0		(678)	(678)
5	921130	Dues for Clubs - Dec	0	0	0	49	0	0		49	49
6	921200	Misc Office Expenses	13,317	0	0	(11,004)	0	0		(11,004)	(11,004)
7	923100	Service Company Charges	0	0	0	0	0	0		0	20,090
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0		0	0
9	923200	Auditing Services	0	0	0	0	0	0		0	0
10	923300	Legal SeMces	0	0	0	0	0	0		0	0
11	923400	Engineeng Services	0	0	0	0	0	0		0	0
12	923500	Other Services - Current	10,175	0	0	0	(725)	0		(725)	(725)
13	924000	Property Insurance	0	0	0	0	0	0		0	2,774
14	925110	Workers Compensation	(119)	0	0	0	0	0		0	1,369
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0		0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0		0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0		0	0
18	925200	Injures and Damages - Salaries	0	0	0	0	0	0		0	0
19	925300	Injures and Damages - Expenses	0	0	0	0	24	0		24	24
20	925310	Injures and Damages - Expenses	0	0	0	0	0	0		0	0
21	925400	General Liability	0	0	0	0	0	0		0	6,659
22		EMPLOYEE PENSIONS & BENEFITS									
23	926100	Accrued OPEB Expense	(1,371)	0	0	0	0	0		0	21,157
24	926110	Group Insurance Expense	(1,140)	0	0	0	0	0		0	24,070
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0		0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0		0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0		0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0		0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0		0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0		0	0
31	926200	Other Welfare & Educational Expenses	0	0	0	0	198	0		198	198
32	926210	Educational Expenses	0	0	0	0	0	0		0	0
33	926220	ESOP Contribution Expense	400	0	0	0	387	0		387	387
34	926250	401-K Contributions Expense	410	0	0	0	573	0		573	573
35	926260	401-K Cap (A&B)	0	0	0	0	0	0		0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0		0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0		0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0		0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0		0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0		0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0		0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0		0	0
43	926400	Pension Plan Payments - Current	(1,690)	0	0	0	0	0		0	23,814
44	926800	Other Pension Plan Expenses	0	0	0	0	0	0		0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0		0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0		0	(3,849)
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0		0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0		0	0
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED **NOVEMBER 30**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): SCH D-23 (TRIVILLAGE)

SCHEDULE M T
Page 17 of 19
Witness Responsible: M.A. Miller/ S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D2.3	Adj D-14 Sch D2.3	Adj D-15 Sch D2.3	Adj D-16 Sch D2.3	Adj D-17 Sch D2.3	Adj D-18 Sch D2.3	Total Adjustments	Grand Total Adjustments		
1		ADMINISTRATIVE & GENERAL EXP(A&G) - CONT											
2		REGULATORY COMMISSION EXPENSES											
3	928100	Amort Expense of Rate Proceedings	0	0	0	0	0	0	0	0	139		
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0		
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0		
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0		
7	928400	Other Regulatory Expenses -Current	0	0	0	0	0	0	0	0	0		
8	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0		
9	930210	Misc General Expenses Current	60	0	0	0	1,107	0	0	1,107	1,107		
10	930220	Amort Ong Cost Study	0	0	0	0	0	0	0	0	0		
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0		
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0		
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0		
14	930260	Meals & Travel Expenses- Taxable	25	0	0	(3)	0	0	0	(3)	(3)		
15	930270	Donations	0	0	0	0	0	0	0	0	0		
16	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0		
17	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0		
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0		
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0		
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0		
21	930600	Transportation Expenses	(729)	0	0	0	729	0	0	729	729		
22	930610	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0		
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0		
24	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0		
25	930880	Misc Gen Exp - Company Dues	0	0	0	0	178	0	0	178	178		
26	930890	Misc Gen Exp - Other	0	0	0	0	764	0	0	764	764		
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0		
28	931000	Rents	13,241	0	5,659	0	0	0	0	5,659	5,659		
29	932100	Maint A&G Stmc & Improv-MaternalOrd	0	0	0	0	0	0	0	0	0		
30	932110	Maint A&G Stmc & Improv-MaternalPrg	0	0	0	0	0	0	0	0	0		
31	932120	Amort A&G Stmc & Improv	0	0	0	0	0	0	0	0	0		
32	932200	Maint A&G Stmc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0		
33	932210	Maint A&G Stmc & Improv-LaborPrg	0	0	0	0	0	0	0	0	0		
34	932300	Maint A&G Office Furniture-Maternal Ord	0	0	0	0	0	0	0	0	0		
35	932310	Maint A&G Office Furniture-Maternal Prg	0	0	0	0	0	0	0	0	0		
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0		
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0		
38	932500	Maint A&G Communication Equip-Maternal	0	0	0	0	0	0	0	0	0		
39	932600	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0		
40	932610	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0	0	0	0		
41	932700	Maint A&G Misc Property-MaternalOrd	0	0	0	0	0	0	0	0	0		
42	932710	Maint A&G Misc Property-MaternalPrg	0	0	0	0	0	0	0	0	0		
43	932800	Maint A&G Misc Property-LaborOrd	0	0	0	0	0	0	0	0	0		
44	932810	Maint A&G Misc Property-LaborPrg	0	0	0	0	0	0	0	0	0		
45		Total A & G Expenses	64,242	0	5,659	(11,636)	3,235	0	0	0	(2,742)	62,716	
46													
47		Total O & M Expenses	\$501,978	\$7,794	\$5,559	(\$11,636)	\$7,859	\$6,022	\$1,194	\$0	\$0	\$16,792	\$113,340
48													
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRI VILLAGE)

SCHEDULE D-1T
Page 18 of 19
Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi 013 Sch D2.3	Adi 014 Sch D2.3	Adi 015 Sch D2.3	Adi 016 Sch D2.3	Adi D-17 Sch D2.3	Adi D-18 Sch D2.4	Total Adjustments	Grand Total Adjustments
1											
2	08	Operation Labor Expenses	\$158,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0
4											
5		Total Labor	\$158,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
6											
7											
8		Total Operation Expenses	\$464,978	\$7,794	\$5,559	(\$11,636)	\$7,859	\$0	\$1,194	\$10,770	\$141,704
9		Total Maintenance Expenses	37,900	0	0	0	0	6,022	0	6,022	(28,365)
10											
11		Total O & M Expenses	\$501,978	\$7,794	\$5,559	(\$11,636)	\$7,859	\$6,022	\$1,194	\$16,792	\$113,339
12											
13											
14											
15											
16											
17	08	Labor	\$158,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
18	09	Purchased Water	262,278	0	0	0	0	0	1,194	1,194	1,194
19	10	Fuel and Power	0	0	0	0	0	0	0	0	0
20	11	Chemicals	580	0	0	0	0	0	0	0	260
21	12	Waste Disposal	0	0	0	0	0	0	0	0	0
22	13	Management Fees	0	0	0	0	0	0	0	0	20,090
23	14	Group Insurance	(2,511)	0	0	0	0	0	0	0	45,227
24	15	Pension	(1,690)	0	0	0	0	0	0	0	19,965
25	16	Regulatory Expense	0	0	0	0	0	0	0	0	139
26	17	Insurance Other than Group	(119)	0	0	0	0	0	0	0	10,802
27	18	Customer Accounting	3,094	7,794	0	0	0	0	0	7,794	7,794
28	19	Rents	13,519	0	5,559	0	0	0	0	5,559	5,559
29	20	General Office Expense	14,240	0	0	(11,636)	0	0	0	(11,636)	(11,636)
30	21	Miscellaneous	50,318	0	0	0	7,859	0	0	7,859	7,859
31	25	Other Maintenance	3,513	0	0	0	0	6,022	0	6,022	6,022
32											
33		Total O & M Expenses	\$501,978	\$7,794	\$5,559	(\$11,636)	\$7,859	\$6,022	\$1,194	\$16,792	\$113,339
34											
35		State Income Tax Impact	8.25%	(\$643)	(\$459)	\$960	(\$648)	(\$497)	(\$99)	(\$1,385)	(\$9,350)
36											
37		Federal Income Tax Impact	35.00%	(\$2,953)	(\$2,106)	\$4,409	(\$2,977)	(\$2,282)	(\$453)	(\$6,362)	(\$42,941)
38											
39		Net Operating Income Impact		(\$4,198)	(\$2,994)	\$6,267	(\$4,234)	(\$3,243)	(\$642)	(\$9,045)	(\$61,048)
40											
41											
42											
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULED-1T
Page 19 of 19

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

Witness Responsible: M.A. Miller, S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-19 Sch D-2.4	Adj D-20 Sch D 2.4	Adj D-21 Sch D 2.4						Total Adjustment
1	403000	Depreciation	\$46,268	\$60,309	\$0	\$0						\$60,309
2	403100	Depreciation - CIAC	(3,928)	3,928								3,928
3			<u>\$42,340</u>	<u>\$64,237</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$64,237</u>
4												
5												
6		State Income Tax Impact	8.25%	(\$5,300)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,300)
7		Federal Income Tax Impact	35.00%	(\$24,338)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$24,338)
8		Net Operating Income Impact		<u>(\$30,671)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$30,671)</u>
9												
10		AMORTIZATION EXPENSE										
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0						\$0
12	404110	Amortization Franchise Expense	0	0	0	0						0
13	404430	Amortization Regualtory Asset - AFUDC	0	0	0	0						0
14	406000	Amortization Utility Plant Acquisition Adj	0	0	0	0						0
15	407000	Amortization Property Losses	0	0	0	0						0
16		TOTAL AMORTIZATION	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>						<u>\$0</u>
17												
18		State Income Tax Impact	8.25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20		Net Operating Income Impact		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
21												
22												
23												
24		TAXES OTHER THAN INCOME										
25	408100	Real & Personal Property Taxes	\$0	\$0	\$0	\$41,369						\$41,369
26	408110	Gross Income & Receipts Taxes	0	0	0	0						0
27	408120	Invested Capital Tax	0	0	0	0						0
28	408130	Other General Taxes	0	0	0	0						0
29	408140	FUTA	103	0	0	229						229
30	408150	FUTA Capitalized - (A Work Order)	0	0	0	0						0
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0						0
32	408050	FUTA Capitalized- (C & R Work Order)	0	0	0	0						0
33	408160	FICA	5,938	0	0	6,211						6,211
34	408170	FICA Capitalized- (A Work Order)	0	0	0	0						0
35	408060	FICA Capitalized- (H Work Order)	0	0	0	0						0
36	408070	FICA Capitalized- (C & R Work Order)	0	0	0	0						0
37	408180	SUTA	205	0	0	33						33
38	408190	SUTA Capitalized- (A Work Order)	0	0	0	0						0
39	408080	SUTA Capitalized- (H Work Order)	0	0	0	0						0
40	408090	SUTA Capitalized- (C & R Work Order)	0	0	0	0						0
41	408220	Environmental Tax	0	0	0	0						0
42			<u>\$6,246</u>	<u>\$0</u>	<u>\$0</u>	<u>\$47,842</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$47,842</u>
43												
44		State Income Tax Impact	8.25%	\$0	\$0	(\$3,947)	\$0	\$0	\$0	\$0	\$0	(\$3,947)
45		Federal Income Tax Impact	35.00%	\$0	\$0	(\$15,363)	\$0	\$0	\$0	\$0	\$0	(\$15,363)
46		Net operating Income Impact		<u>\$0</u>	<u>\$0</u>	<u>(\$28,532)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$28,532)</u>
47												
48												
49												
50												

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): W/P-2 (TRIVILLAGE)

SCHEDULED-21T
 Page 1 of 3
 Witness Responsible: S.A. Valentine

Line No	Purpose and Description of Adjustment	Billed Revenues, Adjustment D-1	Workpaper Reference	Amount
1				
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period	RESIDENTIAL		
3		Forecasted Amount	W/P-2	\$782,356
4		Base Period Amount		<u>717,690</u>
5		Pro Forma Adjustment		<u>\$64,666</u>
6				
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period	COMMERCIAL		
8		Forecasted Amount	W/P-2	\$30,012
9		Base Period Amount		<u>55,916</u>
10		Pro Forma Adjustment		<u>(\$25,904)</u>
11				
12		INDUSTRIAL		
13		Forecasted Amount	W/P-2	\$0
14		Base Period Amount		<u>0</u>
15		Pro Forma Adjustment		<u>\$0</u>
16				
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period	OTHER PUBLIC AUTHORITY		
18		Forecasted Amount	W/P-2	\$8,035
19		Base Period Amount		<u>9,955</u>
20		Pro Forma Adjustment		<u>(\$1,920)</u>
21				
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period	SALES FOR RESALE (OWU)		
23		Forecasted Amount	W/P-2	\$4,656
24		Base Period Amount		<u>0</u>
25		Pro Forma Adjustment		<u>\$4,656</u>
26				
27		PUBLIC FIRE SERVICE		
28		Forecasted Amount	W/P-2	\$0
29		Base Period Amount		<u>0</u>
30		Pro Forma Adjustment		<u>\$0</u>
31				
32		PRIVATE FIRE SERVICE		
33		Forecasted Amount	W/P-2	\$0
34		Base Period Amount		<u>0</u>
35		Pro Forma Adjustment		<u>\$0</u>
36				
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period	MISCELLANEOUS		
38		Forecasted Amount	W/P-2	\$0
39		Base Period Amount		<u>813</u>
40		Pro Forma Adjustment		<u></u>
41				
42				
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.	Total Billed Water Revenue Adjustment		<u>\$40,685</u>
44				
45				
46				
47				
48				
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50				

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200440103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-2 (TRI VILLAGE)

SCHEDULED-2.1T
Page 2 of 3
Witness Responsible: S.A. Valentine

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
W/P E OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-2 (TRIVILLAGE)

SCHEDULE D-2.1T
Page 3 of 3
Witness Responsible: S.A. Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1		<u> Billed Revenues, Adjustment D-1 </u>	
2		RESIDENTIAL	
3		Forecasted Amount	\$0
4		Base Period Amount	<u> 0 </u>
5		Pro Forma Adjustment	<u> \$0 </u>
6			
7		COMMERCIAL	
8		Forecasted Amount	\$0
9		Base Period Amount	<u> 0 </u>
10		Pro Forma Adjustment	<u> \$0 </u>
11			
12		INDUSTRIAL	
13		Forecasted Amount	\$0
14		Base Period Amount	<u> 0 </u>
15		Pro Forma Adjustment	<u> \$0 </u>
16			
17		RESIDENTIAL	
18		Forecasted Amount	\$0
19		Base Period Amount	<u> 0 </u>
20		Pro Forma Adjustment	<u> \$0 </u>
21			
22		COMMERCIAL	
23		Forecasted Amount	\$0
24		Base Period Amount	<u> 0 </u>
25		Pro Forma Adjustment	<u> \$0 </u>
26			
27		INDUSTRIAL	
28		Forecasted Amount	\$0
29		Base Period Amount	<u> 0 </u>
30		Pro Forma Adjustment	<u> \$0 </u>
31			
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42			
43	The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period	Total Sewer Revenue Adjustment	<u> 0 </u>
44			
45		Total Revenue Adjustment	<u> \$40,685 </u>
46			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE(S): W/P-2 (TRI VILLAGE)

SCHEDULE D-2.2T
Page 1 of 1
Witness Responsible: S.A. Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To adjust Reconnection Fees for the forecasted test period		
3			
4			
5			
6			
7	To adjust Returned Check Charges for the forecasted test period level of bad checks		
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-3 (TRI VILLAGE)

SCHEDULE D-2.3T
Page 1 of 2
Witness Responsible: S.A. Valentine

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Labor expenses is being adjusted to reflect an Increase due to union wage contracts and an Increase of 3% for		
3	non-union employees to become effective April 1, 2004 and 2005		
4			
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11			
12	Chemical expenses is being adjusted to reflect the level of forecasted sales Also reflected is the adjustment		
13	for contracted chemical prices made to the forecast		
14			
15			
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21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during		
23	the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center,		
24	and the Customer Call Center		
25			
26			
27	Group Insurance reflects the premium to be paid for Insurance coverage for employees plus costs associated with		
28	FAS 106		
29			
30			
31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs		
33			
34			
35			
36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing		
38			
39			
40			
41			
42			
43			
44			
45			
46	Insurance Other than Group expense reflects the Company's forecasted cost for liability Insurance, worker's		
47	compensation and property Insurance based upon the most recent actual bills		
48			
49	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
50			

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
R THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE(S): W/P-3 (TRI VILLAGE)

SCHEDULED-2.3T
Page 2 of 2
Witness Responsible: S.A. Valentine

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village and Elk Lake.	<u>Customer Accounting Adjustment D-13</u>	
3		Forecasted Amount	\$10,888
4		Base Period Amount	<u>3,094</u>
5		Pro Forma Adjustment	<u>\$7,794</u>
6			
7	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into during the forecasted test period.	<u>Rents Adjustment D-14</u>	
8		Forecasted Amount	\$19,078
9		Base Period Amount	<u>13,519</u>
10		Pro Forma Adjustment	<u>\$5,559</u>
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village and Elk Lake.	<u>General Office Expense Adjustment D-15</u>	
13		Forecasted Amount	\$2,604
14		Base Period Amount	<u>14,240</u>
15		Pro Forma Adjustment	<u>(\$11,636)</u>
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village and Elk Lake.	<u>Miscellaneous Expenses Adjustment D-16</u>	
18		Forecasted Amount	\$58,177
19		Base Period Amount	<u>50,318</u>
20		Pro Forma Adjustment	<u>\$7,859</u>
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village and Elk Lake.	<u>Maintenance Expense Adjustment D-17</u>	
23		Forecasted Amount	\$9,535
24		Base Period Amount	<u>3,513</u>
25		Pro Forma Adjustment	<u>\$6,022</u>
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	<u>Purchased Water Expense Adjustment D-18</u>	
28		Forecasted Amount	\$263,472
29		Base Period Amount	<u>262,278</u>
30		Pro Forma Adjustment	<u>\$1,194</u>
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-4 & W/P-5 (TRI VILLAGE)

SCHEDULED-2.4T
Page 1 of 1
Witness Responsible: MA Miller/ S. A Valentine

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service		
3		<u>Depreciation Expense Adjustment D-19</u>	
4		Forecasted Amount	\$106,577
5		Base Period Amount	<u>42,340</u>
6		Pro Forma Adjustment	<u>\$64,237</u>
7			
8			
9			
10			
11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated		
13	to be expenses for the forecasted test period This also includes the allocation of property tax from Central Division		
14	to Tri Village and Elk Lake		
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32	The Purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2004-00103
 R ' OF) FACTORS
 FOR THE V MONTHS I NOVEMBER 30, 2005

DATA: _X_ BASE PERIOD_X_ FORECASTED PERIOD
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ R M S E D
 WORKPAPER REFERENCE NO(S): (TRI VILLAGE)

SCHEDULE D-3T
 Page 1 of 1
 Witness Responsible: S.A. Valentine

Line No	Acct	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
JURISDICTIONAL STATISTICS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULED-4T
 Page 1 of 1

DATA: X BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED R M S E D
 WORKPAPER REFERENCE NO(S): (TRIVILLAGE)

Line No	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 200400103
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULED-5T
Page 1 of 1

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ R M S E D
WORKPAPER REFERENCE NO(S): (TRI VILLAGE)

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHED-2.1/D-2.2 (ELK LAKE)

SCHEDULE D-1E
Page 1 of 19

Witness Responsible: M A Miller, S. A Valentine

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D2.1	Adj. D-2 Sch P 2.2	Adj. D-3 Sch D-2.2	Total Adjustments
1		<u>Water Revenues</u>					
2	461100	Residential- Billed	\$44,504	\$48,744	\$0	\$0	\$48,744
3	461110	Residential- Unbilled	0	0	0	0	0
4	461200	Commercial - Billed	0	0	0	0	0
5	461210	Commercial - Unbilled	0	0	0	0	0
6	461300	Industrial - Billed	0	0	0	0	0
7	461310	Industrial - Unbilled	0	0	0	0	0
8	461400	Miscellaneous- Billed	0	0	0	0	0
9	461410	Miscellaneous - Water Sales Billed Unmetere	0	0	0	0	0
10	462000	Private Fire - Billed	0	0	0	0	0
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	0	0	0	0	0
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	0	0	0	0	0
15	464210	OPA - Unbilled	0	0	0	0	0
16	466000	Sales for Resale - Billed	0	0	0	0	0
17	466100	Sales for Resale - Unbilled	0	0	0	0	0
18		Total Water Revenues	<u>44,504</u>	<u>48,744</u>	<u>0</u>	<u>0</u>	<u>48,744</u>
19							
20		<u>Sewer Revenues</u>					
21	461000	Residential - Billed	0	0	0	0	0
22	461010	Residential - Billed Surcharge	0	0	0	0	0
23	461020	Commercial - Billed	0	0	0	0	0
24	461030	Commercial - Unbilled	0	0	0	0	0
25	462210	Industrial - Billed	0	0	0	0	0
26	462110	Industrial - Unbilled	0	0	0	0	0
27		Total Sewer Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
28							
29							
30		<u>OTHER OPERATING REVENUES</u>					
31	471100	Reconnection Charges	0	0	0	0	0
32	471200	Other Miscellaneous Service Revenues	0	0	0	0	0
33	472000	Rents from Water Property	0	0	0	0	0
34	474100	Billing & Collection Services	0	0	0	0	0
35	474300	Other Water Revenues	0	0	0	0	0
36		AFUDC	0	0	0	0	0
37		TOTAL OTHER OPERATING REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
38							
39		TOTAL OPERATING REVENUES	<u>\$44,504</u>	<u>\$48,744</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULE D-1E

Page 2 of 19

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (ELK LAKE)

Witness Responsible: M.A. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D-2.1	Adj. D-2 Sch P 2.2	Adj. D-3 Sch D-2.2						Total Adjustments
1												
2												
3		Revenues from Water/Wastewater										
4		Residential	\$44,504	\$48,744	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,744
5		Commercial	0	0	0	0	0	0	0	0	0	0
6		Industrial	0	0	0	0	0	0	0	0	0	0
7		Other Public Authority (OPA)	0	0	0	0	0	0	0	0	0	0
8		Sales for Resale (OW)	0	0	0	0	0	0	0	0	0	0
9		Miscellaneous	0	0	0	0	0	0	0	0	0	0
10		Private Fire Service	0	0	0	0	0	0	0	0	0	0
11		Public Fire Service	0	0	0	0	0	0	0	0	0	0
12												
13		Total Water/Wastewater Revenues	44,504	48,744	0	0	0	0	0	0	0	48,744
14		Other Operating Revenues	0	0	0	0	0	0	0	0	0	0
15												
16		Total Operating Revenues	\$44,504	\$48,744	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,744
17												
18		TAX RATE										
19		State Income Tax Impact	8.25%	\$4,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,021
20		Federal Income Tax Impact	35.00%	\$15,653	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,653
21		Net Operating Income Impact		\$29,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,070
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULE D-1E

Page 3 of 15

DATA: X BASE PERIOD, X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL, UPDATED, REVISED
WORKPAPER REFERENCE NO(S): SCHD-2.3 (ELK LAKE)

Witness Responsible: M A Miller, S. A Valentine

Line No	Account Number	Description	Base Period	Adj D-4 Sch D-2.3	Adj D-5 Sch D-2.3	Adj D-6 Sch D-2.3	Adj D-7 Sch D-2.3	Adj D-8 Sch D-2.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D-2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
			Col1	Col2	Col3	Col4	Col5	Col6	Col7	Col8	Col9	Col10	
1		SOURCE OF SUPPLY EXP (SS)											
2	600000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	601100	Operation Expenses	0	0	0	0	0	0	0	0	0	0	0
4	601200	Operation Labor	0	0	0	0	0	0	0	0	0	0	0
5	602000	Purchased Water	16,741	0	0	0	0	0	0	0	0	0	0
6	603100	Miscellaneous Expenses	0	0	0	0	0	0	0	0	0	0	0
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0	0	0
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0	0	0
9	604000	Rents	0	0	0	0	0	0	0	0	0	0	0
10	610000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0
11	610010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
12	611100	Maint Struc & Improv-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
13	611110	Maint Struc & Improv-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
14	611200	Maint Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
15	611210	Maint Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
16	612100	Maint Col & Imp Res-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
17	612110	Maint Col & Imp Res-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0	0	0
19	612200	Maint Col & Imp Res-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
20	612210	Maint Col & Imp Res-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
23	613120	Amort Lake, River & Other Intakes	0	0	0	0	0	0	0	0	0	0	0
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
26	616100	Maint Supply Mains-Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
27	616110	Maint Supply Mains-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	617100	Maint Misc Water Source Plant-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
31	617110	Maint Misc Water Source Plant-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
32	617200	Maint Misc Water Source Plant-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
34													
35													
36		TOTAL SS EXPENSES	16,741	0	0	0	0	0	0	0	0	0	0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE **TWELVE** MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHD-23 (ELK LAKE)

SCHEDULE **D-1E**
Page 4 of 19

Witness Responsible: M A Miller, S A Valentine

Line No.	Account Number	Description	Base Period	Adj D 4 Sch 02.3	Adi D-5 Sch D2.3	Adi D 6 Sch D2.3	Adi D-7 Sch D-2.3	Adj D 8 Sch D2.3	Adi D-9 Sch D-2.3	Adi D-10 Sch D2.3	Adi D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		PUMPING EXPENSES											
2	620200	Operation Sup & Eng-Electnc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	Operation Sup & Eng-Other	0	0	0	0	0	0	0	0	0	0	0
4	622100	Power Production Expenses	0	0	0	0	0	0	0	0	0	0	0
5	622200	Power Production Labor	0	0	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	0	0	0	0	0	0	0	0	0	0	0
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumpmg-Other	0	0	0	0	0	0	0	0	0	0	0
9	624200	Pumpmg Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
10	624300	Pumpmg Labor-Other	0	0	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumpmg Labor-Other	0	0	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
16	626600	Misc Pumpmg Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
17	627200	Rents-Electric	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rents-Other	0	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electnc Ord	60	(60)	0	0	0	0	0	0	0	0	(60)
20	630210	Maint Sup & Eng-Electnc Prg	0	0	0	0	0	0	0	0	0	0	0
21	630300	Mamt Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0	0	0
22	630310	Mamt Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0	0	0
23	631100	Mamt Pumping Struc & Inprov-Maternal Ord	0	0	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumpmg Struc & Inprov-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumpmg Struc & Inprov-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
26	631210	Mamt Pumpmg Struc & Inprov-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
27	632100	Mamt Power Production Equip-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Production Equip-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Production Equip-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
30	632210	Mamt Power Production Equip-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
31	633200	Mamt Pumpmg Equip-Material-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Material-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Material-Other Ord	0	0	0	0	0	0	0	0	0	0	0
34	633310	Mamt Pumpmg Equip-Material-Other Prg	0	0	0	0	0	0	0	0	0	0	0
35	633500	Mamt Pumpmg Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
36	633510	Mamt Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumpmg Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	60	(60)	0	0	0	0	0	0	0	0	(60)

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
N P E OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **SCHD-2.3 (ELK LAKE)**

SCHEDULED-1E
Page **5** of **19**

Witness Responsible: **M.A. Miller, S. A. Valentine**

Line No.	Account Number	Description	Base Period	Adj D 4 Sch D-2.3	Adj D 5 Sch D-2.3	Adj D-6 Sch D2.3	Adj D-7 Sch D2.3	Adj D 8 Sch D2.3	Adj D-9 Sch 02.3	Adj D-10 Sch D-2.3	Adj 0 11 Sch P 2.3	Adj D-12 Sch D2.3	Total Adjustments
1		WATER TREATMENT EXPENSES(WT)											
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	110	0	0	(110)	0	0	0	0	0	0	(110)
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0
6	642100	General WT Labor	89	(89)	0	0	0	0	0	0	0	0	(89)
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	52	0	0	0	0	0	0	0	0	0	0
9	642390	General WT Administration	0	0	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	32	0	0	0	0	0	0	0	0	0	0
12	643190	Misc Expenses- Service Co	0	0	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc & Improvements-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
21	651120	Amort WT Structures	0	0	0	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc & Improvements-labor Ord	0	0	0	0	0	0	0	0	0	0	0
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
25	652110	Maint General WT Equipment-Mat Pra	0	0	0	0	0	0	0	0	0	0	0
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
29													
30		TOTAL WT EXPENSES	283	(89)	0	(110)	0	0	0	0	0	0	(199)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00102**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
M P E OF FIUNG: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **SCH D-2.3 (ELK LAKE)**

SCHEDULE **D-1E**

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Witness Responsible: **M A Miller, S. A. Valerline**

Line No.	Account Number	Description	Base Period	Adj D-4 Sch 02.3	Adj D-5 Sch D2.3	Adj D-6 Sch D2.3	Adj D-7 Sch D2.3	Adj D-8 Sch 02.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D2.3	Total Adjustments
1		TRANS & DIST EXPENSES(T&D)											
2	660000	Operation Supervision & Engineering	\$0	\$43,743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,743
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0	0	0	0	0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0	0	0	0	0	0
5	662100	T&D Lines - Expenses	415	0	0	0	0	0	0	0	0	0	0
6	662200	T&D Lines - Labor	13,044	(13,044)	0	0	0	0	0	0	0	0	(13,044)
7	663100	Meter Expenses-Removeand Reset-Exp	0	0	0	0	0	0	0	0	0	0	0
8	663200	Meter Expenses-Removeand Reset-Labor	0	0	0	0	0	0	0	0	0	0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0	0	0	0	0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0	0	0	0	0	0
11	664100	Customer Installation - Expenses	0	0	0	0	0	0	0	0	0	0	0
12	664200	Customer Installation - Labor	0	0	0	0	0	0	0	0	0	0	0
13	665100	Maps and Records - Expenses	0	0	0	0	0	0	0	0	0	0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0	0	0
15	665200	Maps and Records - Labor	0	0	0	0	0	0	0	0	0	0	0
16	665300	Misc Expenses	7,120	0	0	0	0	0	0	0	0	0	0
17	665400	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
18	666000	Rents	0	0	0	0	0	0	0	0	0	0	0
19	670000	Maint Supervision & EngineeringOrd	120	(120)	0	0	0	0	0	0	0	0	(120)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
21	671100	Maint Struct & Improvements-MatenalsOrd	0	0	0	0	0	0	0	0	0	0	0
22	671110	Maint Struct & Improvements-Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
23	671200	Maint Struct & Improvements-LaborOrd	0	0	0	0	0	0	0	0	0	0	0
24	671210	Maint Struct & Improvements-LaborPrg	0	0	0	0	0	0	0	0	0	0	0
25	672100	Maint Res & Standpipes - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
26	672110	Maint Res & Standpipes - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
27	672120	Amort Res & Standpipes	0	0	0	0	0	0	0	0	0	0	0
28	672200	Maint Res & Standp-pes Labor Ord	0	0	0	0	0	0	0	0	0	0	0
29	672210	Maint Res & Standp-pes Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	673100	Maint T&D Mains - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
31	673110	Maint T&D Mains - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0	0	0	0	0	0
33	673200	Maint T&D Mains - Labor Ord	3,580	(3,580)	0	0	0	0	0	0	0	0	(3,580)
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
35	675100	Maint Services - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
36	675110	Maint Services - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
37	675200	Maint Services - Labor Ord	2,788	(2,788)	0	0	0	0	0	0	0	0	(2,788)
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
39	676100	Maint Meter - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
40	676110	Maint Meter - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
41	676200	Maint Meter - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
43	676300	Maint Meter Installation - Matenals Ord	0	0	0	0	0	0	0	0	0	0	0
44	676310	Maint Meter Installation - Matenals Prg	0	0	0	0	0	0	0	0	0	0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
47													
48													
49													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULED-1E
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Witness Responsible: M A Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D-4 Sch D-2.3	Adj D-5 Sch D2.3	Adj D-6 Sch D2.3	Adi D-7 Sch D2.3	Adi D-8 Sch D2.3	Adi D-9 Sch D-2.3	Adi D-10 Sch D2.3	Adi D-11 Sch D-2.3	Adj D-12 Sch D2.3	Total Adjustments
1		TRANS & DIST EXPENSES (T&D) (Cont'd)											
2	677100	Maint Hydrants - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
3	677110	Mamnt Hydrants - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
4	677200	Mamnt Hydrants - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
5	677210	Maint Hydrants - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
6	678100	Mamnt Other T&D Plant - Materials Ord	669	0	0	0	0	0	0	0	0	0	0
7	678110	Mamnt Other T&D Plant - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
8	678200	Mamnt Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
9	678210	Mamnt Other T&D Plant - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
10													
11													
12		TOTAL T&D EXPENSES	27,736	24,211	0	0	0	0	0	0	0	0	24,211
13													
14		CUSTOMER ACCOUNTS EXPENSE (CA)											
15	901000	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	902100	Meter Reading Expensesenses	0	0	0	0	0	0	0	0	0	0	0
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	0	0
18	902200	Meter Reading Labor	0	665	0	0	0	0	0	0	0	0	665
19		CUST RECORDS & COLLECTION EXPENSES											
20	903100	Contracts and Orders - Expenses	0	0	0	0	0	0	0	0	0	0	0
21	903200	Contracts and Orders - Labor	0	0	0	0	0	0	0	0	0	0	0
22	903300	Collecting - Expenses	0	0	0	0	0	0	0	0	0	0	0
23	903400	Collecting - Salanes	0	0	0	0	0	0	0	0	0	0	0
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	0	0
25	903520	Billing & Accounting - Other Expenses	0	0	0	0	0	0	0	0	0	0	0
26	903600	Billing & Accounting Salanes	0	0	0	0	0	0	0	0	0	0	0
27	904000	Uncollectible Accounts	0	0	0	0	0	0	0	0	0	0	0
28	905100	Misc Expenses	0	0	0	0	0	0	0	0	0	0	0
29	905200	Misc Salanes	0	0	0	0	0	0	0	0	0	0	0
30													
31		TOTAL CA EXPENSES	0	665	0	0	0	0	0	0	0	0	665
32													
33		CUSTOMER SERVICE EXPENSES											
34	907100	Cust Service and Information - Expenses	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	907200	Cust Service and Information - Salaries	0	0	0	0	0	0	0	0	0	0	0
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	0	0
37													
38		SALES PROMOTION EXPENSES											
39	910100	Sales Promotion - Expenses	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40													
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	0	0
42													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATEMENT OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHD-2.3 (ELK LAKE)

SCHEDULED-1E
Page 8 of 19

Witness Responsible: MA. Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D-4 Sch D2.3	Adj D-5 Sch D2.3	Adj D-6 Sch D2.3	Adj D-7 Sch D2.3	Adj D-8 Sch D2.3	Adj D-9 Sch D2.3	Adj D-10 Sch D2.3	Adj D-11 Sch D2.3	Adj D-12 Sch D2.3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)											
2	920000	Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	920500	Incentive Plan Expense	0	0	0	0	0	0	0	0	0	0	0
4	921100	Expenses of Employees	0	0	0	0	0	0	0	0	0	0	0
5	921130	Dues for Clubs - Ded	0	0	0	0	0	0	0	0	0	0	0
6	921200	Misc Office Expenses	0	0	0	0	0	0	0	0	0	0	0
7	923100	Service Company Charges	0	0	0	0	0	3,581	0	0	0	0	3,581
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0	0	0
9	923200	Auditing Services	0	0	0	0	0	0	0	0	0	0	0
10	923300	Legal Services	0	0	0	0	0	0	0	0	0	0	0
11	923400	Engineering Services	0	0	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	0	0	0	0	0	0	0	0	0	0	0
13	924000	Property Insurance	0	0	0	0	0	0	0	0	0	165	165
14	925110	Workers Compensation	0	0	0	0	0	0	0	0	0	75	75
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
18	925200	Injures and Damages - Salaries	0	0	0	0	0	0	0	0	0	0	0
19	925300	Injures and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
20	925310	Injures and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
21	925400	General Liability	0	0	0	0	0	0	0	0	0	397	397
22		EMPLOYEE PENSIONS & BENEFITS											0
23	926100	Accrued OPEB Expense	(364)	0	0	0	0	0	5,896	0	0	0	5,896
24	926110	Group Insurance Expense	(23)	0	0	0	0	0	6,435	0	0	0	6,435
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Retmb	0	0	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Pretax Contributon	0	0	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	0	0	0	0	0	0	0	0	0	0	0
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	(449)	0	0	0	0	0	0	6,638	0	0	6,638
44	926600	Other Pension Plan Expenses	0	0	0	0	0	0	0	0	0	0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0	0	(1,077)	0	0	(1,077)
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0	0	0
49													
50													

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS END: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PER DD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHED-2.3 (ELK LAKE)

SCHEDULED-1E
Page 9 of 19
Witness Responsible: M A **Miller**, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adi D-4 Sch D2.3	Adj D-5 Sch D2.3	Adi D-6 Sch D2.3	Adi D-7 Sch D2.3	Adi D-8 Sch D2.3	Adj D-9 Sch D2.3	Adi D-10 Sch D2.3	Adi D-11 Sch D2.3	Adi D-12 Sch D2.3	Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G) - CONT											
2		REGULATORY COMMISSION EXPENSES											
3	928100	Amort Expense of Rate Proceedings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$0	\$25
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0	0	0
7	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0	0	0
8	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0	0	0
9	930210	Misc General Expenses Current	0	0	0	0	0	0	0	0	0	0	0
10	930220	Amort Ong Cost Study	0	0	0	0	0	0	0	0	0	0	0
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0	0	0
12	930240	Misc Gen E - Community Relations	0	0	0	0	0	0	0	0	0	0	0
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0	0	0
14	930260	Meals & Travel Expenses - Taxable	0	0	0	0	0	0	0	0	0	0	0
15	930270	Donations	0	0	0	0	0	0	0	0	0	0	0
16	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0	0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0	0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
21	930600	Transportation Expenses	0	0	0	0	0	0	0	0	0	0	0
22	930610	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
24	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0	0	0
25	930880	Misc Gen Exp - Company Dues	0	0	0	0	0	0	0	0	0	0	0
26	930890	Misc Gen Exp - Other	0	0	0	0	0	0	0	0	0	0	0
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
28	931000	Rents	0	0	0	0	0	0	0	0	0	0	0
29	932100	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0	0	0
30	932110	Maint A&G Stwrc & Improv-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Stwrc & Improv-labor Ord	0	0	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-Maternal Ord	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Communication Equip-Maternal	0	0	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Maternal Ord	0	0	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Maternal Prg	0	0	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	(836)	0	0	0	0	3,581	12,331	5,561	25	637	22,135
46													
47		Total O & M Expenses	\$43,984	\$24,727	\$0	(\$110)	\$0	\$3,581	\$12,331	\$5,561	\$25	\$637	\$46,752
48													
49													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **SCH D-2.3 (ELK LAKE)**

SCHEDULED-1E
Page 10 of 19
Witness Responsible: M A Miller/ S. A. Valentine

Line No.	Line Number	Description	Base Period	Adi D-4 Sch D-2.3	Adi D-5 Sch D2.3	Adi D-6 Sch D-2.3	Adj D-7 Sch D-2.3	Adj D-8 Sch D2.3	Adj D-9 Sch 02.3	Adi D-10 Sch D-2.3	Adi D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
1													
2	08	Operation Labor Expenses	\$19,681	\$24,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0	0	0
4													
5		Total Labor	\$19,681	\$24,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
6													
7													
8		Total Operation Expenses	\$36,767	\$31,275	\$0	(\$110)	\$0	\$3,581	\$12,331	\$5,561	\$25	\$637	\$53,300
9		Total Maintenance Expenses	7,217	(6,548)	0	0	0	0	0	0	0	0	(6,548)
10													
11		Total O & M Expenses	\$43,984	\$24,727	\$0	(\$110)	\$0	\$3,581	\$12,331	\$5,561	\$25	\$637	\$46,752
12													
13													
14													
15													
16													
17	08	Labor	\$19,681	\$24,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
18	09	Purchased Water	16,741	0	0	0	0	0	0	0	0	0	0
19	10	Fuel and Power	0	0	0	0	0	0	0	0	0	0	0
20	11	Chemicals	110	0	0	(110)	0	0	0	0	0	0	(110)
21	12	Waste Disposal	0	0	0	0	0	0	0	0	0	0	0
22	13	Management Fees	0	0	0	0	0	3,581	0	0	0	0	3,581
23	14	Group Insurance	(387)	0	0	0	0	0	12,331	0	0	0	12,331
24	15	Pension	(449)	0	0	0	0	0	0	5,561	0	0	5,561
25	16	Regulatory Expense	0	0	0	0	0	0	0	0	25	0	25
26	17	Insurance Other than Group	0	0	0	0	0	0	0	0	0	637	637
27	18	Customer Accountng	0	0	0	0	0	0	0	0	0	0	0
28	19	Rents	0	0	0	0	0	0	0	0	0	0	0
29	20	General Office Expense	0	0	0	0	0	0	0	0	0	0	0
30	21	Miscellaneous	7,619	0	0	0	0	0	0	0	0	0	0
31	25	Other Maintenance	669	0	0	0	0	0	0	0	0	0	0
32													
33		Total O & M Expenses	\$43,984	\$24,727	\$0	(\$110)	\$0	\$3,581	\$12,331	\$5,561	\$25	\$637	\$46,752
34													
35		State Income Tax Impact	8.25%	(\$2,040)	\$0	\$9	\$0	(\$295)	(\$1,017)	(\$459)	(\$2)	(\$53)	(\$3,857)
36													
37		Federal Income Tax Impact	35.00%	(\$9,368)	\$0	\$42	\$0	(\$1,357)	(\$4,672)	(\$2,107)	(\$9)	(\$242)	(\$17,713)
38													
39		Net Operating Income Impact		(\$13,319)	\$0	\$59	\$0	(\$1,929)	(\$6,642)	(\$2,995)	(\$14)	(\$342)	(\$25,182)
40													
41													
42													
43													
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00102
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULED-1E
Page 11 of 19
Witness Responsible: M A Miller, S. A Valerline

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
			Col1	Col2	Col3	Col4	Col5	Col6	Col7		
1		SOURCE OF SUPPLY EXPENSES(SS)									
2	600000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	601100	Operation Expenses	0	0	0	0	0	0	0	0	0
4	601200	Operation Labor	0	0	0	0	0	0	0	0	0
5	602000	Purchased Water	16,741	0	0	0	0	0	(439)	(439)	(439)
6	603100	Miscellaneous Expenses	0	0	0	0	0	0	0	0	0
7	603120	Amort Misc Expenses	0	0	0	0	0	0	0	0	0
8	603200	Miscellaneous Labor	0	0	0	0	0	0	0	0	0
9	604000	Rents	0	0	0	0	0	0	0	0	0
10	610000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0
11	610010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0
12	611100	Maint Struc & Improv-Materials Ord	0	0	0	0	0	0	0	0	0
13	611110	Maint Struc & Improv-Materials Prg	0	0	0	0	0	0	0	0	0
14	611200	Maint Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
15	611210	Maint Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
16	612100	Maint Col & Imp Res-Materials Ord	0	0	0	0	0	0	0	0	0
17	612110	Maint Col & Imp Res-Materials Prg	0	0	0	0	0	0	0	0	0
18	612120	Amort Col & Imp Res	0	0	0	0	0	0	0	0	0
19	612200	Maint Col & Imp Res-Labor Ord	0	0	0	0	0	0	0	0	0
20	612210	Maint Col & Imp Res-Labor Prg	0	0	0	0	0	0	0	0	0
21	613100	Maint Lake, River & Other Intakes-Mat Ord	0	0	0	0	0	0	0	0	0
22	613110	Maint Lake, River & Other Intakes-Mat Prg	0	0	0	0	0	0	0	0	0
23	613120	Amort Lake, River & Other Intakes	0	0	0	0	0	0	0	0	0
24	613200	Maint Lake, River & Other Intakes-Lab Ord	0	0	0	0	0	0	0	0	0
25	613210	Maint Lake, River & Other Intakes-Lab Prg	0	0	0	0	0	0	0	0	0
26	616100	Maint Supply Mains-Materials Ord	0	0	0	0	0	0	0	0	0
27	616110	Maint Supply Mains-Materials Pra	0	0	0	0	0	0	0	0	0
28	616200	Maint Supply Mains-Labor Ord	0	0	0	0	0	0	0	0	0
29	616210	Maint Supply Mains-Labor Prg	0	0	0	0	0	0	0	0	0
30	617100	Maint Misc Water Source Plant-Mat Ord	0	0	0	0	0	0	0	0	0
31	617110	Maint Misc Water Source Plant-Mat Pra	0	0	0	0	0	0	0	0	0
32	617200	Maint Misc Water Source Plant-Labor Ord	0	0	0	0	0	0	0	0	0
33	617210	Maint Misc Water Source Plant-Labor Prg	0	0	0	0	0	0	0	0	0
34											
35											
36		TOTAL SS EXPENSES	16,741	0	0	0	0	0	(439)	0	(439)
37											
38											
39											
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42											
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULE D-1E
Page 12 of 19
Witness Responsible: M A Miller/ S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
		PUMPING EXPENSES									
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
3	620300	Operatton Sup & Eng-Other	0	0	0	0	0	0		0	0
4	622100	Power Production Expenses	0	0	0	0	0	0		0	0
5	622200	Power Producton Labor	0	0	0	0	0	0		0	0
6	623110	Power Purchased for Pumping-Elec	0	0	0	0	0	0		0	0
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0		0	0
8	623210	Power Purchased for Pumping-Other	0	0	0	0	0	0		0	0
9	624200	Pumping Labor-Electric	0	0	0	0	0	0		0	0
10	624300	Pumpling Labor-Other	0	0	0	0	0	0		0	0
11	624500	Pumping Expenses-Electnc	0	0	0	0	0	0		0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0		0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0		0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0		0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0		0	0
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0		0	0
17	627200	Rents-Electric	0	0	0	0	0	0		0	0
18	627300	Rents-Other	0	0	0	0	0	0		0	0
19	630200	Maint Sup & Eng-Electric Ord	60	0	0	0	0	0		0	(60)
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0		0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0		0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0		0	0
23	631100	Maint Pumping Struc & Inprov-Maternal Ord	0	0	0	0	0	0		0	0
24	631110	Maint Pumping Struc & Inprov-Maternal Prg	0	0	0	0	0	0		0	0
25	631200	Maint Pumping Struc & Inprov-Labor Ord	0	0	0	0	0	0		0	0
26	631210	Maint Pumping Struc & Inprov-Labor Prg	0	0	0	0	0	0		0	0
27	632100	Matnt Power Production Equip-Mat Ord	0	0	0	0	0	0		0	0
28	632110	Matnt Power Production Equip-Mat Prg	0	0	0	0	0	0		0	0
29	632200	Matnt Power Production Equip-Lab Ord	0	0	0	0	0	0		0	0
30	632210	Matnt Power Production Equip-Lab Prg	0	0	0	0	0	0		0	0
31	633200	Matnt Pumping Equip-Maternal-Electric Ord	0	0	0	0	0	0		0	0
32	633210	Matnt Pumping Equip-Maternal-Electric Prg	0	0	0	0	0	0		0	0
33	633300	Maint Pumping Equip-Maternal-Other Ord	0	0	0	0	0	0		0	0
34	633310	Maint Pumping Equip-Maternal-Other Prg	0	0	0	0	0	0		0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0		0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0		0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0		0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0		0	0
39		TOTAL PUMPING EXPENSES	60	0	0	0	0	0	0	0	(60)
40											
41											
42											
43											
44											
45											
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48											
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR M E TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULED-1E

Page 13 of 19

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

Witness Responsible: M A Miller, S. A. Valerline

Line No	Account Number	Description	Base Period	Adl D-13 Sch D-2.3	Adj D-14 Sch D 2.3	Adl D-15 Sch D 2.3	Adl D-16 Sch D 2.3	Adj D-17 Sch D 2.3	Adl D-18 Sch D 2.3	Total Adjustments	Grand Total Adjustments	
1		WATER TREATMENT EXPENSES(WT)										
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
3	641110	Chemicals-Carbon	0	0	0	0	0	0		0	0	
4	641100	General Chemicals	110	0	0	0	0	0		0	(110)	
5	641200	Softening Chemicals	0	0	0	0	0	0		0	0	
6	642100	General WT Labor	89	0	0	0	0	0		0	(89)	
7	642200	Softening Labor	0	0	0	0	0	0		0	0	
8	642300	General WT Expenses	52	0	0	0	(52)	0		(52)	(52)	
9	642390	General WT Administration	0	0	0	0	0	0		0	0	
10	642400	Softening Expenses	0	0	0	0	0	0		0	0	
11	643100	Misc Expenses	32	0	0	0	(32)	0		(32)	(32)	
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0		0	0	
13	643200	Misc Labor	0	0	0	0	0	0		0	0	
14	643300	Waste Disposal Expenses	0	0	0	0	0	0		0	0	
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0		0	0	
16	644000	Rents	0	0	0	0	0	0		0	0	
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0		0	0	
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0		0	0	
19	651100	Maint WT Struc & Improvements-Mat Ord	0	0	0	0	0	36		36	36	
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0		0	0	
21	651120	Amort WT Structures	0	0	0	0	0	0		0	0	
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0		0	0	
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0		0	0	
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0		0	0	
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0		0	0	
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0		0	0	
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0		0	0	
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0		0	0	
29												
30		TOTAL WT EXPENSES	283	0	0	0	(84)	36	0	0	(48)	(247)
31												
32												
33												
34												
35												
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULED-1E
Page 14 of 19

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
N P E O F FILING: X_ ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

Witness Responsible: M A Miller/ S. A. Valentine

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
1		TRANS & DIST EXPENSES(T&D)									
2	660000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,743
3	661100	Storage Facilities - Expenses	0	0	0	0	0	0	0	0	0
4	661200	Storage Facilities - Labor	0	0	0	0	0	0	0	0	0
5	662100	T&D Lines - Expenses	415	0	0	0	94	0	0	94	94
6	662200	T&D Lines - Labor	13,044	0	0	0	0	0	0	0	(13,044)
7	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0	0	0	0
8	663200	Meter Expenses-Remove and Reset-Labor	0	0	0	0	0	0	0	0	0
9	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0	0	0	0
10	663400	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0	0	0	0
11	664100	Customer Installation - Expenses	0	0	0	0	0	0	0	0	0
12	664200	Customer Installation - Labor	0	0	0	0	0	0	0	0	0
13	665100	Maps and Records - Expenses	0	0	0	0	0	0	0	0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0
15	665200	Maps and Records - Labor	0	0	0	0	0	0	0	0	0
16	665300	Misc Expenses	7,120	0	0	0	3,663	0	0	3,663	3,663
17	665400	Misc Labor	0	0	0	0	0	0	0	0	0
18	666000	Rents	0	0	0	0	0	0	0	0	0
19	670000	Maint Supervision & Engineering Ord	120	0	0	0	0	0	0	0	(120)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0
21	671100	Maint Struct & Improvements-Materials Ord	0	0	0	0	0	0	0	0	0
22	671110	Maint Struct & Improvements-Materials Prg	0	0	0	0	0	0	0	0	0
23	671200	Maint Struct & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0
25	672100	Maint Res & Standp-pes Materials Ord	0	0	0	0	0	0	0	0	0
26	672110	Maint Res & Standp-pes Materials Prg	0	0	0	0	0	0	0	0	0
27	672120	Amort Res & Standpipes	0	0	0	0	0	0	0	0	0
28	672200	Maint Res & Standpipes - Labor Ord	0	0	0	0	0	0	0	0	0
29	672210	Maint Res & Standpipes - Labor Prg	0	0	0	0	0	0	0	0	0
30	673100	Maint T&D Mains - Materials Ord	0	0	0	0	0	0	0	0	0
31	673110	Maint T&D Mains - Materials Prg	0	0	0	0	0	0	0	0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0	0	0	0
33	673200	Maint T&D Mains - Labor Ord	3,580	0	0	0	0	0	0	0	(3,580)
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0	0	0	0
35	675100	Maint Services - Materials Ord	0	0	0	0	0	0	0	0	0
36	675110	Maint Services - Materials Prg	0	0	0	0	0	0	0	0	0
37	675200	Maint Services - Labor Ord	2,788	0	0	0	0	0	0	0	(2,788)
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0	0	0	0
39	676100	Maint Meter - Materials Ord	0	0	0	0	0	0	0	0	0
40	676110	Maint Meter - Materials Prg	0	0	0	0	0	0	0	0	0
41	676200	Maint Meter - Labor Ord	0	0	0	0	0	0	0	0	0
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0	0	0	0
43	676300	Maint Meter Installation - Materials Ord	0	0	0	0	0	0	0	0	0
44	676310	Maint Meter Installation - Materials Prg	0	0	0	0	0	0	0	0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0	0	0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0	0	0	0
47											
48											
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00102
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULED-1E
Page 15 of 19
Witness Responsible: **M.A. Miller/ S.A. Valentine**

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D2.3	Adi D-14 Sch D2.3	Adj D-15 Sch D2.3	Adi D-16 Sch D2.3	Adj D-17 Sch D2.3	Adi D-18 Sch D2.3	Total Adjustments	Grand Total Adjustments	
1		TRANS & DIST EXPENSES (T&D) (Cont'd)										
2	677100	Mamt Hydrants - Matenals Ord	0	0	0	0	0	0	0	0	0	
3	677110	Maint Hydrants - Matenals Prg	0	0	0	0	0	0	0	0	0	
4	677200	Mamt Hydrants - Labor Ord	0	0	0	0	0	0	0	0	0	
5	677210	Mamt Hydrants - Labor Prg	0	0	0	0	0	0	0	0	0	
6	678100	Mamt Other T&D Plant - Matenals Ord	669	0	0	0	(669)	0	0	(669)	(669)	
7	678110	Mamt Other T&D Plant - Matenals Prg	0	0	0	0	0	0	0	0	0	
8	678200	Maint Other T&D Plant - Labor Ord	0	0	0	0	0	0	0	0	0	
9	678210	Maint Other T&D Plant - Labor Prg	0	0	0	0	0	0	0	0	0	
10												
11												
12		TOTAL T&D EXPENSES	27,736	0	0	0	3,088	0	0	0	3,088	27,299
13												
14		CUSTOMER ACCOUNTS EXPENSE (CA)										
15	901000	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16	902100	Meter Reading Expenses	0	0	0	0	0	0	0	0	0	
17	902190	Meter Reading Mgt Program	0	0	0	0	0	0	0	0	0	
18	902200	Meter Reading Labor	0	0	0	0	0	0	0	0	665	
19		CUST RECORDS & COLLECTION EXPENSES										
20	903100	Contracts and Orders - Expenses	0	0	0	0	0	0	0	0	0	
21	903200	Contracts and Orders - Labor	0	0	0	0	0	0	0	0	0	
22	903300	Collecting - Expenses	0	174	0	0	0	0	0	174	174	
23	903400	Collecting - Salanes	0	0	0	0	0	0	0	0	0	
24	903510	Billing & Accounting - Computers	0	0	0	0	0	0	0	0	0	
25	903520	Billing & Accounting - Other Expenses	0	540	0	0	0	0	0	540	540	
26	903600	Billing & Accounting Salanes	0	0	0	0	0	0	0	0	0	
27	904000	Uncollectible Accounts	0	432	0	0	0	0	0	432	432	
28	905100	Misc Expenses	0	0	0	0	0	0	0	0	0	
29	905200	Misc Salanes	0	0	0	0	0	0	0	0	0	
30												
31		TOTAL CA EXPENSES	0	1,146	0	0	0	0	0	0	1,146	1,811
32												
33		CUSTOMER SERVICE EXPENSES										
34	907100	Cust Service and Information - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
35	907200	Cust Service and Information - Salanes	0	0	0	0	0	0	0	0	0	
36		TOTAL CUSTOMER SERVICE EXP	0	0	0	0	0	0	0	0	0	
37												
38		SALES PROMOTION EXPENSES										
39	910100	Sales Promotion - Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
40												
41		TOTAL SALES PROMOTION EXP	0	0	0	0	0	0	0	0	0	
42												
43												
44												
45												
46												
47												
48												
49												
50												

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULED-D-1E
Page 16 of 19
Witness Responsible: **M.A. Miller/ S. A. Valentine**

Line No	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G)									
2	920000	Salaries	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
3	920500	Incentive Plan Expense	0	0	0	0	0	0		0	0
4	921100	Expenses of Employees	0	0	0	36	0	0		36	36
5	921130	Dues for Clubs - Ded	0	0	0	8	0	0		8	8
6	921200	Misc Office Expenses	0	0	0	0	0	0		0	0
7	923100	Service Company Charges	0	0	0	0	0	0		0	3,581
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0		0	0
9	923200	Auditing Services	0	0	0	0	0	0		0	0
10	923300	Legal Services	0	0	0	0	0	0		0	0
11	923400	Engineering Services	0	0	0	0	0	0		0	0
12	923500	Other Services - Current	0	0	0	0	0	0		0	0
13	924000	Property Insurance	0	0	0	0	0	0		0	165
14	925110	Workers Compensation	0	0	0	0	0	0		0	75
15	925120	Workers Comp Cap (AIB)	0	0	0	0	0	0		0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0		0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0		0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0		0	0
19	925300	Injuries and Damages - Expenses	0	0	0	0	4	0		4	4
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0		0	0
21	925400	General Liability	0	0	0	0	0	0		0	397
22		EMPLOYEE PENSIONS & BENEFITS									
23	926100	Accrued OPEB Expense	(364)	0	0	0	0	0		0	5,896
24	926110	Group Insurance Expense	(23)	0	0	0	0	0		0	6,435
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0		0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0		0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0		0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0		0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0		0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0		0	0
31	926200	Other Welfare & Educational Expenses	0	0	0	0	35	0		35	35
32	926210	Educational Expenses	0	0	0	0	0	0		0	0
33	926220	ESOP Contribution Expense	0	0	0	0	136	0		136	136
34	926250	401-K Contributions Expense	0	0	0	0	1,029	0		1,029	1,029
35	926260	401-K Cap (A&B)	0	0	0	0	0	0		0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0		0	0
37	926280	401-K Cap (CIR)	0	0	0	0	0	0		0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0		0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0		0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0		0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0		0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0		0	0
43	926400	Pension Plan Payments - Current	(449)	0	0	0	0	0		0	6,638
44	926600	Other Pension Plan Expenses	0	0	0	0	0	0		0	0
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0		0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0		0	(1,077)
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0		0	0
48	926910	Pensions - Capitalized - (CIR)	0	0	0	0	0	0		0	0
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULE D-1E
Page 17 of 19

Witness Responsible: M A Miller, S. A. Valentine

Line No.	Account Number	Description	Base Period	Adj D-13 Sch B.2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch B.2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D.2.3	Total Adjustments	Grand Total Adjustments
1		ADMINISTRATIVE & GENERAL EXP(A&G) - CONT									
2		REGULATORY COMMISSION EXPENSES									
3	928100	Amort Expense of Rate Proceedings	0	0	0	0	0	0		0	25
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0		0	0
5	928200	Tax Savings	0	0	0	0	0	0		0	0
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0		0	0
7	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0		0	0
8	930200	Amort Misc Charges	0	0	0	0	0	0		0	0
9	930210	Misc General Expenses Current	0	0	0	0	12	0		12	12
10	930220	Amort Ong Cost Study	0	0	0	0	0	0		0	0
11	930230	Amort Misc General Expenses	0	0	0	0	0	0		0	0
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0		0	0
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0		0	0
14	930260	Meals & Travel Expenses - Taxable	0	0	0	3	0	0		3	3
15	930270	Donations	0	0	0	0	0	0		0	0
16	930290	Data Processing Communication Exp	0	0	0	0	0	0		0	0
17	930300	Research & Development Expenses	0	0	0	0	0	0		0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0		0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0		0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0		0	0
21	930600	Transportation Expenses	0	0	0	0	0	0		0	0
22	930610	Transportation Cap (A&B)	0	0	0	0	0	0		0	0
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0		0	0
24	930630	Transportation Cap (H)	0	0	0	0	0	0		0	0
25	930880	Misc Gen Exp - Company Dues	0	0	0	0	32	0		32	32
26	930890	Misc Gen Exp - Other	0	0	0	0	136	0		136	136
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0		0	0
28	931000	Rents	0	0	0	0	0	0		0	0
29	932100	Mamt A&G Struc & Improv-Maternal Ord	0	0	0	0	0	0		0	0
30	932110	Mamt A&G Struc & Improv-Maternal Prg	0	0	0	0	0	0		0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0		0	0
32	932200	Mamt A&G Struc & Improv-Labor Ord	0	0	0	0	0	0		0	0
33	932210	Maint A&G Struc & Improv-labor Prg	0	0	0	0	0	0		0	0
34	932300	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0		0	0
35	932310	Mamt A&G Office Furniture-Maternal Prg	0	0	0	0	0	0		0	0
36	932400	Mamt A&G Office Furniture-Labor Ord	0	0	0	0	0	0		0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0		0	0
38	932500	Maint A&G Communication Equip-Material	0	0	0	0	0	0		0	0
39	932600	Mamt A&G Com Equip-Labor Ord	0	0	0	0	0	0		0	0
40	932610	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0		0	0
41	932700	Mamt A&G Misc Property-Maternal Ord	0	0	0	0	0	0		0	0
42	932710	Maint A&G Misc Property-Maternal Prg	0	0	0	0	0	0		0	0
43	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0		0	0
44	932810	Mamt A&G Misc Property-Labor Prg	0	0	0	0	0	0		0	0
45		Total A & G Expenses	(636)	0	0	47	1,384	0	0	0	23,568
46											
47		Total O & M Expenses	\$43,984	\$1,146	\$0	\$47	\$4,388	\$36	(\$439)	\$0	\$51,930
48											
49											
50											

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHD-23 (ELK LAKE)

SCHEDULED-1E
Page 18 of 19
Witness Responsible: M A Miller, S. A. Valerline

Line No.	Account Number	Description	Base Period	Adi D-13 Sch D2.3	Adi D-14 Sch D-2.3	Adi D-15 Sch D2.3	Adj D-16 Sch D2.3	Adi D-17 Sch D2.3	Adi D-18 Sch D2.4	Total Adjustments	Grand Total Adjustments
1											
2	08	Operation Labor Expenses	\$19,681	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0
4											
5		Total Labor	\$19,681	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
6											
7											
8		Total Operation Expenses	\$36,767	\$1,146	\$0	\$47	\$5,057	\$0	(\$439)	\$5,811	\$59,111
9		Total Maintenance Expenses	7,217	0	0	0	(669)	36	0	(633)	(7,181)
10											
11		Total O & M Expenses	\$43,984	\$1,146	\$0	\$47	\$4,388	\$36	(\$439)	\$5,178	\$51,930
12											
13											
14											
15											
16											
17	08	Labor	\$19,681	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,727
18	09	Purchased Water	16,741	0	0	0	0	0	(439)	(439)	(439)
19	10	Fuel and Power	0	0	0	0	0	0	0	0	0
20	11	Chemicals	110	0	0	0	0	0	0	0	(110)
21	12	Waste Disposal	0	0	0	0	0	0	0	0	0
22	13	Management Fees	0	0	0	0	0	0	0	0	3,581
23	14	Group Insurance	(387)	0	0	0	0	0	0	0	12,331
24	15	Pension	(449)	0	0	0	0	0	0	0	5,561
25	16	Regulatory Expense	0	0	0	0	0	0	0	0	25
26	17	Insurance Other than Group	0	0	0	0	0	0	0	0	637
27	18	Customer Accountng	0	1,146	0	0	0	0	0	1,146	1,146
28	19	Rents	0	0	0	0	0	0	0	0	0
29	20	General Office Expense	0	0	0	47	0	0	0	47	47
30	21	Miscellaneous	7,619	0	0	0	5,057	0	0	5,057	5,057
31	25	Other Maintenance	669	0	0	0	(669)	36	0	(633)	(633)
32											
33		Total O & M Expenses	\$43,984	\$1,146	\$0	\$47	\$4,388	\$36	(\$439)	\$5,178	\$51,930
34											
35		State Income Tax Impact	8.25%	(\$95)	\$0	(\$4)	(\$362)	(\$3)	\$36	(\$427)	(\$4,284)
36											
37		Federal Income Tax Impact	35.00%	(\$434)	\$0	(\$18)	(\$1,663)	(\$14)	\$166	(\$1,962)	(\$19,675)
38											
39		Net Operating Income Impact		(\$617)	\$0	(\$25)	(\$2,363)	(\$19)	\$237	(\$2,789)	(\$27,971)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

SCHEDULE **D-1E**

Page **19** of **19**

Witness Responsible: **M A Miller/ S. A Valerine**

DATA: **X** **BASE PERIOD** **X** **FORECASTED PERIOD**
TYPE OF FILING: **X** **ORIGINAL** **UPDATED** **REVISED**
WORKPAPER REFERENCE NO(S): **SCH D-2.3 (ELK LAKE)**

Line No	Account Number	Description	Base Period	Adi D-19 Sch D-2.4	Adi D-20 Sch D-2.4	Adi D-21 Sch D-2.4					Total Adjustment
1	403000	Depreciation	\$0	\$7,253	\$0	\$0					\$7,253
2	403100	Depreciation - CIAC	0	0							0
3			\$0	\$7,253	\$0	\$0	\$0	\$0	\$0	\$0	\$7,253
4											
5											
6		State Income Tax Impact	8.25%	(\$598)	\$0	\$0	\$0	\$0	\$0	\$0	(\$598)
7		Federal Income Tax Impact	35.00%	(\$2,748)	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,748)
8		Net Operating Income Impact		(\$3,907)	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,907)
9											
10		AMORTIZATION EXPENSE									
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0					\$0
12	404110	Amortization Franchise Expense	0	0	0	0					0
13	404430	Amortization Regualtoiy Asset - AFUDC	0	0	0	0					0
14	406000	Amortization Utility Plant Acquisition Adi	0	0	0	0					0
15	407000	Amortization Property Losses	0	0	0	0					0
16		TOTAL AMORTIZATION	\$0	\$0	\$0	\$0					\$0
17											
18		State Income Tax Impact	8.25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20		Net Operating Income Impact		\$0	\$0	\$0					\$0
21											
22											
23											
24		TAXES, OTHER THAN INCOME									
25	408100	Real & Personal Property Taxes	\$0	\$0	\$0	\$2,611					\$2,611
26	408110	Gross Income & Receipts Taxes	0	0	0	0					0
27	408120	Invested Capital Tax	0	0	0	0					0
28	408130	Other General Taxes	0	0	0	0					0
29	408140	FUTA	0	0	0	92					92
30	408150	FUTA Capitalized- (A Work Order)	0	0	0	0					0
31	408040	FUTA Capitalized- (H Work Order)	0	0	0	0					0
32	408050	FUTA Capitalized- (C & R Work Order)	0	0	0	0					0
33	408160	FICA	0	0	0	3,393					3,393
34	408170	FICA Capitalized- (A Work Order)	0	0	0	0					0
35	408060	FICA Capitalized- (H Work Order)	0	0	0	0					0
36	408070	FICA Capitalized- (C & R Work Order)	0	0	0	0					0
37	408180	SUTA	0	0	0	67					67
38	408190	SUTA Capitalized- (A Work Order)	0	0	0	0					0
39	408080	SUTA Capitalized- (H Work Order)	0	0	0	0					0
40	408090	SUTA Capitalized- (C & R Work Order)	0	0	0	0					0
41	408220	Environmental Tax	0	0	0	0					0
42			\$0	\$0	\$0	\$6,163	\$0	\$0	\$0	\$0	\$6,163
43											
44		State Income Tax Impact	8.25%	\$0	\$0	(\$508)	\$0	\$0	\$0	\$0	(\$508)
45		Federal Income Tax Impact	35.00%	\$0	\$0	(\$1,979)	\$0	\$0	\$0	\$0	(\$1,979)
46		Net Operating Income Impact		\$0	\$0	(\$3,676)	\$0	\$0	\$0	\$0	(\$3,676)
47											
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-2 (ELK LAKE)

SCHEDULED-2.1E
Page 1 of 3
Witness Responsible: **S.A. Valentine**

Line No	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period		
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED STATEMENTS
FOR THE TWELVE MONTHS ENDING: **NOVEMBER 30, 2005**

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-2 (ELK LAKE)

SCHEDULE D-2.1E
Page 2 of 3
Witness Responsible: **S.A. Valerine**

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR M E TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-2 (ELK LAKE)

SCHEDULE D-2.2E
Page 1 of 1
Witness Responsible: S.A. Valentine

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
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KEMUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
N P E OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-3 (ELK LAKE)

SCHEDULED-2.3E
Page 2 of 2
Witness Responsible: S.A. Valerino

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1		<u>Customer Accounting Adjustment D-13</u>	
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village and Elk Lake.	Forecasted Amount	\$1,146
3		Base Period Amount	0
4		Pro Forma Adjustment	<u>\$1,146</u>
5			
6		<u>Rents Adjustment D-14</u>	
7		Forecasted Amount	\$0
8		Base Period Amount	0
9		Pro Forma Adjustment	<u>\$0</u>
10			
11		<u>General Office Expense Adjustment D-15</u>	
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village and Elk Lake.	Forecasted Amount	\$47
13		Base Period Amount	0
14		Pro Forma Adjustment	<u>\$47</u>
15			
16		<u>Miscellaneous Expenses Adjustment D-16</u>	
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village and Elk Lake.	Forecasted Amount	\$12,676
18		Base Period Amount	7,819
19		Pro Forma Adjustment	<u>\$5,057</u>
20			
21		<u>Maintenance Expense Adjustment D-17</u>	
22	Maintenance reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations prior and forecasted deferred maintenance projects. It also includes maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village and Elk Lake.	Forecasted Amount	\$36
23		Base Period Amount	669
24		Pro Forma Adjustment	<u>(\$633)</u>
25			
26		<u>Purchased Water Expense Adjustment D-18</u>	
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	Forecasted Amount	\$16,302
28		Base Period Amount	16,741
29		Pro Forma Adjustment	<u>(\$439)</u>
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: **NOVEMBER 30, 2005**

SCHEDULED-2.4E

Page 1 of 1

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-4 & W/P-5 (ELK LAKE)

Witness Responsible: M.A. Miller/ S. A. Valentine

Lin# No.	Purpose and Description of Adjustment		Workpaper Reference	Amount
1		<u>Depreciation Expense Adjustment D-19</u>		
2	Depreciation expense reflects an Increase due to an Increased level of Utility Plant in Service	Forecasted Amount	W/P-4-1	\$7,253
3		Base Period Amount		<u>0</u>
4		Pro Forma Adjustment		<u>\$7,253</u>
5				
6		<u>Amortization Expense Adjustment D-20</u>		
7		Forecasted Amount	W/P-4-1	\$0
8		Base Period Amount		<u>0</u>
9		Pro Forma Adjustment		<u>\$0</u>
10				
11		<u>General Taxes Expense Adjustment D-21</u>		
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated	Forecasted Amount	W/P-5	\$6,163
13	to be expenses for the forecasted test period This also includes the allocation of property tax from Central Division	Base Period Amount		<u>0</u>
14	to Tri Village and Elk Lake	Pro Forma Adjustment		<u>\$6,163</u>
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF JURISDICTIONAL FACTORS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): (ELK LAKE)

SCHEDULED-3E
Page 1 of 1
Witness Responsible. S.A. Valentine

Line No	Acct	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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5				NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
JURISDICTIONAL STATISTICS
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

SCHEDULE D-4E
Page 1 of 1

DATA: _X_ BASEPERIOD _X_ FORECASTEDPERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):: (ELK LAKE)

Line No	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00101
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): (ELK LAKE)

SCHEDULED-5E
Page 1 of 1

Line No	Account No	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TOTAL COMPANY

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WIP-6

SCHEDULE E-1.1
PAGE 1 of 2
Witness Responsible: J.E. Salsner

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$44,246,522	\$0	\$44,246,522
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	20,663,011	0	20,663,011
7	Depreciation & Amortization	6,775,912	0	6,775,912
8	Taxes other than Income	2,628,313	0	2,628,313
9	State Income Taxes - Current	308,428	0	308,428
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before FIT	<u>30,375,664</u>	<u>0</u>	<u>30,375,664</u>
13				
14	Operating Income before Federal Income Taxes	13,870,858	0	13,870,858
15	Reconciling Items;			
16	Interest Charges	(4,961,409)	0	(4,961,409)
17	Book Depreciation	6,095,369	0	6,095,369
18	Tax Depreciation	(10,553,970)	0	(10,553,970)
19	Taxable Customer Adv and CIAC	(305,860)	0	(305,860)
20	Other Net	(964,896)	0	(964,896)
21	Reserved	0	0	0
22	Reserved	0	0	0
23	Reserved	0	0	0
24	Reserved	0	0	0
25	Reserved	0	0	0
26	Reserved	0	0	0
27	Reserved	0	0	0
28	Reserved	0	0	0
29	Reserved	0	0	0
30	Reserved	0	0	0
31				
32	Total Reconciling Items	<u>(10,690,766)</u>	<u>0</u>	<u>(10,690,766)</u>
33				
34	Federal Taxable Income	3,180,092	0	3,180,092
35				
36	Federal Income Tax Rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
37	Federal Income Tax Liability	1,113,032	0	1,113,032
38	Adjustment of Prior Year	<u>146,521</u>	<u>0</u>	<u>146,521</u>
39				
40	Federal Income Taxes - Current	<u>\$966,511</u>	<u>\$0</u>	<u>\$966,511</u>
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The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling items will not be available until the Company provides the update to the base period data.

KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31,2004
TOTAL COMPANY

DATA: BASE PERIOD FORECASTED PERIOD
N P E OF FILING: ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.1
PAGE 2 of 2
Witness Responsible: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred Income Taxes:			
4	Def FIT Regulatory Asset/Liability	\$36,030	\$0	\$36,030
5	Def FIT Other	1,810,199	0	1,810,199
6	Def FIT Prior Year Adj.	<u>142,253</u>	<u>0</u>	<u>142,253</u>
7		1,988,482	0	1,988,482
8	Amort Deferred ITC	<u>(79,820)</u>	<u>0</u>	<u>(79,820)</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$1,908,662</u>	<u>\$0</u>	<u>\$1,908,662</u>
11				
12	Total Federal Income Taxes	<u>\$2,875,173</u>	<u>\$0</u>	<u>\$2,875,173</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TOTAL COMPANY

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.2
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$44,246,522	\$0	\$44,246,522
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	20,663,011	0	20,663,011
7	Depreciation & Amortization	6,775,912	0	6,775,912
8	Taxes other than Income	2,628,313	0	2,628,313
9	State Income Taxes - Current	0	0	0
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before SIT	<u>30,067,236</u>	<u>0</u>	<u>30,067,236</u>
13				
14	Operating Income before State Income Taxes	14,179,286	0	14,179,286
15	Reconciling Items;			
16	Interest Charges	(4,961,409)	0	(4,961,409)
17	Book Depreciation	6,095,369	0	6,095,369
18	Tax Depreciation	(10,553,970)	0	(10,553,970)
19	Taxable Customer Adv and CIAC	(305,860)	0	(305,860)
20	Other Net	(714,896)	0	(714,896)
21	Resewed	0	0	0
22	Resewed	0	0	0
23	Resewed	0	0	0
24	Resewed	0	0	0
25	Resewed	0	0	0
26	Resewed	0	0	0
27	Resewed	0	0	0
28	Resewed	0	0	0
29	Resewed	0	0	0
30	Resewed	0	0	0
31	Resewed	0	0	0
32	Total Reconciling Items	<u>(10,440,766)</u>	<u>0</u>	<u>(10,440,766)</u>
33				
34	State Taxable Income	3,738,520	0	3,738,520
35				
36	State Income Tax Rate	8.25%	8.25%	8.25%
37	State Income Tax Liability	308,428	0	308,428
38	Less: Surtax Credit	0	0	4,875
39	State Income Taxes - Current	308,428	0	303,553
40	Less: Prior Year Adjustment	45,854	0	45,854
41		<u>\$262,574</u>	<u>\$0</u>	<u>\$257,699</u>
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The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling item will not be available until the Company provides the update to the base period data.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TOTAL COMPANY

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.2
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes:			
4	Def SIT Regulatory Asset/Liability	19,038	0	19,038
5	Def SIT Other	194,683	0	194,683
6	Def SIT Prior Year Adj	46,370	0	46,370
7		<u>260,091</u>	<u>0</u>	<u>260,091</u>
8	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>
9				
10	Total Deferred State Income Taxes	<u>\$ 260,091</u>	<u>\$ -</u>	<u>\$ 260,091</u>
11				
12	Total State Income Taxes	<u>\$ 522,665</u>	<u>\$ -</u>	<u>\$ 517,790</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005
TOTAL COMPANY

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ X ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.3
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsner

Line No	Description	At Current Rates		At Proposed Rates		
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted
1						
2	Operabng Revenues	<u>\$43,336,002</u>	<u>\$0</u>	<u>\$43,336,002</u>	<u>\$7,176,820</u>	<u>\$50,512,822</u>
3						
4	Operabng Expenses					
5	Operahon & Maintenance Expenses	21,910,724	0	21,910,724	36,374	21,947,098
6	Depreciation & Amortization	7,740,870	0	7,740,870	0	7,740,870
7	Taxes other than Income	2,710,557	0	2,710,557	13,413	2,723,970
8	State Income Taxes - Current	510,234	0	510,234	587,981	1,098,215
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	<u>32,872,385</u>	<u>0</u>	<u>32,872,385</u>	<u>637,768</u>	<u>33,510,153</u>
12						
13	Operating Income before Federal Income Taxes	10,463,617	0	10,463,617	6,539,052	17,002,669
14	Reconciling Items;					
15	Interest Charges	(5,295,131)	0	(5,295,131)	0	(5,295,131)
16	Book Depreciation	7,045,716	0	7,045,716	0	7,045,716
17	Tax Depreciation	(9,564,078)	0	(9,564,078)	0	(9,564,078)
18	Non-Deductible Meals	20,760	0	20,760	0	20,760
19	Additional Taxable AFUDC	(223,073)	0	(223,073)	0	(223,073)
20	Deferred Debits	1,260,636	0	1,260,636	0	1,260,636
21	Amortization of UPAA	21,612	0	21,612	0	21,612
22	Deferred Maintenance	483,249	0	483,249	0	483,249
23	Property Losses	656,178	0	656,178	0	656,178
24	Amort Regulatory Assets ■ Liabilities	25,728	0	25,728	0	25,728
25	Taxable Advances and CIAC	838,315	0	838,315	0	838,315
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Reserved	0	0	0	0	0
30						
31	Total Reconciling Items	<u>(4,730,088)</u>	<u>0</u>	<u>(4,730,088)</u>	<u>0</u>	<u>(4,730,088)</u>
32						
33	Federal Taxable Income	5,733,529	0	5,733,529	6,539,052	12,272,581
34						
35	Federal Income Tax Rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
36						
37	Federal Income Tax Liability	2,006,735	0	2,006,735	2,268,668	4,295,403
38						
39	Investment Tax Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
40						
41	Federal Income Taxes - Current	<u>\$ 2,006,735</u>	<u>\$ -</u>	<u>\$ 2,006,735</u>	<u>\$ 2,268,668</u>	<u>\$ 4,295,403</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005
TOTAL COMPANY

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-8

SCHEDULEE-1.3
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsar

Line No	Description	At Current Rates			At Proposed Rates		
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted	
1							
2	Deferred Income Taxes						
3	Def FIT Regulatory Asset/Liability	\$88,345	\$0	\$88,345	\$0	\$88,345	
4	Def FIT UPI'S	468,010	0	468,010	0	468,010	
5	Def FIT Deferred Maintenance	(155,184)	0	(155,184)	0	(155,184)	
6	Def FIT Deferred Debits	(405,672)	0	(405,672)	0	(405,672)	
7	Def FIT Property Losses	(210,715)	0	(210,715)	0	(210,715)	
8	Def FIT Community Education Costs	0	0	0	0	0	
9							
10		<u>(215,216)</u>	<u>0</u>	<u>(215,216)</u>	<u>0</u>	<u>(215,216)</u>	
11	Amort Deferred ITC	<u>(84,797)</u>	<u>0</u>	<u>(84,797)</u>	<u>0</u>	<u>(84,797)</u>	
12							
13	Total Deferred Federal Income Taxes	<u>(300,013)</u>	<u>0</u>	<u>(300,013)</u>	<u>0</u>	<u>(300,013)</u>	
14							
15	Total Federal Income Taxes	<u>\$1,706,722</u>	<u>\$0</u>	<u>\$1,706,722</u>	<u>\$2,288,668</u>	<u>\$3,995,390</u>	
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005
TOTAL COMPANY

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WIP-6

SCHEDULEE-1.4
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsar

Line No	Description	At Current Rates		At Proposed Rates	
		Unadjusted	Adjustments	Adjusted	Adjusted
1					
2	Operating Revenues	\$ 43,336,002	\$	\$ 43,336,002	\$ 7,176,820
3					
4	Operating Expenses				
5	Operation & Maintenance Expenses	\$ 21,910,724	\$	\$ 21,910,724	\$ 36,374
6	Depreciation & Amortization	7,740,870	0	7,740,870	0
7	Taxes other than Income	2,710,557	0	2,710,557	13,413
8	State Income Taxes - Current				
9	Federal Income Taxes				
10					
11	Total Operating Expenses before FIT	\$ 32,362,151	\$	\$ 32,362,151	\$ 49,787
12					
13	Operating Income before Federal Income Taxes	\$ 10,973,851	\$	\$ 10,973,851	\$ 7,127,033
14	Reconciling Items;				
15	Interest Charges	(5,295,131)	0	(5,295,131)	0
16	Book Depreciation	7,045,716	0	7,045,716	0
17	Tax Depreciation	(9,564,078)	0	(9,564,078)	0
18	Non-Deductible Meals	20,760	0	20,760	0
19	Additional Taxable AFUDC	(223,073)	0	(223,073)	0
20	Deferred Debits	1,260,636	0	1,260,636	0
21	Amortization of UPAA	21,612	0	21,612	0
22	Deferred Maintenance	483,249	0	483,249	0
23	Property Losses	656,178	0	656,178	0
24	Amort Regulatory Assets Liabilities	25,728	0	25,728	0
25	Community Education Costs	838,315	0	838,315	0
26	Taxable Advances and CIAC	0	0	0	0
27	Reserved	0	0	0	0
28	Reserved	0	0	0	0
29	Reserved	0	0	0	0
30					
31	Total Reconciling Items	\$ (4,730,088)	\$	\$ (4,730,088)	\$
32					
33	State Taxable Income	\$ 6,243,763	\$	\$ 6,243,763	\$ 7,127,033
34					
35	State Income Tax Rate	8.25%	8.25%	8.25%	8.25%
36					
37	State Income Tax Liability	\$ 515,110	\$	\$ 515,110	\$ 587,980
38	Less Surtax Credit	4,876		4,876	0
39					
40	State Income Taxes - Current	\$ 510,234	\$	\$ 510,234	\$ 587,980
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005
TOTAL COMPANY

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ X ___ ORIGINAL ___ UPDATED ___ R M S E D
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4
PAGE 2 of 2
WITNESS RESPONSIBLE: JE. Salsler

Line No	Description	At Current Rates			At Proposed Rates	
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted
1						
2	Deferred Income Taxes					
3	Def SIT Regulatory Asset/Liability	\$45,018	\$0	\$45,018	\$0	\$45,018
4	Def SIT UPIS	120,237	0	120,237	0	120,237
5	Def SIT Deferred Maintenance	(39,870)	0	(39,870)	0	(39,870)
6	Def SIT Deferred Debits	(104,220)	0	(104,220)	0	(104,220)
7	Def SIT Property Losses	(54,135)	0	(54,135)	0	(54,135)
8						
9						
10		<u>(32,970)</u>	<u>0</u>	<u>(32,970)</u>	<u>0</u>	<u>(32,970)</u>
11	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12						
13	Total Deferred State Income Taxes	<u>(32,970)</u>	<u>0</u>	<u>(32,970)</u>	<u>0</u>	<u>(32,970)</u>
14						
15	Total State Income Taxes	<u>\$477,264</u>	<u>\$0</u>	<u>\$477,264</u>	<u>\$587,980</u>	<u>\$1,065,245</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
SUMMARY OF INCOME TAX ADJUSTMENTS
TOTAL COMPANY

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.5
PAGE 1 of 1
WITNESS RESPONSIBLE: JE Salsler

Line No	Reference Base Period	Forecasted Period	Description	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
1						
2						
3			State Income Taxes			
4	Sch E-1.2	Sch E-1.4	Current	\$262,574	\$ 510,234	\$ 247,660
5	Sch E-1.2	Sch E-1.4	Deferred	260,091	(32,970)	(293,061)
6			Reserved	0	0	0
7			Reserved	0	0	0
8				<u>0</u>	<u>0</u>	<u>0</u>
9			Total State Income Taxes	<u>\$ 522,665</u>	<u>\$ 477,264</u>	<u>\$ (45,401)</u>
10						
11						
12			Federal Income Taxes			
13	Sch E-1.1	Sch E-1.3	Current	\$965,511	\$ 2,006,735	\$ 1,040,224
14	Sch E-1.1	Sch E-1.3	Deferred	1,988,482	(215,216)	(2,203,698)
15	Sch E-1.1	Sch E-1.3	Deferred- ITC	(79,820)	(84,797)	(4,977)
16			Reserved	0	0	0
17			Reserved	0	0	0
18				<u>0</u>	<u>0</u>	<u>0</u>
19			Total Federal Income Taxes	<u>\$ 2,875,173</u>	<u>\$ 1,706,722</u>	<u>\$ (1,168,451)</u>
20						
21						
22			Total Income Taxes	<u>\$ 3,397,838</u>	<u>\$ 2,183,986</u>	<u>\$ (1,213,852)</u>
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: **2004-00103**
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005
TOTAL COMPANY

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 1 of 1
WITNESS RESPONSIBLE: J.E. Salser

Line No	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code	Explanation
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NOT APPLICABLE TO KENTUCKY-AMERICANWATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICANWATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.1C
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$43,416,080	\$0	\$43,416,080
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	20,117,049	0	20,117,049
7	Depreciation & Amortization	6,733,572	0	6,733,572
8	Taxes other than Income	2,622,067	0	2,622,067
9	State Income Taxes - Current	301,399	0	301,399
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before FIT	29,774,087	0	29,774,087
13				
14	Operating Income before Federal Income Taxes	13,641,993	0	13,641,993
15	Reconciling Items,			
16	Interest Charges	(4,866,150)	0	(4,866,150)
17	Book Depreciation	6,045,715	0	6,045,715
18	Tax Depreciation	(10,468,483)	0	(10,468,483)
19	Taxable Customer Adv and CIAC	(299,987)	0	(299,987)
20	Other Net	(946,370)	0	(946,370)
21	Resewed	0	0	0
22	Reserved	0	0	0
23	Resewed	0	0	0
24	Resewed	0	0	0
25	Reserved	0	0	0
26	Resewed	0	0	0
27	Resewed	0	0	0
28	Resewed	0	0	0
29	Resewed	0	0	0
30	Resewed	0	0	0
31				
32	Total Reconciling Items	(10,535,275)	0	(10,535,275)
33				
34	Federal Taxable Income	3,106,718	0	3,106,718
35				
36	Federal Income Tax Rate	35.00%	35.00%	35.00%
37	Federal Income Tax Liability	1,087,351	0	1,087,351
38	Adjustment of Prior Year	143,708	0	143,708
39				
40	Federal Income Taxes - Current	\$943,643	\$0	\$943,643

The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling item will not be available until the Company provides the update to the base period data.

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE(S): W/P-6

SCHEDULEE-1.1C
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Original Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred Income Taxes:			
4	Def FIT Regulatory Asset/Liability	\$35,338	\$0	\$35,338
5	Def FIT Other	1,775,443	0	1,775,443
6	Def FIT Prior Year	<u>139,522</u>	<u>0</u>	<u>139,522</u>
7		1,950,303	0	1,950,303
8	Amort Deferred ITC	<u>(79,820)</u>	<u>0</u>	<u>(79,820)</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$1,870,483</u>	<u>\$0</u>	<u>\$1,870,483</u>
11				
12	Total Federal Income Taxes	<u>\$2,814,126</u>	<u>\$0</u>	<u>\$2,814,126</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.2C
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates	Adjustments	Adjusted
		Unadjusted		
1				
2				
3	Operating Revenues	\$43,416,080	\$0	\$43,416,080
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	20,117,049	0	20,117,049
7	Depreciation & Amortization	6,733,572	0	6,733,572
8	Taxes other than Income	2,622,067	0	2,622,067
9	State Income Taxes - Current	0	0	0
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before SIT	29,472,688	0	29,472,688
13				
14	Operating Income before State Income Taxes	13,943,392	0	13,943,392
15	Reconciling Items;			
16	Interest Charges	(4,866,150)	0	(4,866,150)
17	Book Depreciation	6,045,715	0	6,045,715
18	Tax Depreciation	(10,468,483)	0	(10,468,483)
19	Taxable Customer Adv and CIAC	(299,987)	0	(299,987)
20	Other Net	(701,170)	0	(701,170)
21	Reserved	0	0	0
22	Reserved	0	0	0
23	Reserved	0	0	0
24	Reserved	0	0	0
25	Reserved	0	0	0
26	Reserved	0	0	0
27	Reserved	0	0	0
28	Reserved	0	0	0
29	Reserved	0	0	0
30	Reserved	0	0	0
31	Reserved	0	0	0
32	Total Reconciling Items	(10,290,075)	0	(10,290,075)
33				
34	State Taxable Income	3,653,317	0	3,653,317
35				
36	State Income Tax Rate	8.25%	8.25%	8.25%
37	State Income Tax Liability	301,399	0	301,399
38	Less: Surtax Credit	0	0	4,875
39	State Income Taxes - Current	301,399	0	296,524
40	Less: Prior Year Adjustment	44,974	0	44,974
41		\$256,425	\$0	\$251,550
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The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling item will not be available until the Company provides the update to the base period data.

KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
STATE INCOMETAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31,2004
CENTRAL DIVISION

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WIP-6

SCHEDULEE-1.2C
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes			
4	Def SIT Regulatory Asset/Liability	\$18,672	\$	\$ 18,672
5	Def SIT Other	190,945	0	190,945
6	Def SIT Pnor Year Adj	<u>45,480</u>	<u>0</u>	<u>45,480</u>
7		255,097	0	255,097
8	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>
9				
10	Total Deferred State Income Taxes	<u>\$ 255,097</u>	<u>\$</u>	<u>\$ 255,097</u>
11				
12	Total State Income Taxes	<u>\$ 511,522</u>	<u>\$</u>	<u>\$ 506,647</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: **BASE PERIOD** X **FORECASTED PERIOD**
TYPE OF FILING: **X** **ORIGINAL** **UPDATED** **REVISED**
WORKPAPER REFERENCE NO(S): **W/P-6**

SCHEDULE **E-1,3C**
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsar

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$42,417,695	\$0	\$42,417,695	\$6,802,633	\$49,220,328
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	21,199,493	0	21,199,493	34,478	21,233,971
6	Depreciation & Amortization	7,627,040	0	7,627,040	0	7,627,040
7	Taxes other than Inwme	2,650,306	0	2,650,306	12,714	2,663,020
8	State Income Taxes - Current	515,243	0	515,243	557,324	1,072,567
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	<u>31,992,082</u>	<u>0</u>	<u>31,992,082</u>	<u>604,516</u>	<u>32,596,598</u>
12						
13	Operating Income before Federal Inwme Taxes	10,425,613	0	10,425,613	6,198,117	16,623,730
14	Reconciling Items;					
15	Interest Charges	(5,183,814)	0	(5,183,814)	0	(5,183,814)
16	Book Depreciation	6,931,886	0	6,931,886	0	6,931,886
17	Tax Depreciation	(9,409,428)	0	(9,409,428)	0	(9,409,428)
18	Non-Deductible Meals	20,324	0	20,324	0	20,324
19	Additional Taxable AFUDC	(216,024)	0	(216,024)	0	(216,024)
20	Deferred Debits	1,252,272	0	1,252,272	0	1,252,272
21	Amortization of UPAA	13,248	0	13,248	0	13,248
22	Deferred Maintenance	473,916	0	473,916	0	473,916
23	Property Losses	656,178	0	656,178	0	656,178
24	Amort Regulatory Assets / Liabilities	25,728	0	25,728	0	25,728
25	Taxable Advances and CIAC	798,079	0	798,079	0	798,079
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Resewed	0	0	0	0	0
30						
31	Total Reconciling Items	<u>(4,637,635)</u>	<u>0</u>	<u>(4,637,635)</u>	<u>0</u>	<u>(4,637,635)</u>
32						
33	Federal Taxable Income	5,787,978	0	5,787,978	6,198,117	11,986,095
34						
35	Federal Inwme Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
36						
37	Federal Inwme Tax Liability	2,025,792	0	2,025,792	2,169,341	4,195,133
38						
39	Investment Tax Credits	0	0	0	0	0
40						
41	Federal Income Taxes - Current	<u>\$ 2,025,792</u>	<u>\$ -</u>	<u>\$ 2,025,792</u>	<u>\$ 2,169,341</u>	<u>\$ 4,195,133</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: ___BASE PERIOD___X___FORECASTED PERIOD___
TYPE OF FILING: ___X___ORIGINAL___UPDATED___REVISIED___
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.3C
PAGE 2 of 2
WITNESS RESPONSIBLE: JE Salsler

Line No	Description	At Current Rates			At Proposed Rates	
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted
1						
2	Deferred Income Taxes					
3	Def FIT Regulatory Asset/Liability	\$86,916	\$0	\$86,916	\$0	\$86,916
4	Def FIT UPIs	460,442	0	460,442	0	460,442
5	Def FIT Deterred Maintenance	(152,184)	0	(152,184)	0	(152,184)
6	Def FIT Deferred Debits	(402,984)	0	(402,984)	0	(402,984)
7	Def FIT Property Losses	(210,715)	0	(210,715)	0	(210,715)
8						
9						
10		<u>(218,525)</u>	<u>0</u>	<u>(218,525)</u>	<u>0</u>	<u>(218,525)</u>
11	Amort Deferred ITC	<u>(84,797)</u>	<u>0</u>	<u>(84,797)</u>	<u>0</u>	<u>(84,797)</u>
12						
13	Total Deferred Federal Income Taxes	<u>(303,322)</u>	<u>0</u>	<u>(303,322)</u>	<u>0</u>	<u>(303,322)</u>
14						
15	Total Federal Income Taxes	<u>\$1,722,470</u>	<u>\$0</u>	<u>\$1,722,470</u>	<u>\$2,169,341</u>	<u>\$3,891,811</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: ___ BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4C
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$ 42,417,695	\$	\$ 42,417,695	\$ 6,802,633	\$ 49,220,328
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 21,199,493	\$	\$ 21,199,493	\$ 34,478	\$ 21,233,971
6	Depreciation & Amortization	7,627,040	0	7,627,040	0	7,627,040
7	Taxes other than Income	2,650,306	0	2,650,306	12,714	2,663,020
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 31,476,839	\$	\$ 31,476,839	\$ 47,192	\$ 31,524,031
12						
13	Operating Income before Federal Income Taxes	\$ 10,940,856	\$	\$ 10,940,856	\$ 6,755,441	\$ 17,696,297
14	Reconciling Items					
15	Interest Charges	(5,183,814)	0	(5,183,814)	0	(5,183,814)
16	Book Depreciation	6,931,886	0	6,931,886	0	6,931,886
17	Tax Depreciation	(9,409,428)	0	(9,409,428)	0	(9,409,428)
18	Non-Deductible Meals	20,324	0	20,324	0	20,324
19	Additional Taxable AFUDC	(216,024)	0	(216,024)	0	(216,024)
20	Deferred Debits	1,252,272	0	1,252,272	0	1,252,272
21	Amortization of UPAA	13,248	0	13,248	0	13,248
22	Deferred Maintenance	473,916	0	473,916	0	473,916
23	Property Losses	656,178	0	656,178	0	656,178
24	Amort Regulatory Assets / Liabilities	25,728	0	25,728	0	25,728
25	Taxable Advances and CIAC	798,079	0	798,079	0	798,079
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Reserved	0	0	0	0	0
30						
31	Total Reconciling Items		\$	\$ (4,637,635)	\$	\$ (4,637,635)
32						
33	State Taxable Income	\$ 6,303,221	\$	\$ 6,303,221	\$ 6,755,441	\$ 13,058,662
34						
35	State Income Tax Rate	8.25%	8.25%	8.25%	8.25%	8.25%
36						
37	State Income Tax Liability	\$ 520,016	\$	\$ 520,016	\$ 557,324	\$ 1,077,340
38	Less Surtax Credit	4,773		4,773	0	4,773
39						
40	State Income Taxes - Current	\$ 515,243	\$	\$ 515,243	\$ 557,324	\$ 1,072,567
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
CENTRAL DIVISION

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
TYPE OF FILING: ___X_ ORIGINAL ___ UPDATED ___ REVISD
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4C
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates			At Prowsed Rates	
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def SIT Regulatory Asset/Liability	\$44,290	\$0	\$44,290	\$0	\$44,290
4	Def SIT UPIs	118,293	0	118,293	0	118,293
5	Def SIT Deferred Maintenance	(39,102)	0	(39,102)	0	(39,102)
6	Def SIT Deferred Debifs	(103,536)	0	(103,536)	0	(103,536)
7	Def SIT Property Losses	(54,135)	0	(54,135)	0	(54,135)
8						0
9						
10		<u>(34,190)</u>	<u>0</u>	<u>(34,190)</u>	<u>0</u>	<u>(34,190)</u>
11	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12						
13	Total Deferred State Income Taxes	<u>(34,190)</u>	<u>0</u>	<u>(34,190)</u>	<u>0</u>	<u>(34,190)</u>
14						
15	Total State Income Taxes	<u>\$481,053</u>	<u>\$0</u>	<u>\$481,053</u>	<u>\$557,324</u>	<u>\$1,038,377</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF INCOME TAX ADJUSTMENTS
CENTRAL DIVISION

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.5C
PAGE 1 of 1
WITNESS RESPONSIBLE: J.E. Salsler

Line NO.	Reference Base Period	Forecasted Period	Description	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
1						
2						
3						
4	Sch E-1.2	Sch E-1.4	State Income Taxes			
5	Sch E-1.2	Sch E-1.4	Current	\$256,425	\$515,243	\$258,818
6			Deferred	255,097	(34,190)	(289,287)
7			Resewed	0	0	0
8			Resewed	0	0	0
9			Total State Income Taxes	\$ 511,522	\$ 481,053	\$ (30,469)
10						
11						
12			Federal Income Taxes			
13	Sch E-1.1	Sch E-1.3	Current	\$943,643	\$2,025,792	\$1,082,149
14	Sch E-1.1	Sch E-1.3	Deferred	1,950,303	(218,525)	(2,168,828)
15	Sch E-1.1	Sch E-1.3	Deferred- ITC	(79,820)	(84,797)	(4,977)
16			Reserved	0	0	0
17			Reserved	0	0	0
18			Total Federal Income Taxes	\$ 2,814,126	\$ 1,722,470	\$ (1,091,656)
19						
20						
21			Total Income Taxes	\$ 3,325,648	\$ 2,203,523	\$ (1,122,125)
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOMETAXES
FOR THE TWELVE MONTHS ENDED: JULY 31,2004
CENTRAL DIVISION

DATA: BASE PERIOD FORECASTEDPERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULEE-2C
PAGE 1 of 1
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code / Explanation
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NOT APPLICABLE TO KENTUCKY-AMERICANWATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICANWATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRIVILLAGE

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.1T
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$785,938	\$0	\$785,938
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	501,978	0	501,978
7	Depreciation & Amortization	42,340	0	42,340
8	Taxes other than Income	6,246	0	6,246
9	State Income Taxes - Current	7,675	0	7,675
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before FIT	558,239	0	558,239
13				
14	Operating Income before Federal Income Taxes	227,699	0	227,699
15	Reconciling Items;			
16	Interest Charges	(92,778)	0	(92,778)
17	Book Depreciation	42,340	0	42,340
18	Tax Depreciation	(72,822)	0	(72,822)
19	Taxable Customer Adv and CIAC	(5,720)	0	(5,720)
20	Other Net	(18,044)	0	(18,044)
21	Resewed	0	0	0
22	Resewed	0	0	0
23	Resewed	0	0	0
24	Resewed	0	0	0
25	Resewed	0	0	0
26	Resewed	0	0	0
27	Resewed	0	0	0
28	Resewed	0	0	0
29	Resewed	0	0	0
30	Resewed	0	0	0
31				
32	Total Reconciling Items	(147,024)	0	(147,024)
33				
34	Federal Taxable Income	80,675	0	80,675
35				
36	Federal Income Tax Rate	35.00%	35.00%	35.00%
37	Federal Income Tax Liability	28,236	0	28,236
38	Adjustment of Prior Year	2,740	0	2,740
39				
40	Federal Income Taxes - Current	25,496	\$0	\$25,496

The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period ending item will not be available until the Company provides the update to the base period data.

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.1T
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salser

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred Income Taxes:			
4	Def FIT Regulatory Asset/Liability	\$674	\$0	\$674
5	Def FIT Other	33,851	0	33,851
6	Def FIT Prior Year Adj	<u>2,660</u>	<u>0</u>	<u>2,660</u>
7		37,185	0	37,185
8	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$37,185</u>	<u>\$0</u>	<u>\$37,185</u>
11				
12	Total Federal Income Taxes	<u>\$62,681</u>	<u>\$0</u>	<u>\$62,681</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

SCHEDULE B-612

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$785,938	\$0	\$785,938
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	501,978	0	501,978
7	Depreciation & Amortization	42,340	0	42,340
8	Taxes other than Income	6,246	0	6,246
9	State Income Taxes - Current	0	0	0
10	Federal Income Taxes	0	0	0
11				
12	Total Operating Expenses before SIT	550,564	0	550,564
13				
14	Operating Income before State Income Taxes	235,374	0	235,374
15	Reconciling Items;			
16	Interest Charges	(92,778)	0	(92,778)
17	Book Depreciation	42,340	0	42,340
18	Tax Depreciation	(72,822)	0	(72,822)
19	Taxable Customer Adv and CIAC	(5,720)	0	(5,720)
20	Other Net	(13,369)	0	(13,369)
21	Reserved	0	0	0
22	Reserved	0	0	0
23	Reserved	0	0	0
24	Reserved	0	0	0
25	Reserved	0	0	0
26	Reserved	0	0	0
27	Reserved	0	0	0
28	Reserved	0	0	0
29	Reserved	0	0	0
30	Reserved	0	0	0
31	Reserved	0	0	0
32	Total Reconciling Items	(142,349)	0	(142,349)
33				
34	State Taxable Income	93,025		93,025
35				
36	State Income Tax Rate	8.25%	8.25%	8.25%
37	State Income Tax Liability	7,675	0	7,675
38	Less: Surtax Credit	0	0	0
39	State Income Taxes - Current	7,675		7,675
40	Less: Prior Year Adjustment	857		857
41		\$6,818	\$0	

The Company uses an effective tax rate for budgeting income taxes. The full data for the base period reconciling items will not be available until the Company provides the update to the base period data.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.2T
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes:			
4	Def SIT Regulatory Asset/Liability	\$356	\$ -	\$ 356
5	Def SIT Other	3,641	0	3,641
6	Def SIT Prior Year Adj	867	0	867
7		<u>4,864</u>	<u>0</u>	<u>4,864</u>
8	Amort Deferred ITC	0	0	0
9		<u>\$ 4,864</u>	<u>\$ -</u>	<u>\$ 4,864</u>
10	Total Deferred State Income Taxes			
11		<u>\$ 11,682</u>	<u>\$ -</u>	<u>\$ 11,682</u>
12	Total State Income Taxes			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

DATA: BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **W/P-6**

SCHEDULE **E-1.3T**
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsar

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$825,059	\$0	\$825,059	\$335,091	\$1,160,150
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	615,317	0	615,317	1,698	617,015
6	Depreciation & Amortization	106,577	0	106,577	0	106,577
7	Taxes other than Income	54,088	0	54,088	626	54,714
8	State Income Taxes - Current	(3,386)	0	(3,386)	27,453	24,067
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	<u>772,596</u>	<u>0</u>	<u>772,596</u>	<u>29,777</u>	<u>802,373</u>
12						
13	Operating Income before Federal Income Taxes	52,463	0	52,463	305,314	357,777
14	Reconciling Items:					
15	Interest Charges	(105,099)	0	(105,099)	0	(105,099)
16	Book Depreciation	106,577	0	106,577	0	106,577
17	Tax Depreciation	(144,703)	0	(144,703)	0	(144,703)
18	Non-Deductible Meals	411	0	411	0	411
19	Additional Taxable AFUDC	(7,049)	0	(7,049)	0	(7,049)
20	Deferred Debits	5,676	0	5,676	0	5,676
21	Amortization of UPAA	5,676	0	5,676	0	5,676
22	Deferred Maintenance	9,333	0	9,333	0	9,333
23	Property Losses	0	0	0	0	0
24	Amort Regulatory Assets/ Liabilities	0	0	0	0	0
25	Taxable Advances and CIAC	40,236	0	40,236	0	40,236
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Reserved	0	0	0	0	0
30						
31	Total Reconciling Items	<u>(88,942)</u>	<u>0</u>	<u>(88,942)</u>	<u>0</u>	<u>(88,942)</u>
32						
33	Federal Taxable Income	(36,479)	0	(36,479)	305,314	268,835
34						
35	Federal Income Tax Rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
36						
37	Federal Income Tax Liability	(12,768)	0	(12,768)	106,860	94,092
38						
39	Investment Tax Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
40						
41	Federal Income Taxes - Current	<u>\$ (12,768)</u>	<u>\$ -</u>	<u>\$ (12,768)</u>	<u>\$ 106,860</u>	<u>\$ 94,092</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRJ VILLAGE

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.3T
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def FIT Regulatory Asset/Liability	\$1,337	\$0	\$1,337	\$0	\$1,337
4	Def FIT UPIS	7,081	0	7,081	0	7,081
5	Def FIT Deferred Maintenance	(3,000)	0	(3,000)	0	(3,000)
6	Def FIT-Deferred Debits	(1,824)	0	(1,824)	0	(1,824)
7	Def FIT Property Losses	0	0	0	0	0
8						
9						
10		<u>3,594</u>	<u>0</u>	<u>3,594</u>	<u>0</u>	<u>3,594</u>
11	Amort Deferred ITC	n	0	0	0	0
12						
13	Total Deferred Federal Income Taxes	<u>3,594</u>	<u>0</u>	<u>3,594</u>	<u>0</u>	<u>3,594</u>
14						
15	Total Federal Income Taxes	<u>(\$9,174)</u>	<u>\$0</u>	<u>(\$9,174)</u>	<u>\$106,860</u>	<u>\$97,686</u>
16						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

DATA: ___ BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.4T
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates		At Proposed Rates			
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted	
1							
2	Operating Revenues	\$825,059	\$0	\$825,059	\$335,091	\$1,160,150	
3							
4	Operating Expenses						
5	Operabon & Maintenance Expenses	615,317	0	615,317	1,698	617,015	
6	Depreciation & Amortization	106,577	0	106,577	0	106,577	
7	Taxes other than Income	54,088	0	54,088	626	54,714	
8	State Income Taxes - Current						
9	Federal Income Taxes						
10							
11	Total Operating Expenses before FIT	775,982	0	775,982	2,324	778,306	
12							
13	Operating Income before Federal Income Taxes	49,077	0	49,077	332,767	381,844	
14	Reconciling Items;						
15	Interest Charges	(105,099)	0	(105,099)	0	(105,099)	
16	Book Depreuation	106,577	0	106,577	0	106,577	
17	Tax Depreciation	(144,703)	0	(144,703)	0	(144,703)	
18	Non-Deductible Meals	411	0	411	0	411	
19	Additional Taxable AFUDC	(7,049)	0	(7,049)	0	(7,049)	
20	Deferred Debits	5,676	0	5,676	0	5,676	
21	Amortization of UPAA	5,676	0	5,676	0	5,676	
22	Deferred Maintenance	9,333	0	9,333	0	9,333	
23	Property Losses	0	0	0	0	0	
24	Amort Regulatory Assets / Liabilities	0	0	0	0	0	
25	Taxable Advances and CIAC	40,236	0	40,236	0	40,236	
26	Reserved	0	0	0	0	0	
27	Reserved	0	0	0	0	0	
28	Reserved	0	0	0	0	0	
29	Reserved	0	0	0	0	0	
30							
31	Total Reconciling Items	\$ (88,942)	\$ -	\$ (88,942)	\$ -	\$ (88,942)	
32							
33	State Taxable Income	\$ (39,865)	\$ -	\$ (39,865)			
34							
35	State Income Tax Rate	8.25%	8.25%	8.25%	8.25%	8.25%	
36							
37	State Income Tax Liability	\$ (3,289)	\$ -	\$ (3,289)	\$ 27,453	\$ 24,164	
38	Less: Surtax Credit	97	-	97	0	97	
39							
40	State Income Taxes - Current	\$ (3,386)	\$ -	\$ (3,386)	\$ 27,453	\$ 24,067	
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KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: **2004-00103**
 STATE INCOME TAX CALCULATION
 FOR THE TWELVE MONTHS ENDED: **JULY 31, 2004**
TRJ VILLAGE

DATA: **BASE** **PERIOD** **X** **FORECASTED** **PERIOD**
 TYPE OF FILING: **X** **ORIGINAL** **UPDATED** **REVISED**
 WORKPAPER REFERENCE **NO(S): W/P-6**

SCHEDULE E-1.4T
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates			At Proposed Rates	
		Unadjusted	Adjustments	Adjusted	Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def SIT Regulatory Asset/Liability	\$681	\$0	\$681	\$0	\$681
4	Def SIT UPIS	1,819	0	1,819	0	1,819
5	Def SIT Deferred Maintenance	(768)	0	(768)	0	(768)
6	Def SIT Deferred Debits	(468)	0	(468)	0	(468)
7	Def SIT Property Losses	0	0	0	0	0
8						
9						
10		<u>1,264</u>	<u>0</u>	<u>1,264</u>	<u>0</u>	<u>1,264</u>
11	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12						
13	Total Deferred State Income Taxes	<u>1,264</u>	<u>0</u>	<u>1,264</u>	<u>0</u>	<u>1,264</u>
14						
15	Total State Income Taxes	<u>(\$2,122)</u>	<u>\$0</u>	<u>(\$2,122)</u>	<u>\$27,453</u>	<u>\$25,331</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF INCOME TAX ADJUSTMENTS
TRI VILLAGE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.5T
PAGE 1 of 1
WITNESS RESPONSIBLE: JE Salsler

Line No.	Reference Base Period	Forecasted Period	Description	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
1						
2						
3			State Income Taxes			
4	Sch E-1.2	Sch E-1.4	Current	\$6,818	\$ (3,386)	\$ (10,204)
5	Sch E-1.2	Sch E-1.4	Deferred	4,864	1,264	(3,600)
6			Reserved	0	0	0
7			Reserved	0	0	0
8						
9			Total State Income Taxes	\$ 11,682	\$ (2,122)	\$ (13,804)
10						
11						
12			Federal Income Taxes			
13	Sch E-1.1	Sch E-1.3	Current	\$ 25,496	\$ (12,768)	\$ (38,264)
14	Sch E-1.1	Sch E-1.3	Deferred	37,185	3,594	(33,591)
15	Sch E-1.1	Sch E-1.3	Deferred- ITC	0	0	0
16			Reserved	0	0	0
17			Reserved	0	0	0
18						
19			Total Federal Income Taxes	\$ 62,681	\$ (9,174)	\$ (71,855)
20						
21						
22			Total Income Taxes	\$ 74,363	\$ (11,298)	\$ (85,659)
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
TRI VILLAGE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2T
PAGE 1 of 1
WITNESS RESPONSIBLE: JE Salsler

Line No.	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code	Explanation
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NOT APPLICABLE TO KENTUCKY-AMERICANWATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICANWATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.1E
PAGE 1 of 2
WITNESSES RESPONSIBLE: JE. Salsler

Line NO	Description	At Current Rates Unadjusted	Adjustments	Admitted
1				
2				
3	Operating Revenues	<u>\$44,504</u>	<u>\$0</u>	<u>\$44,504</u>
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	43,984	0	43,984
7	Depreciation & Amortization	0	0	0
8	Taxes other than Income	0	0	0
9	State Income Taxes - Current	(645)	0	(645)
10	Federal Income Taxes			
11		<u>43,339</u>	<u>0</u>	<u>43,339</u>
12	Total Operating Expenses before FIT			
13				
14	Operating Income before Federal Income Taxes	1,165	0	1,165
15	Reconciling Items,			
16	Interest Charges	(2,481)	0	(2,481)
17	Book Depreciation	7,314	0	7,314
18	Tax Depreciation	(12,665)	0	(12,665)
19	Taxable Customer Adv and CIAC	(153)	0	(153)
20	Other Net	(482)	0	(482)
21	Reserved	0	0	0
22	Reserved	0	0	0
23	Reserved	0	0	0
24	Reserved	0	0	0
25	Reserved	0	0	0
26	Reserved	0	0	0
27	Reserved	0	0	0
28	Reserved	0	0	0
29	Reserved	0	0	0
30	Reserved	0	0	0
31				
32	Total Reconciling Items	<u>(8,467)</u>	<u>0</u>	<u>(8,467)</u>
33				
34	Federal Taxable Income	(7,302)		(7,302)
35				
36	Federal Income Tax Rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
37	Federal Income Tax Liability	(2,556)	0	(2,556)
38	Adjustment of Prior Year	0	0	0
39				
40	Federal Income Taxes - Current	<u>(\$2,629)</u>	<u>\$0</u>	<u>(\$2,629)</u>

The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling item will not be available until the Company provides the update to the base period data.

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KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WP-6

SCHEDULE E-1.1E
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salser

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred Income Taxes:			
4	Def FIT Regulatory Asset/Liability	\$18	\$0	\$18
5	Def FIT Other	905	0	905
6	Def FIT Prior Year Adj	71	0	71
7		<u>994</u>	<u>0</u>	<u>994</u>
8	Amort Deferred ITC	0	0	0
9				
10	Total Deferred Federal Income Taxes	<u>\$994</u>	<u>\$0</u>	<u>\$994</u>
11				
12	Total Federal Income Taxes	<u>(\$1,635)</u>	<u>\$0</u>	<u>(\$1,635)</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULEE-1.2E
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Operating Revenues	\$44,504	\$0	\$44,504
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	43,984	0	43,984
7	Depreciation & Amortization	0	0	0
8	Taxes other than Income	0	0	0
9	State Inwme Taxes - Current		0	0
10	Federal Inwme Taxes		0	0
11				
12	Total Operating Expenses before SIT	43,984	0	43,984
13				
14	Operating Inwme before State Income Taxes	520	0	520
15	Reconciling Items:			
16	Interest Charges	(2,481)	0	(2,481)
17	Book Depreciation	7,314	0	7,314
18	Tax Depreciation	(12,665)	0	(12,665)
19	Taxable Customer Adv and CIAC	(153)	0	(153)
20	Other Net	(357)	0	(357)
21	Reserved	0	0	0
22	Reserved	0	0	0
23	Reserved	0	0	0
24	Reserved	0	0	0
25	Reserved	0	0	0
26	Reserved	0	0	0
27	Reserved	0	0	0
28	Reserved	0	0	0
29	Reserved	0	0	0
30	Reserved	0	0	0
31	Reserved	0	0	0
32	Total Reconciling Items	(8,342)	0	(8,342)
33				
34	State Taxable Income	(7,822)	0	(7,822)
35				
36	State Inwme Tax Rate	8.25%	8.25%	8.25%
37	State Income Tax Liability	(645)	0	(645)
38	Less: Surtax Credit	0	0	0
39	State Income Taxes - Current	(645)		(645)
40	Less: Prior Year Adjustment	23		23
41		(\$668)	\$0	(\$668)

The Company uses an effective tax rate for budgeting Income taxes. The full detail for the base period reconciling items will not be available until the Company provides the update to the base period data

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.2E
PAGE 2 of 2
WITNESS RESPONSIBLE: JE Salsar

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes:			
4	Def SIT Regulatory Asset/Liability	\$10	0	10
5	Def SIT Other	97	0	97
6	Def SIT Prior Year Adi	<u>23</u>	<u>0</u>	<u>23</u>
7		130	0	130
8	Amort Deferred ITC	<u>0</u>	<u>0</u>	<u>0</u>
9		130	0	130
10	Total Deferred State Income Taxes	<u>\$130</u>	<u>0</u>	<u>130</u>
11				
12	Total State Income Taxes	<u>(\$538)</u>	<u>0</u>	<u>(538)</u>
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.3E
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$93,248	\$0	\$93,248	\$39,096	\$132,344
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	95,914	0	95,914	198	96,112
6	Depreciation & Amortization	7,253	0	7,253	0	7,253
7	Taxes other than Income	6,163	0	6,163	73	6,236
8	State Income Taxes - Current	(1,622)	0	(1,622)	3,203	1,581
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	<u>107,708</u>	<u>0</u>	<u>107,708</u>	<u>3,474</u>	<u>111,182</u>
12						
13	Operating Income before Federal Income Taxes	(14,460)	0	(14,460)	35,622	21,162
14	Reconciling Items:					
15	Interest Charges	(6,218)	0	(6,218)	0	(6,218)
16	Book Depreciation	7,253	0	7,253	0	7,253
17	Tax Depreciation	(9,947)	0	(9,947)	0	(9,947)
18	Non-Deductible Meals	25	0	25	0	25
19	Additional Taxable AFUDC	0	0	0	0	0
20	Deferred Debits	2,688	0	2,688	0	2,688
21	Amortization of UPAA	2,688	0	2,688	0	2,688
22	Deferred Maintenance	0	0	0	0	0
23	Property Losses	0	0	0	0	0
24	Amort Regulatory Assets Liabilities	0	0	0	0	0
25	Taxable Advances and CIAC	0	0	0	0	0
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Reserved	0	0	0	0	0
30						
31	Total Reconciling Items	<u>(3,511)</u>	<u>0</u>	<u>(3,511)</u>	<u>0</u>	<u>(3,511)</u>
32						
33	Federal Taxable Income	(17,971)	0	(17,971)	35,622	17,651
34						
35	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
36						
37	Federal Income Tax Liability	(6,290)	0	(6,290)	12,468	6,178
38						
39	Investment Tau Credits	0	0	0	0	0
40						
41	Federal Income Taxes - Current	<u>\$ (6,290)</u>	<u>\$ -</u>	<u>\$ (6,290)</u>	<u>\$ 12,468</u>	<u>\$ 6,178</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.3E
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes					
3	Def FIT Regulatory Asset/Liability	\$92	\$0	\$92	\$0	\$92
4	Def FIT UPIS	487	0	487	0	487
5	Def FIT Deferred Maintenance	0	0	0	0	0
6	Def FIT Deferred Debits	(864)	0	(864)	0	(864)
7	Def FIT Property Losses	0	0	0	0	0
8						
9						
10		<u>(285)</u>	<u>0</u>	<u>(285)</u>	<u>0</u>	<u>(285)</u>
11	Amort Deferred ITC	0	0	0	0	0
12						
13	Total Deferred Federal Income Taxes	<u>(285)</u>	<u>0</u>	<u>(285)</u>	<u>0</u>	<u>(285)</u>
14						
15	Total Federal Income Taxes	<u>(\$6,575)</u>	<u>\$0</u>	<u>(\$6,575)</u>	<u>\$12,468</u>	<u>\$5,893</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4E
PAGE 1 of 2
WITNESS RESPONSIBLE: J.E. Salsner

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$ 93,248	\$	\$ 93,248	\$ 39,096	\$ 132,344
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 95,914	\$ -	\$ 95,914	\$ 198	\$ 96,112
6	Depreciation & Amortization	7,253	0	7,253	0	7,253
7	Taxes other than Income	6,163	0	6,163	73	6,236
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 109,330	\$	\$ 109,330	\$ 271	\$ 109,601
12						
13	Operating Income before Federal Income Taxes	\$ (16,082)	\$ -	\$ (16,082)	\$ 38,825	\$ 22,743
14	Reconciling Items:					
15	Interest Charges	(6,218)	0	(6,218)	0	(6,218)
16	Book Depreciation	7,253	0	7,253	0	7,253
17	Tax Depreciation	(9,947)	0	(9,947)	0	(9,947)
18	Non-Deductible Meals	25	0	25	0	25
19	Additional Taxable AFUDC	0	0	0	0	0
20	Deferred Debits	2,688	0	2,688	0	2,688
21	Amortization of UPAA	2,688	0	2,688	0	2,688
22	Deferred Maintenance	0	0	0	0	0
23	Property Losses	0	0	0	0	0
24	Amort Regulatory Assets Liabilities	0	0	0	0	0
25	Taxable Advances and CIAC	0	0	0	0	0
26	Reserved	0	0	0	0	0
27	Reserved	0	0	0	0	0
28	Reserved	0	0	0	0	0
29	Reserved	0	0	0	0	0
30						
31	Total Reconciling Items	\$ (3,511)		\$ (3,511)	\$ -	\$ (3,511)
32						
33	State Taxable Income	\$ (19,593)	\$	\$ (19,593)	\$ 38,825	\$ 19,232
34						
35	State Income Tax Rate	8.25%	8.25%	8.25%	8.25%	8.25%
36						
37	State Income Tax Liability	\$ (1,616)	\$ -	\$ (1,616)	\$ 3,203	\$ 1,587
38	Less: Surtax Credit	6		6	0	6
39						
40	State Income Taxes - Current	\$ (1,622)	\$	\$ (1,622)	\$ 3,203	\$ 1,581
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2004
ELK LAKE

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WIP-6

SCHEDULE E-1.4E
PAGE 2 of 2
WITNESS RESPONSIBLE: J.E. Salsler

Line No	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes					
3	Def SIT Regulatory Asset/Liability	\$47	\$0	\$47	\$0	\$47
4	Def SIT UPIS	125	0	125	0	125
5	Def SIT Deferred Maintenance	0	0	0	0	0
6	Def SIT Deferred Debits	(216)	0	(216)	0	(216)
7	Def SIT Property Losses	0	0	0	0	0
8						
9						
10		(44)	0	(44)	0	(44)
11	Amort Deferred ITC	0	0	0	0	0
12						
13	Total Deferred State Income Taxes	(44)	0	(44)	0	(44)
14						
15	Total State Income Taxes	(\$1,666)	\$0	(\$1,666)	\$3,203	\$1,537
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
SUMMARY OF INCOME TAX ADJUSTMENTS
ELK LAKE

SCHEDULE E-1.5E
PAGE 1 of 1
WITNESS RESPONSIBLE: J.E. Salsler

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED R M S E D
WORKPAPER REFERENCE NO(S): W/P-6

Line No.	Reference Base Period	Forecasted Period	Description	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
1						
2						
3						
4	Sch E-1.2	Sch E-1.4	State Income Taxes			
5	Sch E-1.2	Sch E-1.4	Current	(\$668)	\$ (1,622)	\$ (954)
6			Deferred	130	(44)	(174)
7			Reserved	0	0	0
8			Resewed	0	0	0
9			Total State Income Taxes	\$ (538)	\$ (1,666)	\$ (1,128)
10						
11						
12			Federal Income Taxes			
13	Sch E-1.1	Sch E-1.3	Current	(2,629)	(6,290)	(3,661)
14	Sch E-1.1	Sch E-1.3	Deferred	994	(285)	(1,279)
15	Sch E-1.1	Sch E-1.3	Deferred-ITC	0	0	0
16			Reserved	0	0	0
17			Reserved	0	0	0
18			Total Federal Income Taxes	\$ (1,635)	\$ (6,575)	\$ (4,940)
19						
20			Total Income Taxes	\$ (2,173)	\$ (8,241)	\$ (6,068)
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: **2004-00103**
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOMETAXES
FOR THE TWELVE MONTHS ENDED: JULY 31,2004
ELK LAKE

DATA: X_ BASE PERIOD X_ FORECASTEDPERIOD
TYPE OF FILING: X_ ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2E
PAGE 1 of 1
WITNESS RESPONSIBLE: JE. **Satser**

Line No	Account Title	Total Utility	Jurisdictional Percent	Junsdiction	Junsdictional Code / Explanation
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NOT APPLICABLE TO KENTUCKY-AMERICANWATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICANWATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): **W/P-3**

SCHEDULE H
PAGE 1 OF 1
Witness Responsible: SA. Valentine

Line No	Description	Central Div	Tri-Villaae	Elk Lake
1				
2		<u>100 00000%</u>	<u>100 00000%</u>	<u>100 00000%</u>
3	Operating Revenues			
4		100 00000%	100 00000%	100 00000%
5	Less Uncollectibles			
6		0 50683%	0 50683%	0 50683%
7	Less PSC Fees			
8		<u>0 18690%</u>	<u>0 18690%</u>	<u>0 18690%</u>
9	Net Revenues			
10		99 30627%	99 30627%	99 30627%
11	SIT Rate	<u>8 25%</u>	<u>8 19277%</u>	<u>8 19277%</u>
12				
13	Income before Federal Income Taxes			
14		91 11350%	91 11350%	91 11350%
15	FIT Rate	<u>35 00%</u>	<u>31 88973%</u>	<u>31 88973%</u>
16				
17	Operating Income Percentage	<u>59 22377%</u>	<u>59 22377%</u>	<u>59 22377%</u>
18				
19				
20	Gross Revenue Conversion Factor (1)	<u>1 6885112</u>	<u>1 6885112</u>	<u>1 6885112</u>
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(1) CALCULATED BY DIVIDING 100% BY THE OPERATING INCOME PERCENTAGE