

**Kentucky Americian
Case No. 2004-00103
Analysis of Company and AG Capital Structures**

Rebuttal Exhibit MAM-1

(000 Omitted) 1 2 3 4 5 6 7 8 9 10

COMPANY:

Capital Structure based on 13 month average of forecasted test-year ended Nov.30, 2005

	<u>Capital</u>	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>At AG Cost of Equity</u>	<u>Company Capital Struc. at 8-30-04</u>	<u>Ratio</u>
Long-term Debt	82,621	51.377%	6.33%	3.25%	3.25%	83,305	53.94%
Short-term Debt	5,980	3.719%	2.70%	0.10%	0.10%	1,273	0.82%
Preferred Stock	6,078	3.780%	7.72%	0.29%	0.29%	6,111	3.96%
Common Equity	<u>66,135</u>	41.125%	11.20%	4.61%	<u>3.60%</u>	63,753	41.28%
Total Capital	160,814	100.000%		8.25%	7.24%	154,442	100.00%

AG:

Capital structure based on 12 quarter average ending Dec. 31, 2003

	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long-term Debt	46.41%	6.330%	2.94%
Short-term Debt	7.78%	2.700%	0.21%
Preferred Stock	4.60%	7.720%	0.36%
Common Equity	<u>41.21%</u>	8.750%	<u>3.61%</u>
Total Capital	100.00%		7.11%

Difference in Weighted Cost of Capital Related solely to Capital Structure -0.13%

Company's Rate Base 160,748

Revenue Requirement Difference 215