

SCHEDULE K
COMPARATIVE FINANCIAL DATA
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
K	Comparative Financial Data

For electronic version, see KAW_SAPP_EX37K_091504.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: **2004-00103**
COMPARATIVE FINANCIAL DATA

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
DATE CERTAIN: FOR THE PERIODS INDICATED
TYPE OF FILING: ___ ORIGINAL _X_ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): NIA

SCHEDULE K
PAGE **1** OF 3
Witness Responsible: MA **Miller/ S.A.Valentine**

Line No.	Description	Forecasted Period	Base Period	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
1													
2	<u>Plant Data:</u>												
3	Utility Plant in Service												
4	Intangible Plant	\$504,618	\$836,703					\$496,844	\$421,527	\$421,527	\$430,559	\$460,090	\$461,085
5	Source of Supply & Pumping Plant	22,400,286	22,900,443	7,711,000	7,344,000	6,926,000	6,914,000	6,728,069	6,728,109	6,720,344	19,825,921	18,791,418	18,705,750
6	Water Treatment Plant	32,294,068	31,904,033	47,129,000	45,561,000	45,017,000	44,316,000	43,582,616	41,590,739	41,128,042	26,756,530	22,697,269	22,577,740
7	Transmission & Distribution Plant	211,142,763	198,753,295	195,224,000	183,994,000	172,509,000	160,217,000	150,323,618	139,410,164	131,295,030	122,670,252	113,878,869	108,408,799
8	General Plant	22,490,681	20,413,020	19,636,000	16,605,000	16,167,000	15,430,000	14,037,985	12,667,186	11,596,869	8,636,478	7,932,339	7,475,167
9	Gross Plant	288,832,416	274,807,494	269,700,000	253,504,000	240,619,000	226,877,000	215,169,132	200,817,725	191,161,812	178,319,740	163,759,985	157,628,541
10													
11	Less: Accumulated Depreciation	72,805,027	63,304,474	59,275,326	54,235,326	48,773,326	42,754,326	38,589,847	34,963,986	30,887,491	27,661,589	24,900,712	22,063,527
12	Accumulated Amortization	7,674	7,674	7,674	7,674	7,674	7,674	7,674	7,674	7,674	7,674	7,674	7,674
13													
14	Net Plant in Service	216,019,715	211,495,346	210,417,000	199,261,000	191,838,000	184,115,000	176,571,611	165,846,065	160,266,647	150,650,477	138,851,599	135,557,340
15													
16													
17	Construction Work in Progress												
18	Intangible Plant												
19	Source of Supply Plant			0	8,560	2,575,658	2,481,356	90,014	2,728	0	1,114,920	1,151,927	1,301,581
20	Pumping Plant												
21	Water Treatment Plant			145,891	966,865	555,196	428,101	404,501	1,047,991	67,182	1,282,814	4,591,019	471,256
22	Transmission & Distribution Plant			1,897,334	1,969,216	3,472,247	1,396,089	2,011,691	2,101,253	748,133	2,235	2,122,261	278,826
23	General Plant			2,373,940	4,263,650	2,351,031	1,002,973	4,267,376	5,248,265	2,795,386	1,042,471	21,896	32,967
24	Engineering and Design										1,475,171	0	0
25													
26	Total CWIP	4,806,916	6,107,597	4,417,165	7,208,291	8,954,132	5,308,519	6,773,582	8,400,237	3,610,701	4,917,611	7,887,103	2,084,630
27													
28	Total Plant Data	\$220,826,631	\$217,602,943	\$214,834,165	\$206,469,291	\$200,792,132	\$189,423,519	\$183,345,193	\$174,246,302	\$163,877,348	\$155,568,088	\$146,738,702	\$137,641,970
29													
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31	% of Construction Financed Internally	84.2%	75.1%	77.0%	100.0%	89.8%	100.0%	91.6%	100.0%	89.8%	70.3%	100.0%	89.8%
32													
33													
34	<u>Capital Structure:</u>												
35	(\$'s Based on Period-End Accounts)												
36	Long-Term Debt	82,500,000	82,500,000	68,500,000	68,500,000	57,500,000	55,000,000	67,000,000	67,000,000	64,000,000	62,500,000	62,500,000	60,000,000
37	Preferred Stock	3,129,128	2,814,428	6,052,800	6,910,000	6,950,000	6,990,000	7,038,000	7,086,000	7,134,000	7,182,000	7,230,000	7,278,000
38	Common Equity	66,647,378	62,861,030	62,689,347	61,767,703	60,997,391	59,320,165	58,276,351	56,842,280	49,215,874	45,394,297	44,112,250	39,316,058
39													
40	Total Capital	\$152,276,506	\$148,175,458	\$137,242,147	\$137,177,703	\$125,447,391	\$121,310,165	\$132,314,351	\$130,928,280	\$120,349,874	\$115,076,297	\$113,842,250	\$106,594,058
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SCHEDULE K
PAGE 2 OF 3
Witness Responsible: M.A. Milled **S.A. Valentine**

Line No.	Description	Forecasted Period	Base Period	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
1													
2	Condensed Income Statement Data:												
3	Operating Revenues	\$42,918,722	\$43,563,299	\$42,800,150	\$43,626,950	\$41,477,827	\$38,719,864	\$39,103,841	\$37,744,117	\$35,249,388	\$32,663,736	\$32,087,387	\$30,643,257
4	Operating Expenses												
5	(Excluding Income Taxes)	32,519,809	31,763,972	29,907,986	28,619,892	25,611,432	22,412,482	22,788,899	21,509,024	20,213,113	18,891,975	18,519,582	18,201,458
6	State Income Taxes - Current	483,337	16,178	539,890	682,933	717,335	178,853	615,191	594,175	599,116	396,770	391,568	606,626
7	Deferred SIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	49,846
8	Deferred SIT - Other	(9,636)	308,389	223,533	222,489	209,924	762,856	402,307	370,825	251,510	351,154	340,828	(17,067)
9	Federal Income Taxes - Current	1,902,034	648,542	1,971,557	1,676,515	2,852,920	784,743	2,535,247	2,457,630	1,910,470	1,714,734	1,722,547	1,873,601
10	Deferred FIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
11	Deferred FIT - Other	(124,385)	1,948,816	965,170	1,676,242	688,814	2,820,169	1,368,381	1,226,462	1,324,979	1,114,066	1,104,145	530,969
12	Deferred FIT - ITC	0	0	0	0	0	0	0	0	0	0	0	0
13	Amortization of ITC	(84,797)	(95,594)	(85,352)	(84,797)	(84,797)	(84,797)	(84,797)	(84,796)	(84,798)	(84,795)	(83,552)	(83,552)
14													
15	Operating Income	8,232,360	8,972,996	9,277,366	10,833,676	11,482,199	11,845,558	11,478,613	11,670,797	11,034,998	10,279,832	10,092,269	9,481,376
16													
17	AFUDC	470,940	350,364	655,695	652,328	449,628	606,971	1,101,362	602,891	338,184	382,238	416,230	235,565
18	Other Income (Deductions), Net	0	(265,151)	(185,252)	(420,864)	465,889	(1,080,065)	(180,425)	(73,909)	(72,673)	(16,475)	1,158	32,280
19													
20	Income Available for Fixed Charges	8,703,300	9,058,209	9,747,809	11,065,140	12,397,716	11,392,464	12,399,550	12,199,779	11,300,509	10,645,595	10,509,657	9,749,221
21	Interest Charges	5,256,059	5,011,722	4,706,384	5,043,371	5,387,498	5,733,317	5,265,126	5,341,685	5,253,929	5,208,926	5,152,603	5,141,879
22													
23	Net Income	3,447,242	4,046,487	5,041,425	6,021,769	7,010,218	5,659,147	7,134,424	6,858,094	6,046,580	5,436,669	5,357,054	4,607,342
24	Preferred Dividends	456,529	467,587	513,293	533,615	536,778	540,118	543,637	547,156	550,676	554,197	557,716	561,237
25													
26	Net Income to Common Equity	\$2,990,713	\$3,578,899	\$4,528,132	\$5,488,154	\$6,473,440	\$5,119,029	\$6,590,787	\$6,310,938	\$5,495,904	\$4,882,472	\$4,799,338	\$4,046,105
27													
28													
29	AFUDC as a Percent of Net Income	13.66%	8.66%	13.01%	10.83%	6.41%	10.73%	15.44%	8.79%	5.59%	7.03%	7.77%	5.11%
30													
31	AFUDC as a Percent to Earnings Available for Common Equity	15.75%	9.79%	14.48%	11.89%	6.95%	11.86%	16.71%	9.55%	6.15%	7.83%	8.67%	5.82%
32													
33													
34	<u>Cost of Capital:</u>												
35	Embedded Cost of Long-Term Debt	6.31%	6.34%	6.87%	7.34%	9.27%	10.37%	7.85%	7.96%	8.17%	8.31%	8.33%	8.52%
36	Embedded Cost of Preferred Stock	7.72%	7.72%	8.50%	7.74%	7.74%	7.75%	7.75%	7.75%	7.74%	7.77%	7.77%	7.77%
37													
38	<u>Fixed Charge Coverages:</u>												
39	Pre-Tax Interest Coverage	2.07	2.37	2.84	3.02	3.11	2.77	3.27	3.14	2.91	2.71	2.71	2.47
40	Pre-Tax Interest Coverage (Excluding AFUDC)	1.98	2.30	2.70	2.89	3.03	2.66	3.06	3.03	2.85	2.64	2.63	2.43
41	After-Tax Interest Coverage	1.66	1.81	2.07	2.19	2.30	1.99	2.36	2.28	2.15	2.04	2.04	1.90
42	After-Tax Fixed Charge Coverage	1.52	1.65	1.87	1.98	2.09	1.82	2.13	2.07	1.95	1.85	1.84	1.71
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45													
46	Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding												
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SCHEDULE K
PAGE 3 OF 3
Witness Responsible: M.A. Miller/ S.A.Valentine

Line No.	Description	Forecasted Period	Base Period	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
1													
2	<u>Stock and Bond Ratings:</u>												
3	Moody's Bond Rating												
4	S&P Bond Rating												
5	Moody's Preferred Stock Rating												
6	S&P Preferred Stock Rating												
7													
8													
9	<u>Common Stock Related Data:</u>												
10	Shares Outstanding - Year-End	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,397,082	1,338,448	1,338,448	1,230,557
11	Shares Outstanding - Monthly Average	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,410,183	1,342,958	1,338,448	1,238,856	1,230,557
12													
13	Earnings per Share - Weighted Average	\$1.91	\$2.28	\$2.89	\$3.50	\$4.13	\$3.27	\$4.20	\$4.48	\$4.09	\$3.65	\$3.87	\$3.29
14													
15	Dividends Paid per Share	\$1.43	\$1.71	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29	\$3.32	\$2.74	\$2.69	\$2.83	\$2.21
16	Dividends Declared per Share	\$1.43	\$1.71	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29	\$3.32	\$2.74	\$2.69	\$2.83	\$2.21
17	Dividend Payout Ratio (Declared Basis)	74.87%	75.00%	75.09%	86.00%	74.09%	79.51%	78.33%	74.15%	66.89%	73.70%	71.00%	57.00%
18													
19	Market Price - High/Low												
20	1st Quarter												
21	2nd Quarter												
22	3rd Quarter												
23	4th Quarter												
24													
25	Book Value per Share (Year-End)	\$42.52	\$40.11	\$40.00	\$39.41	\$38.92	\$37.85	\$37.18	\$36.27	\$35.23	\$33.92	\$32.96	\$31.95
26													
27													
28	<u>Rate of Return Measures:</u>												
29	Return on Common Equity (Average)	4.62%	5.69%	7.28%	8.94%	10.76%	8.71%	11.45%	11.90%	11.62%	9.73%	13.15%	10.56%
30													
31	Return on Total Capital - (Average)	5.41%	6.06%	6.76%	8.25%	9.31%	9.34%	8.72%	9.18%	9.29%	9.11%	10.10%	9.72%
32													
33	Return on Net Plant in Service (Average)	2.32%	4.01%	5.17%	6.39%	7.18%	7.83%	8.07%	5.74%	8.55%	8.41%	7.80%	7.42%
34													
35													
36	<u>Other Financial and Operating Data:</u>												
37	Mix of Sales (Gas and Electric)												
38													
39	Mix of Fuel (Gas and Electric)												
40													
41	Composite Depreciation Rate	2.89%	2.87%	2.23%	2.27%	2.30%	2.31%	2.55%	2.27%	2.31%	2.32%	2.35%	2.42%
42													
43													
44	Return on net plant calculated by dividing utility operating income by average net plant.												
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ALL BOND AND PREFERRED STOCK ISSUES ARE PRIVATELY PLACED AND THEREFORE, NOT RATED.

NO MARKET PRICE IS AVAILABLE FOR KENTUCKY-AMERICAN WATER COMPANY. STOCK IS NOT PUBLICLY TRADED.

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

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