

## SCHEDULE B

### RATE BASE

#### KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2004-00103

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: NOVEMBER 2005

Base Period Update: FOR THE TWELVE MONTHS ENDED: JULY 2004

Schedule	Description
B-1	Rate Base Summary
B-2	Plant in Service by Major Grouping
B-2.1	Plant in Service by Account and Subaccounts
B-2.2	Proposed Adjustments to Plant in Service
B-2.3	Gross Additions, Retirements and Transfers
B-2.4	Property Merged or Acquired
B-2.5	Leased Property
B-2.6	Property Held for Future Use Included in Rate Base
B-2.7	Property Excluded from Rate Base
B-3	Accumulated Depreciation and Amortization
B-3.1	Adjustments to Accumulated Depreciation and Amortization
B-3.2	Depreciation Accrual Rates and Accumulated Balances by Account
B-4	Construction Work in Progress
B-4.1	Construction Work in Progress - Percent Complete
B-5	Allowance for Working Capital
B-5.1	Working Capital Components
B-5.2	Working Capital - Lead / Lag Study
B-6	Deferred Credits and Accumulated Deferred Income Taxes
B-7	Jurisdictional Percentages
B-7.1	Jurisdictional Statistics - Rate Base
B-7.2	Explanation of Changes in Jurisdictional Procedures
B-8	Comparative Balance Sheets

For electronic version, see KAW\_SAPP\_EX37B\_091504.pdf

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
RATE BASE SUMMARY  
AS OF JULY 31, 2004

DATA: X BASE PERIOD      FORECASTED PERIOD      SCHEDULE B-1  
TYPE OF FILING:      ORIGINAL X UPDATED      REVISED      PAGE 1 OF 2  
WORKPAPER REFERENCE NO(S): W/P-1 Witness Responsible: M.A. Miller / L. Bridwell

Line No.	Rate Base Component	Supporting Schedule Reference	Base Period Amount			
			Central Division	Tri-Village	Elk Lake	
1					Total Water	
2	Utility Plant In Service	B-2	\$270,000,280	\$4,481,364	\$325,850	274,807,494
3	Property Held for Future Use	B-2,6	0	0	0	0
4						
5	Utility Plant Acquisition Adjustments	W/P-1,2	88,093	218,267	103,179	409,539
6						
7	Accumulated Depreciation	B-3	61,973,036	(1,067,895)	(263,543)	60,641,598
8						
9	Accumulated Amortization	W/P-1,4	(7,674)	0		(7,674)
10						
11	Net Utility Plant In Service		332,053,735	3,631,736	165,486	335,850,957
12						
13						
14						
15	Construction Work in Progress	B-4	5,793,364	314,233	0	6,107,597
16						
17	Working Capital Allowance	B-5	1,984,000	36,000	3,000	2,023,000
18						
19	Other Working Capital Allowance	B-5	475,090	0	0	475,090
20						
21	Contributions in Aid of Construction	B-6	(29,869,724)	(2,076,117)	(85,737)	(31,831,578)
22						
23	Customer Advances	B-6	(13,444,818)	0	0	(13,444,818)
24						
25	Deferred Income Taxes	B-6	(28,118,680)	(6,960)	0	(28,125,640)
26						
27	Deferred Investment Tax Credits	B-6	(127,398)	0	0	(127,398)
28						
29	Deferred Maintenance	W/P-1-11	2,140,625	55,523		2,196,148
30						
31	Deferred Debits	W/P-1-12	6,773,583	218,267	0	6,991,850
32						
33						
34	Other Rate Base Elements	W/P-1-12	(1,542,081)			(1,542,081)
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Jurisdictional Rate Base		\$276,317,696	\$2,172,682	\$82,749	278,573,127
47			154,102,238	2,947,588		157,049,826
48			122,215,458	(774,906)		121,440,552
49						
50						







KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
AS OF JULY 31, 2004

SCHEDULE B-2.2  
PAGE 1 of 2  
Witness Responsible: M.A. Miller

DATA: X BASE PERIOD     FORECASTED PERIOD  
TYPE OF FILING:     ORIGINAL X UPDATED     REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Account Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference Number	Description/Purpose of Adjustment
1							
2		<u>CENTRAL DIVISION</u>			Not Applicable		
3							
4							
5							
6							
7							
8							
9							
10		<u>TRI-VILLAGE</u>			Not Applicable		
11							
12							
13							
14							
15							
16							
17							
18		<u>ELK LAKE</u>			Not Applicable		
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							













KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
GROSS ADDITIONS, RETIREMENTS AND TRANSFERS  
FROM AUGUST 2003 TO JULY 2004

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-1  
ELK LAKE

SCHEDULE B-2.3  
PAGE 10 OF 12  
Witness Responsible: M.A. Miller / L. Brodwell

Line No.	Acct. No.	Account Title	Transfers/Reclassifications				Base Period Ending Balance
			Base Period Beginning Balance	Additions	Retirements	Amount	
1							
2							
3							
4	389.2	General Plant					
5	390	Stores Shop & Garage Land	\$0	\$0	\$0	\$0	\$0
6	391	Structures and Improvements	0	0	0	0	0
7	392	Office Furniture and Equipment	0	0	0	0	0
8	393	Transportation Equipment	7,445	0	0	0	7,445
9	394	Stores Equipment	0	0	0	0	0
10	395	Tools, Shop and Garage Equipment	0	0	0	0	0
11	396	Laboratory Equipment	0	0	0	0	0
12	397	Power Operated Equipment	0	0	0	0	0
13	398	Communication Equipment	0	0	0	0	0
14	399	Miscellaneous Equipment	0	0	0	0	0
15		Other Tangible Property	500	0	0	0	500
16		Total General	7,945	0	0	0	7,945
17							
18							
19							
20		Total Utility Plant in Service	\$325,850	\$0	\$0	\$0	\$325,850
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
LEASED PROPERTY  
AS OF JULY 31, 2004

SCHEDULE B-2.6  
PAGE 1 OF 2  
Witness Responsible: C. Bush / L. Brickwell

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

Line No.	Identification or Ref No.	Description and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property	Explain Method of Capitalization
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF JULY 31, 2004

SCHEDULE B-2.6  
PAGE 1 OF 2  
Witness Responsibility: R.A. Miller

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

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized	Description	Amount	Expenses Incurred	Description
							Acct No.			Acct No.	
2	<u>CENTRAL DIVISION</u>										
3											
4											
5											
6											
7											
8											
9											
10											
11	<u>TRI-VILLAGE</u>										
12											
13											
14											
15											
16											
17											
18											
19	<u>ELK LAKE</u>										
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32											
33											
34											
35											
36											
37											
38											
39											
40											
41											
42											
43											
44											
45											
46											
47											
48											
49											
50											

NOT APPLICABLE IN THIS RATE CASE.

NOT APPLICABLE IN THIS RATE CASE.

NOT APPLICABLE IN THIS RATE CASE.









KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF JULY 31, 2004

SCHEDULE B-3  
PAGE 5 of 12  
Witness Responsible: M.A. Miller

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WP-1-3  
TRIVILLAGE

Line No.	Acct No.	Account Title	Base Period		Jurisdictional Percent	Accumulated Reserve Balances		Adjustments	Adjusted Jurisdiction
			Total Company	Total Company		Jurisdictional Total	Total		
2		Intangible Plant							
3		Organization	\$0	\$			\$0		\$0
4	301	Franchise/Consents	0				0		0
5	302	Other P/E Intangibles	0		100%		0		0
6	3031	Other P/E Comprehensive Studies	0				0		0
7	3036	Total Intangibles	0	0			0		0
8		Source of Supply and Pumping Plant							
9		Land and Land Rights - SS	12,389				0		0
10	310	Structures and Improvements	342,143	7,342			7,342		7,342
11	311	Collecting and Impounding Reservoirs	0				0		0
12	312	Lake, River and Other Intakes	0				0		0
13	313	Wells and Springs	0				0		0
14	314	Supply Mains	0				0		0
15	316	Land and Land Rights - Pumping	0				0		0
16	320	Structures and Improvements	0				0		0
17	321	Boiler Plant Equipment	0				0		0
18	322	Other Power Production Equipment	0				0		0
19	323	Electric Pumping Equipment	128,875	14,510			14,510		14,510
20	325	Diesel Pumping Equipment	0				0		0
21	326	Other Pumping Equipment	0				0		0
22	328	Collection System Structures - Sewer	0				0		0
23	35A1	Electric Pumping Equipment - Sewer	0				0		0
24	3711	Total Source of Supply & Pumping	481,407	21,852			21,852		21,852
25		Water Treatment Plant							
26		Land and Land Rights	0				0		0
27	330	Structures and Improvements	0				0		0
28	331	Water Treatment Equipment	51,538	6,403			6,403		6,403
29	332	Water Treatment - GAC	0				0		0
30	334	Total Water Treatment	51,538	6,403			6,403		6,403
31		Transmission and Distribution Plant							
32		Land and Land Rights	0				0		0
33	340	T & D Structures and Improvements	0				0		0
34	341	Distribution Reservoirs and Standpipes	858,732	30,217			30,217		30,217
35	342	Transmission and Distribution Mains	2,550,667	83,583			83,583		83,583
36	343	Services	63,692	7,664			7,664		7,664
37	344	Meters	349,872	47,340			47,340		47,340
38	345	Meter Installations	50	(49)			(49)		(49)
39	347	Hydrants	19,018	1,433			1,433		1,433
40	348	Total Transmission and Distribution	3,840,831	170,188			170,188		170,188







KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF JULY 31, 2004

SCHEDULE B-3.1  
PAGE 1 OF 2  
Witness Responsible: M.A. Miller

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

Line No.	Adjustment Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
2						
3	<u>CENTRAL DIVISION</u>					NONE
4						
5						
6						
7						
8						
9						
10						
11	<u>TR-VILLAGE</u>					NONE
12						
13						
14						
15						
16						
17						
18						
19	<u>ELK LAKE</u>					NONE
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF JULY 31, 2004

SCHEDULE B-3.2  
PAGE 2 OF 12  
Witness Responsible: M.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WP - 1-3  
CENTRAL DIVISION

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390.1	Office Structures	3,850,591	608,250	1.68%	64,690	0%	45.8	R2
5	390.2	Stores, Shop & Garage Structures	991,015	158,543	1.65%	16,352	0%	57.0	R2
6	390.3	Misc Structures	1,013,736	160,133	3.97%	40,245	0%	17.3	R2
7	391.1	Office Furniture	670,035	389,145	4.05%	27,136	3%	19.4	L1
8	391.2	Mainframe Computer & Periph Equipment	34,480	20,066	11.94%	4,117	5.7	5.7	S0
9	391.21	Personal Computer & Periph Equipment	1,280,887	745,084	16.73%	214,292	17%	3.0	S0
10	391.22	Other Office Machines and Equipment	404,683	235,395	3.47%	14,043	0%	0.0	S0
11	391.23	Office Machines and Equipment - Software	0	0	11.81%	0	17%	3.2	S0
12	391.25	Mainframe Software	3,940,296	2,291,984	21.06%	828,826	0%	3.7	S0
13	391.26	Personal Computer Software	672,344	391,088	22.20%	149,260	0%	3.2	S0
14	391.28	Other Software	437,676	254,587	21.15%	92,568	0%	3.8	S0
15	391.3	Other Office	148,933	81,978	6.85%	8,795	3%	10.1	R1
16	392.11	Transportation Equipment - Light Trucks	1,297,306	1,021,676	14.16%	183,699	30%	2.9	S2
17	392.12	Transportation Equipment - Heavy Trucks	599,878	472,518	12.59%	75,525	4.1	4.1	R4
18	392.2	Transportation Equipment - Cars	162,684	128,152	20.28%	32,994	23%	1.9	R3
19	392.3	Other Transportation Equipment	77,370	60,944	14.37%	11,118	0%	5.0	L1
20	393	Stores Equipment	35,547	26,281	3.88%	1,379	0%	16.5	L1
21	394	Tools, Shop, and Garage Equipment	786,181	452,278	7.10%	55,819	0%	10.8	S0
22	395	Laboratory Equipment	872,027	388,464	10.94%	95,400	-3%	8.6	L3
23	396	Power Operated Equipment	512,284	392,428	9.13%	46,772	24%	6.9	R2
24	397	Communication Equipment	1,853,221	335,220	4.79%	86,769	0%	10.8	L3
25	397.1	Communication Equipment	0	0	4.79%	0	0%	10.8	L3
26	397.2	Communication Equipment	0	0	4.79%	0	0%	10.8	L3
27	398	Misc Equipment	531,009	127,117	4.71%	25,011	0%	16.4	L0
28	399	Other Tangible Property	133,282	213,060	20.89%	27,843	0%	7.3	L1
29		BWA Acquisition	0	447,969					
30			\$228,016,869	\$61,915,184		\$6,604,232			
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									

Adjusted jurisdiction plant investment represents UPIS net of Non-Depreciable Plant and Contributions in Aid of Construction.  
Current depreciation rates based on rates approved by the Commission in Case No. 95-554.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-06103  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF JULY 31, 2004

SCHEDULE B-3.2  
PAGE 4 OF 12  
Witness Responsible: M.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-1-3

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3	3031	Other P/E Intangibles	\$ 0	\$ 0	10.00%	\$ 0			
4	3036	Other P/E Comprehensive Studies	0	0	12.50%	0	0%	30.6	
5	311	SS Structures and Improvements	0	7,342	3.14%	0	0%	40.8	R2
6	312	Lake, River, and Other Intakes	12,389	0	2.20%	273	0%	32.6	R2
7	313	Wells and Springs	342,143	0	0.00%	0	0%	0.0	
8	314	Supply Mains	0	0	1.11%	0	-5%	91.0	R1
9	316		0	0		0			
10	321	Pumping Structures and Improvements	0	0	2.32%	0	-10%	41.9	R3
11	322	Boiler Plant Equipment	0	0	0.00%	0	0%	0.0	
12	322	Other Power Production Equipment	0	0	3.35%	0	0%	23.9	R1
13	323.2	Electric Pumping Equipment	126,875	14,510	3.71%	4,707	-8%	27.0	L2
14	325	Diesel Pumping Equipment	0	0	3.08%	0	-8%	30.0	L2
15	326	Gasoline Pumping Equipment	0	0	0.00%	0	0%	0.0	
16	328.2	Other Pumping Equipment	0	0	0.00%	0	0%	0.0	
17	328.3	Collection System Structures - Sewer	0	0	0.00%	0	0%	0.0	
18	3541	Electric Pumping Equipment - Sewer	0	0	0.00%	0			
19	3711		0	0		0			
20									
21	331	WT Structures and Improvements	0	0	1.79%	0	-10%	53.9	R1
22	332	Water Treatment Equipment	51,538	6,403	4.03%	2,077	-20%	25.6	R1
23	334	Water Treatment - GAC	0	0	0.00%	0	0%	0.0	
24									
25	341	T & D Structures and Improvements	0	0	5.65%	0	0%	17.7	R1
26	342	Dist Res and Standpipes	855,732	30,217	2.20%	18,892	-10%	38.6	L1
27	343	T & D Mains	2,634,667	83,593	1.18%	31,089	-4%	79.0	L0, R2, R3
28	345	Services	111,691	7,664	4.23%	4,725	-158%	55.1	R3
29	346	Meters	0	0	2.73%	0	0%	0.0	
30	346.1	Meters - Bronze Case	0	0	1.02%	0	16%	4.5	L1
31	346.2	Meters - Plastic Case	341,773	33,282	4.97%	18,986	0%	18.0	L1
32	346.3	Meters - Other	15,899	1,548	2.35%	374	16%	25.6	L0
33	347	Meter Installations	4,500	(49)	2.44%	110	-53%	54.1	R3
34	348	Hydrants	23,018	1,433	2.59%	594	-36%	48.0	L2
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF JULY 31, 2004

SCHEDULE B-3.2  
PAGE 6 OF 12  
Witness Responsible: M.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-1-3

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1			0	0					
2			0	0					
3			0	0					
4	390.1	Office Structures	0	0	0.00%	0	0%	45.8	R2
5	390.2	Stores, Shop & Garage Structures	0	0	0.00%	0	0%	57.0	R2
6	390.3	Misc Structures	0	0	0.00%	0	0%	17.3	R2
7	391.1	Office Furniture	0	0	256300.00%	0	3%	19.4	L1
8	391.2	Mainframe Computer & Periph Equipment	0	0	0.00%	0	17%	5.7	S0
9	391.21	Personal Computer & Periph Equipment	0	0	1594200.00%	0	17%	3.0	S0
10	391.22	Other Office Machines and Equipment	0	0	0.00%	0	0%	0.0	S0
11	391.23	Office Machines and Equipment - Software	0	0	0.00%	0	17%	3.2	S0
12	391.25	Mainframe Software	0	0	0.00%	0	0%	3.7	S0
13	391.26	Personal Computer Software	0	0	0.00%	0	0%	3.2	S0
14	391.28	Other Software	0	0	590700.00%	0	0%	3.5	S0
15	391.3	Other Office	0	0	2318800.00%	0	3%	10.1	R1
16	392.11	Transportation Equipment - Light Trucks	0	0	950000.00%	0	30%	2.9	S2
17	392.12	Transportation Equipment - Heavy Trucks	0	0	500000.00%	0	25%	4.1	R4
18	392.2	Transportation Equipment - Cars	0	0	0.00%	0	23%	1.9	R3
19	392.3	Other Transportation Equipment	0	0	250000.00%	0	0%	5.0	L1
20	393	Stores Equipment	0	0	0.00%	0	0%	16.5	L1
21	394	Tools, Shop, and Garage Equipment	0	998	956600.00%	0	0%	10.8	L1
22	395	Laboratory Equipment	0	0	0.00%	0	-3%	8.6	L3
23	396	Power Operated Equipment	0	10,049	3570400.00%	0	24%	6.9	R2
24	397	Communication Equipment	0	0	271800.00%	0	0%	10.8	L3
25	397.1	Communication Equipment	0	0	0.00%	0	0%	10.8	L3
26	397.2	Communication Equipment	0	0	0.00%	0	0%	10.8	L3
27	398	Misc Equipment	0	0	0.00%	0	0%	16.4	L0
28	399	Other Tangible Property	0	0	0.00%	0	0%	7.3	L1
29		BWA Acquisition	0	834,073					
30									
31			\$4,523,225	\$1,031,054		\$79,827			
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									

Adjusted jurisdiction plant investment represents UPSIS net of Non-Depreciable Plant and Contributions in Aid of Construction.  
Current depreciation rates based on rates approved by the Commission in Case No. 95-554.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF JULY 31, 2004

SCHEDULE B-3.2  
PAGE 10 OF 12  
Witness Responsible: M.A. Miller

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WIP - 1, 3  
ELK LANE

Line No.	Accd No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390.1	Office Structures	0	0	1.68%	0	0%	45.8	R2
5	390.2	Stores, Shop & Garage Structures	0	0	1.65%	0	0%	57.0	R2
6	390.3	Misc Structures	0	0	3.87%	0	0%	17.3	R2
7	391.1	Office Furniture	0	0	4.05%	0	3%	19.4	L1
8	391.2	Mainframe Computer & Periph Equipment	0	0	11.94%	0	17%	5.7	S0
9	391.21	Personal Computer & Periph Equipment	0	0	16.73%	0	17%	3.0	S0
10	391.22	Other Office Machines and Equipment	0	0	3.47%	0	0%	0.0	S0
11	391.23	Office Machines and Equipment - Software	0	0	11.81%	0	17%	3.2	S0
12	391.25	Mainframe Software	0	0	21.06%	0	0%	3.7	S0
13	391.26	Personal Computer Software	0	0	22.20%	0	0%	3.2	S0
14	391.26	Other Software	0	0	21.15%	0	0%	3.8	S0
15	391.3	Other Office	0	0	6.95%	0	3%	10.1	R1
16	392.11	Transportation Equipment - Light Trucks	7,445	5,864	14.16%	1,054	30%	2.9	S2
17	392.12	Transportation Equipment - Heavy Trucks	0	0	12.59%	0	25%	4.1	R4
18	392.2	Transportation Equipment - Cars	0	0	20.28%	0	23%	1.9	R3
19	392.3	Other Transportation Equipment	0	0	14.37%	0	0%	5.0	L1
20	393	Stores Equipment	0	0	3.88%	0	0%	16.5	L1
21	394	Tools, Shop, and Garage Equipment	0	0	7.10%	0	0%	10.8	S0
22	395	Laboratory Equipment	0	0	10.94%	0	-5%	8.6	L3
23	396	Power Operated Equipment	0	0	9.13%	0	24%	6.9	R2
24	397	Communication Equipment	0	0	4.79%	0	0%	10.8	L3
25	397.1	Communication Equipment	0	0	4.79%	0	0%	10.8	L3
26	397.2	Communication Equipment	0	0	4.79%	0	0%	10.8	L3
27	398	Misc Equipment	0	0	4.71%	0	0%	16.4	L0
28	399	Other Tangible Property	0	821	20.89%	0	0%	7.3	L1
29		BWA Acquisition	0	0					
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
			\$523,350	\$198,649		\$7,253			

Adjusted jurisdiction plant investment represents UPIS net of Non-Depreciable Plant and Contributions in Aid of Construction.  
Current depreciation rates based on rates approved by the Commission in Case No. 95-554.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
CONSTRUCTION WORK IN PROGRESS  
AS OF JULY 31, 2004

SCHEDULE B-4  
PAGE 1 OF 7  
Witness Responsible: M.A. Miller / L. Bridwell

DATA: X\_ BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_\_\_\_REVISED\_\_\_\_  
WORKPAPER REFERENCE NO(S): WIP-1-5

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	12020090	Mains	891,848	7	-	891,855	100%	891,855	NA
3	12020090	Services	-	-	-	-	-	-	NA
4	12020090	Hydrants	7,650	-	-	7,650.00	-	7,650	NA
5	12020081	Replacements/Relocations at Company Expense	148,327	7,368	-	155,695.00	-	155,695	NA
6	12020082	Main Extensions at Company Expense	88,242	1,428	-	89,670.00	-	89,670	NA
7	12020093	Hydrants	-	-	-	-	-	-	NA
8	12020094	New Hydrants	58,599	1,195	-	59,794.00	-	59,794	NA
9	12020085	Renewed Services	71,335	84	-	71,419.00	-	71,419	NA
10	12020086	New Services	133,403	-	-	133,403.00	-	133,403	NA
11	12020087	Replaced Meters and Meter Settings	62,784	-	-	62,784.00	-	62,784	NA
12	12020088	New Meters and Meter Installations	16,014	-	-	16,014.00	-	16,014	NA
13	12020089	ITS Equipment & Systems	50,765	-	-	50,765.00	-	50,765	NA
14	12020091	Miscellaneous Equipment	40,000	-	-	40,000.00	-	40,000	NA
15	12020092	Vehicles	50,770	-	-	50,770.00	-	50,770	NA
16	12020093	Tools & Equipment	80,083	-	-	80,083.00	-	80,083	NA
17	12020094	Process Plant replacements	201,282	-	-	201,282.00	-	201,282	NA
18	12020095	Remove sludge from KRS Lagoons	26,928	-	-	26,928.00	-	26,928	NA
19	12020003	Harrodsburg Road relocation	87,408	-	-	87,408.00	-	87,408	NA
20	1202000B	Easement	150	-	-	150.00	-	150	NA
21	1202000R	Tank	110	-	-	110.00	-	110	NA
22	12020102	Clays Mill Ground Storage Tank 3.0 MG	74	-	-	74.00	-	74	89.69%
23	12020103	SCADA Improvements	1,384,566	50,520	-	1,435,086.00	-	1,435,086	97.76%
24	12020104	Scott County Mains	152,543	2,422	-	154,965.00	-	154,965	NA
25	12020105	Russell Cave Road Tank	177	-	-	177.00	-	177	12.30%
26	12020110	Richmond Road Station Hydraulics	116,332	477	-	116,809.00	-	116,809	NA
27	12020201	Leestown Road Main Improvements	226,029	3,168	-	229,197.00	-	229,197	NA
28	12020202	Major Highway Relocations	206,825	14,175	-	221,000.00	-	221,000	35.88%
29	12020203	Traveling Screen No. 2	3,671	234	-	3,905.00	-	3,905	NA
30	12020301	Elevated Storage Tank 2 MG	102,343	-	-	102,343.00	-	102,343	100.00%
31	12020302	Major Highway Relocations	198,922	1,078	-	200,000.00	-	200,000	32.47%
32	12020303	Electrical Reliability upgrades/system reliability	10,287	277	-	10,574.00	-	10,574	NA
33	12020404	Development-Reg SOS Solution	188,308	1,694	-	190,000.00	-	190,000	18.81%
34	12028001	Integrated Resource Project	2,222	10	-	2,232.00	-	2,232	100.00%
35	12028002	Surge Protection KRS	331,513	79,832	-	331,513.00	-	331,513	53.82%
36	12028003	Upgrade Cart Winch KRS	240,565	17,388	-	320,417.00	-	320,417	100.00%
37	12028009		63,289	6,479	-	80,677.00	-	80,677	100.00%
38			69,965			76,445.00		76,445	100.00%
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
			\$5,313,314	\$187,836	\$0	\$5,501,150		\$5,501,150	

Note: Budget Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
CONSTRUCTION WORK IN PROGRESS  
AS OF JULY 31, 2004

SCHEDULE B-4  
PAGE 3 OF 7  
Witness Responsible: M.A. Miller / L. Birdwell

DATA: X\_ BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WP-1-6  
TRI-VILLAGE

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Accumulated Costs	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1										
2	12300080	Mains	157	-	-	-	157	100%	157	NA
3	12300086	New Services	1,551	-	-	-	1,551		1,551	0.07%
4	12300090	Miscellaneous Equipment	1,897	-	-	-	1,897		1,897	
5	12300111	New Columbus Area	575,327	26,431	-	-	601,758		601,758	93.72%
6	12300402	Install 8" Main	1,084	-	-	-	1,084		1,084	0.29%
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
			\$560,016	\$26,431		\$0	\$606,447		\$606,447	

Note: Budget Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
CONSTRUCTION WORK IN PROGRESS  
AS OF JULY 31, 2004

SCHEDULE B-4  
PAGE 5 OF 7  
Witness Responsible: M.A. Miller / L. Bridwell

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-1-5  
ELK LAKE

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1	0		\$0	\$0	\$0	\$0	100%	\$0	NA
2	0								
3	0								
4	0								
5	0								
6	0								
7	0								
8	0								
9	0								
10	0								
11	0								
12	0								
13	0								
14	0								
15	0								
16	0								
17	0								
18	0								
19	0								
20	0								
21	0								
22	0								
23	0								
24	0								
25	0								
26	0								
27	0								
28	0								
29	0								
30	0								
31	0								
32	0								
33	0								
34	0								
35	0								
36	0								
37	0								
38	0								
39	0								
40	0								
41	0								
42	0								
43	0								
44	0								
45	0								
46	0								
47	0								
48	0								
49	0								
50	0								
51	0								
52	0								
53	0								
54	0								
55	0								

Note: Budget Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
AS OF JULY 31, 2004

SCHEDULE B-4.1  
PAGE 1 OF 6  
Witness Responsible: M.A. Miller / L. Bridwell

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X UPDATED \_\_\_ REVISED \_\_\_  
WORKPAPER REFERENCE NO(S): WIP-1-5  
CENTRAL DIVISION

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1	12020080	NA	NA	NA	NA	NA	891,855	NA
2	12020080	NA	NA	NA	NA	NA	0	NA
3	12020080	NA	NA	NA	NA	7,650	7,650	NA
4	12020081	NA	NA	NA	NA	155,695	155,695	NA
5	12020082	NA	NA	NA	NA	89,670	89,670	NA
6	12020083	NA	NA	NA	NA	0	0	NA
7	12020084	NA	NA	NA	NA	58,794	58,794	NA
8	12020085	NA	NA	NA	NA	71,419	71,419	NA
9	12020086	NA	NA	NA	NA	133,403	133,403	NA
10	12020087	NA	NA	NA	NA	62,764	62,764	NA
11	12020088	NA	NA	NA	NA	16,014	16,014	NA
12	12020089	NA	NA	NA	NA	50,765	50,765	NA
13	12020090	NA	NA	NA	NA	40,000	40,000	NA
14	12020091	NA	NA	NA	NA	50,770	50,770	NA
15	12020092	NA	NA	NA	NA	80,063	80,063	NA
16	12020093	NA	NA	NA	NA	201,282	201,282	NA
17	12020094	NA	NA	NA	NA	26,926	26,926	NA
18	12020095	NA	NA	NA	NA	87,406	87,406	NA
19	12020096	Mar-00	Dec-02	100.00%	100,000	69,803	150	0.21%
20	12020097	NA	NA	NA	NA	NA	110	NA
21	12020098	NA	NA	NA	NA	NA	74	NA
22	12020099	Mar-01	Jul-04	100.00%	1,600,000	1,600,000	1,435,066	89.69%
23	12020100	Sep-02	Jun-04	100.00%	650,000	650,000	154,985	23.84%
24	12020101	Jun-01	Dec-03	100.00%	1,500,000	2,356,593	177	0.01%
25	12020102	Feb-01	Jul-05	76.00%	1,900,000	1,500,000	116,609	7.79%
26	12020103	Aug-01	Dec-03	100.00%	1,600,000	1,651,323	229,197	13.89%
27	12020104	Mar-02	Dec-04	85.00%	700,000	700,000	221,000	31.57%
28	12020105	Sep-03	Dec-02	100.00%	2,000,000	3,369,864	3,905	0.12%
29	12020106	Jan-04	Dec-04	67.00%	450,000	694,000	102,343	95.00%
30	12020107	Dec-03	Nov-05	32.00%	2,700,000	2,700,000	200,000	7.41%
31	12020108	Jun-03	Apr-04	100.00%	700,000	510,000	10,574	2.07%
32	12020109	May-03	Aug-05	54.00%	1,320,000	1,100,000	190,000	3.82%
33	12020110	Dec-04	Dec-04	14.00%	630,000	630,000	2,232	0.35%
34	12020111	Jan-04	Dec-04	58.00%	400,000	400,000	331,513	82.89%
35	12020112	May-01	Dec-07	49.00%	600,000	600,000	320,417	53.40%
36	12020113	Aug-88	Dec-04	94.00%	75,000	175,000	80,677	46.10%
37	12020114	Aug-88	Dec-04	94.00%	160,000	480,000	76,445	15.83%
38	12020115							
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								

\$16,685,000 \$19,186,583 \$5,501,150

Note: Investment Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as three months.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
AS OF JULY 31, 2004

SCHEDULE B-4.1  
PAGE 3 OF 6  
Witness Responsible: M.A. Miller / L. Birdwell

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-1-5  
TRIVILLAGE

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	12300080	NA	NA	NA	NA	NA	157	NA
3	12300086	NA	NA	NA	NA	NA	1,551	NA
4	12300090	NA	NA	NA	NA	NA	1,887	NA
5	12300111	Feb-02	Apr-04	100.00%	1,800,000	2,150,000	601,758	92.43%
6	12300402	Apr-04	Dec-04	44.44%	375,000	375,000	1,084	0.29%
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								

Note: Investment Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as three months.

\$0 \$0 \$608,447

KENTUCKY AMERICAN WATER COMPANY

CASE NO: 2004-00703  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
AS OF JULY 31, 2004

SCHEDULE B-4.1  
PAGE 5 OF 6  
Witness Responsible: M.A. Miller / L. Britwell

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-5  
ELK LAKE

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								

Note: Investment Projects 80 - 94 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as three months.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
ALLOWANCE FOR WORKING CAPITAL  
AS OF JULY 31, 2004

SCHEDULE B-5  
PAGE 1 OF 2  
Witness Responsible: J.E. Saiser

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): SCH 6.1/6.2

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1						
2	<b>CENTRAL DIVISION</b>					
3	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$1,984,000	100.00%	\$1,984,000
4						
5						
6						
7	Materials and Supplies	13 Month Average Balance	B-5.1	\$475,090	100.00%	\$475,090
8						
9						
10	<b>TRI-VILLAGE</b>					
11	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$0		
12						
13						
14						
15	Materials and Supplies	13 Month Average Balance	B-5.1	\$0		
16						
17						
18	<b>ELK LAKE</b>					
19	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$0		
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Materials and Supplies	13 Month Average Balance	B-5.1	\$0		
48						
49						
50						

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
WORKING CAPITAL COMPONENTS  
AS OF JULY 31, 2004

SCHEDULE B-5.1  
PAGE 1 OF 2  
Witness Responsible: JE Salser

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WP-1-7

Line No.	Description	Total Company	13 - Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
2	<b>CENTRAL DIVISION</b>						
3	Materials and Supplies						
5	Plant Materials	\$362,768	100.00%	\$362,768	\$379,416	100.00%	\$379,416
7	Chemicals	112,322		112,322	111,923		111,923
10		\$475,090		\$475,090	\$491,339		\$491,339
12	<b>TRIVILLAGE</b>						
13	Materials and Supplies						
16	Plant Materials	\$0	100.00%	\$0	\$0	100.00%	\$0
18	Chemicals	0		0	0		0
20		\$0		\$0	\$0		\$0
22	<b>ELK LAKE</b>						
23	Materials and Supplies						
27	Plant Materials	\$0	100.00%	\$0	\$0	100.00%	\$0
28	Chemicals	0		0	0		0
30		\$0		\$0	\$0		\$0

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF JULY 31, 2004

SCHEDULE B-5.2  
PAGE 1 OF 6  
Witness Responsible: J.E. Salsar

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): Sch 5.2

Line No.	Description	Days	Amount			
			CENTRAL DM	TRI-VILLAGE	ELK LAKE	TOTAL WATER
2	Total Operating Funds		\$42,746,808	\$779,179	\$53,059	43,589,044
4	Average Daily Operating Funds		117,115	2,135	173	
7	Composite Average Days Interval Between:					
8	(A) Date Service Furnished and Date Collections Deposited	36.40				
11	(B) Date Expenses Incurred and Date of Payment	19.46				
13	(C) Net Interval	16.94				
15	Total Working Capital		\$1,984,279	\$36,173	\$2,931	2,023,383
17	Use		\$1,984,000	\$36,000	\$5,000	2,023,000

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF JULY 31, 2004

DATA: X, BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WP-3 & WP-1-6

SCHEDULE B-5.2  
PAGE 2 OF 6  
Witness Responsible: J. E. Salsar

Line No.	Description	Amount		Post Payment or (Lead) Days	Dollar Days		
		CENTRAL DIVISION	TR-VILLAGE		ELK LAKE	CENTRAL DIV	TR-VILLAGE
1							
2	Payroll - FUTA	\$2,732,591	\$0	12.00	\$32,791,092	\$0	\$32,791,092
3	Payroll - SUTA	2,207,731	144,774	12.00	26,492,772	\$1,737,288	28,230,060
4	Payroll - FICA	2,033,564	0	28.86	54,824,865	\$0	54,824,865
5	Fuel, Power and Electric	1,247,594	227	6.65	8,297,165	\$1,510	8,298,675
6	Chemicals	4,365,331	0	(1.34)	(5,849,544)	\$0	(5,849,544)
7	Service Company Charges	882,497	(3,588)	(5.82)	(5,136,133)	\$20,882	(5,115,251)
8	Group Insurance	757,154	(3,301)	(0.50)	(4,168,269)	\$1,651	(4,166,618)
9	Opch	757,867	0	(5.50)	(4,168,269)	\$0	(4,168,269)
10	Pensions	487,030	(305)	(47.19)	(22,982,346)	\$14,393	(22,967,953)
11	Insurance Other than Group	384,542	(297)	13.56	5,214,390	(\$4,027)	5,210,363
12	Transportation Expense	33,659	6,271	18.39	618,989	\$115,324	734,313
13	Rents	176,897	5,432	10.31	1,824,839	\$56,004	1,880,843
14	Telephone Expense	334,006	630	23.47	7,839,121	\$14,786	7,853,907
15	Postage Expense	179,908	2,067	28.03	5,042,821	\$37,938	5,080,759
16	Stock E	1,173,873	7,710	18.54	21,763,605	\$142,943	21,906,548
17	Maintenance Expense	720,884	5,878	0.00	0	\$0	0
18	Amortization	273,739	0	0.00	0	\$0	0
19	Uncollectibles	0	0	0.00	0	\$0	0
20	Waste Disposal	0	0	25.97	0	\$0	0
21	Other Operating Expenses	2,481,040	353,460	21.44	53,193,498	\$7,578,182	60,771,680
22	Total O & M Expenses	21,230,107	518,756		179,387,706	9,736,874	189,124,580
23							
24	Depreciation and Amortization	7,794,525	83,340	0.00	0	\$0	0
25	Taxes, Other than Income	5,998	236	69.11	414,522	\$16,310	430,832
26	Payroll - FUTA	4,930	344	75.14	370,440	\$25,848	396,288
27	Payroll - SUTA	372,322	11,856	15.00	5,584,830	\$177,840	5,762,670
28	Payroll - FICA	2,424,338	0	69.86	169,364,253	\$0	169,364,253
29	Other	8,618	5,574	30.13	259,660	\$167,945	427,605
30	Income Taxes - Current - SIT	614,522	26,117	30.13	18,515,548	\$786,905	19,302,453
31	Income Taxes - Current - FIT	2,238,821	17,607	0.00	0	\$0	0
32	Deferred Income Taxes	4,607,611	71,047	90.45	434,848,431	\$6,426,201	441,274,632
33	Interest Expense - Long - Term Debt	125,008	2,173	15.58	1,947,625	\$33,855	1,981,480
34	Interest Expense - Short - Term Debt	467,587	6,301	45.49	21,270,542	\$286,632	21,557,174
35	Preferred Dividends	2,652,319	35,828	0.00	0	\$0	0
36	Net Income	\$42,746,806	\$779,179		\$831,963,559	\$17,658,410	849,621,969
37	Net Operating Funds						
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

Average Days Interval between Date Expenses are Incurred and Date of Payment

19.46

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF JULY 31, 2004

SCHEDULE B-2  
PAGE 3 OF 6  
Witness Responsible: J.E. Salsber

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

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

  

Category	Revenues Amount	Median Service Days	Dollar Days
Monthly - Arrears Full Bills	\$39,918,969	15.21	\$607,167,523
Monthly - Arrears Partial/Final Bills	500,000	7.60	3,800,000
Other Revenues	1,017,595	34.54	35,147,731
Fire Service	2,641,175	(15.26)	(40,304,331)
<b>Total</b>	<b>\$44,077,739</b>		<b>\$605,810,923</b>

  

Metric	Value
Average Median Service Days	13.74
Number of Days between the Reading Date and the Billing Date	2.50
Number of Days between the Billing Date and the Date the Bills are Paid	20.16
Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received	36.40



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
AS OF JULY 31, 2004

SCHEDULE B-6  
PAGE 1 OF 2  
Witness Responsible: M.A. Miller

DATA: X, BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WIP-1

Line No.	Acct No.	Description	Workpaper Reference	Jurisdictional Percent			Jurisdictional Amount				
				CENTRAL DIV	TRIVILLAGE	ELK LAKE	CENTRAL DIV	TRIVILLAGE	ELK LAKE	TOTAL WATER	
2	252	Customer Advances	WIP-1-8	\$13,444,818	\$	\$	100.00%	\$13,444,818	\$0	0	13,444,818
4	271	Contributions in Aid of Construction	WIP-1-8	\$29,669,724	\$ 2,076,117	\$ 85,737		\$29,669,724	\$2,076,117	\$85,737	\$1,831,578
7	255	Investment Tax Credits: Pre 1971 3% Credit 1971-1975 4% Credit 1975-12/31/85 10% Credit	WIP-1-9	\$127,398	0	0		\$127,398	0	0	127,398
13				\$127,398	\$0	\$0		\$127,398	\$0	\$0	127,398
16	282	Deferred Taxes: Utility Plant in Service	WIP-1-9	\$28,118,680	\$6,960	\$0		\$28,118,680	\$6,960	\$0	28,125,640
17		Deferred Maintenance	WIP-1-9	864,010	52,740	0		864,010	52,740	0	916,750
18		Deferred Debts	WIP-1-9	2,733,988	88,098	41,645		2,733,988	88,098	41,645	2,863,731
24				\$31,716,678	\$147,798	\$41,645		\$31,716,678	\$147,798	\$41,645	\$31,906,121

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
JURISDICTIONAL PERCENTAGES

SCHEDULE B-7  
PAGE 1 OF 1  
Witness Responsible: M.A. Miller

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

Line No.	Acct No.	Account Title	Jurisdictional Percentage	Description of Factors And/Or Method of Allocation
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
JURISDICTIONAL STATISTICS - RATE BASE

SCHEDULE B-7.1  
PAGE 1 OF 1  
Witness Responsible: M.A. Miller

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Statistic	Statistic For Rate Area	Allocation Factor
1						
2						
3						
4	<u>CENTRAL DIVISION</u>					
5						
6						
7						
8						
9	<u>TRIVILLAGE</u>					
10						
11						
12						
13						
14	<u>ELK LAKE</u>					
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY  
NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY  
NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103

EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES

SCHEDULE B-7.2  
PAGE 1 OF 1  
Witness Responsible: R.L.A. Miller

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

Line No.	Acct No.	Description	Procedures Approved In Prior Rate Case	Rationale for Change
1				
2				
3				
4		<u>CENTRAL DIVISION</u>		NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY
5				
6				
7				
8				
9		<u>TRIVILLAGE</u>		NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY
10				
11				
12				
13				
14		<u>ELK LAKE</u>		NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 1999 - 2003 AND BASE AND FORECASTED PERIODS

SCHEDULE B-3  
PAGE 1 OF 2  
Witness Responsible: M.A. Miller

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

Line No.	Description	Forecasted Period	% Change	Base Period	2003	% Change	2002	% Change	2001	% Change	2000	% Change	1999
1	Utility Plant	\$288,832,416	6.97%	\$270,000,280	\$269,700,375	6.38%	\$253,519,205	5.36%	\$240,618,888	5.36%	\$226,876,848	6.06%	\$215,555,845
2	Utility Plant in Service	4,653,416	31.16%	5,793,364	4,417,165	-38.72%	7,208,291	-19.50%	8,954,132	68.87%	5,308,519	68.87%	6,773,582
3	CWP	(71,334,540)	-215.12%	61,985,362	(59,283,171)	9.23%	(64,242,814)	11.20%	(48,780,792)	14.08%	(42,782,017)	14.08%	(38,597,821)
4	Accum Prov - Depr/Amort	70,692	-18.15%	86,093	428,141	-4.61%	448,752	23.21%	399,199	159.08%	138,210	159.08%	194,566
5	UPAA	222,221,984	-34.22%	337,847,099	215,262,510	4.02%	205,834,454	2.88%	201,151,127	6.11%	189,561,668	6.11%	183,916,474
6	Total Net Utility Plant	246,738	0.00%	249,738	246,738	0.00%	246,738	0.00%	249,738	0.00%	249,738	0.00%	249,738
7	Other Property and Investments	249,738	0.00%	249,738	249,738	0.00%	249,738	0.00%	249,738	0.00%	249,738	0.00%	249,738
8	Total Other Property and Investments	249,738	0.00%	249,738	249,738	0.00%	249,738	0.00%	249,738	0.00%	249,738	0.00%	249,738
9	Current and Accrued Assets	12,500,000	3.31%	12,100,000	11,932,959	1.40%	6,203,351	92.36%	5,970,911	4.60%	5,708,102	4.60%	5,454,469
10	Cash and Cash Equivalents	0.00%	0.00%	1,001,714	696,520	43.41%	896,520	-51.83%	1,453,181	81.00%	802,842	81.00%	507,958
11	Temporary Cash Investments	0.00%	0.00%	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
12	Customer Accounts	0.00%	0.00%	2,849,893	1,799,485	56.37%	1,799,485	14.76%	1,567,978	-11.31%	1,768,015	24.83%	1,415,232
13	Receivable	0.00%	0.00%	(70,816)	(66,969)	5.74%	(66,969)	15.18%	(58,142)	4.63%	(55,567)	10.85%	(50,130)
14	Accum Prov - Uncollectibles	0.00%	0.00%	3,756,672	2,117,835	77.52%	2,117,835	-0.87%	2,136,486	2.49%	2,084,616	2.49%	1,901,878
15	Accrued Utility Revenues	0.00%	0.00%	2,383,785	2,383,785	0.00%	0	0.00%	0	0.00%	0	0.00%	0
16	Income Tax Refund due	0.00%	0.00%	1,052,195	1,052,195	45.54%	722,958	531.75%	114,437	-67.87%	356,210	-16.12%	430,912
17	From Assoc. Co	0.00%	0.00%	442,869	442,869	-4.74%	464,909	28.63%	361,445	-16.12%	430,912	-17.73%	523,801
18	Misc Accounts Receivable	0.00%	0.00%	513,647	513,647	10.08%	466,613	17.87%	395,524	23.18%	321,074	23.18%	328,048
19	Materials and Supplies	0.00%	0.00%	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
20	Other	0.00%	0.00%	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
21	Total Current and Accrued Assets	12,500,000	3.31%	12,100,000	11,932,959	1.40%	6,203,351	92.36%	5,970,911	4.60%	5,708,102	4.60%	5,454,469
22	Deferred Debts	21,200,000	0.95%	21,000,000	20,740,987	1.25%	20,760,133	-0.19%	18,988,195	28.48%	14,779,446	28.48%	13,979,314
23	Unamortized Debt and Preferred Stock Expense	0.00%	0.00%	692,207	692,207	-11.92%	786,873	-9.79%	871,132	4.30%	835,244	4.30%	413,850
24	Unamortized Rate Case Expenses	0.00%	0.00%	5,572	5,572	0.00%	0	-100.00%	220,366	-38.98%	361,114	1804.71%	18,959
25	Preliminary Survey and Investigation Charges	0.00%	0.00%	1,480,981	1,480,981	-7.70%	1,604,520	-10.39%	1,790,463	421.88%	343,081	-91.74%	4,154,302
26	Misc Deferred Debts	0.00%	0.00%	18,562,227	18,562,227	0.94%	18,389,740	14.18%	16,106,234	21.65%	13,240,007	40.97%	9,392,223
27	Total Deferred Debts	21,200,000	0.95%	21,000,000	20,740,987	1.25%	20,760,133	-0.19%	18,988,195	28.48%	14,779,446	28.48%	13,979,314
28	Total Assets	\$256,171,722	-30.99%	\$271,198,837	\$248,186,194	49.55%	\$234,167,656	5.99%	\$226,359,971	7.64%	\$210,288,954	7.64%	\$203,599,985

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-00103  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 1992 - 1996 AND BASE AND FORECASTED PERIODS

SCHEDULE B-8  
PAGE 2 OF 2  
Witness Responsible: M.A. Miller

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

Line No.	Description	Forecasted Period	Base Period	2003	2002	2001	2000	1999
		% Change	% Change	% Change	% Change	% Change	% Change	% Change
1	<b>Common Equity</b>							
2	Common Stock Issued	0.00%	0.00%	\$36,568,777	\$36,568,777	\$36,568,777	\$36,568,777	\$36,568,777
3	Paid-In-Capital	0.00%	0.00%	30,469	30,469	21,329	21,329	21,329
4	Retained Earnings	13.21%	-11.87%	26,030,002	26,090,081	24,407,285	22,730,060	21,666,245
5	Total Common Equity	5.10%	-4.94%	62,629,268	62,689,347	60,997,391	59,320,166	58,276,351
6	Preferred Stock Issued	-0.57%	15.48%	6,950,000	6,052,800	6,950,000	6,990,000	7,038,000
7	Long-Term Debt	9.84%	-2.13%	73,640,000	68,500,000	44,500,000	42,000,000	63,000,000
8	Current Portion - LTD	0.00%	0.00%	0	0	13,000,000	13,000,000	4,000,000
9	Total Capitalization	7.18%	-2.64%	143,219,268	137,242,147	125,447,391	121,310,166	132,314,351
10	<b>Current and Accrued Liabilities</b>							
11	Notes Payable	0.00%	-100.00%	17,076,366	14,648,828	24,687,794	20,830,422	5,716,000
12	Accounts Payable	0.00%	-100.00%	4,035,084	525,638	966,938	1,761,634	1,239,712
13	Accrued Taxes	0.00%	-100.00%	2,136,905	99,584	260,598	(98,771)	174,961
14	Accrued Interest	0.00%	0.00%	1,458,724	1,458,725	852,579	688,170	831,845
15	Customer Deposits	0.00%	-100.00%	6,560	6,910	43,449	42,793	44,062
16	Dividends Declared	0.00%	0.00%	0	34,759	112,667	113,457	95,287
17	Other	0.00%	-100.00%	2,467,940	1,981,037	2,347,145	993,593	3,082,466
18	Total Current and Accrued Liabilities	-11.94%	23.28%	29,500,000	27,177,579	29,251,158	24,031,298	11,184,333
19	<b>Deferred Credits</b>							
20	Customer Advances	17.55%	7.50%	15,804,878	12,506,787	9,385,736	9,794,602	9,678,648
21	Deferred Income Taxes	-7.50%	-1.29%	29,664,541	32,487,805	28,191,897	27,270,980	23,593,764
22	Accumulated Deferred ITC	-9.00%	-3.59%	1,365,443	1,556,324	1,726,473	1,811,270	1,896,067
23	Other	-7.94%	-10.78%	4,897,730	5,962,866	4,860,420	1,870,673	2,228,098
24	Total Deferred Credits	-1.15%	-0.34%	51,732,652	52,513,782	44,144,526	40,747,525	37,398,577
25	Contributions in Aid of Construction	10.72%	-5.07%	32,849,772	29,689,724	27,516,895	24,209,965	22,704,734
26	Total Liabilities	3.28%	0.38%	\$257,301,692	\$248,186,192	\$226,359,970	\$210,298,954	\$203,599,995