

**West Virginia American Water  
Comparison of Authorized ROE's - American Water Subsidiaries**

<u>Company:</u>	<u>Order Date</u>	<u>Authorized ROE</u>	<u>Value Line "A" Utility Bonds</u>	<u>Date</u>	<u>Spread over "A" Util. Bonds</u>
California-Am.	5/6/2004	10.05%	5.49%	MAR.04	4.56%
Illinois-Am.	8/12/2003	10.27%	5.95%	Jul. 03	4.32%
Iowa -Am.	8/20/2001	10.45%	7.58%	JUL. 01	2.87%
Kentucky-Am.	5/9/2001	11.00%	7.43%	MAR. 01	3.57%
Missouri-Am.	4/6/2004	10.00%	5.62%	FEB.04	4.38%
Pennsylvania-Am.	1/16/2004	10.60%	5.77%	DEC. 03	4.83%
New Jersey-Am.	2/18/2004	9.75%	5.50%	JAN. 04	4.25%
Hawaii-Am.	5/6/2004	10.60%	5.49%	MAR. 04	5.11%
Virginia-Am.	6/15/2004	10.10%	6.18%	JUN. 04	3.92%
Indiana-Am.	11/6/2002	10.50%	6.76%	SEP. 02	3.74%
Ohio-Am.	2/7/2002	10.30%	6.84%	DEC. 01	3.46%
Tennessee-Am.	8/7/2003	<u>9.90%</u>	<u>5.95%</u>	JUL. 03	<u>3.95%</u>
Averages		10.29%	5.74%		4.08%
AG witness opinion of proper ROE		8.75%	6.76%	Jul. 05	1.99%
<b>AG variance from average</b>		<b><u>1.54%</u></b>			<b><u>2.09%</u></b>
<b><u>Conclusion:</u></b>			<b><u>4 Quarter Spread</u></b>		<b><u>2 Quarter Spread</u></b>
Value Line "A" Utility Bonds projection based on					
2005 Projected 30 Yr. T-Bond plus .806% (4 Qtr. Avg.)			6.76%		6.76%
2005 Projected 30 Yr. T-Bond plus 0.737% (2 Qtr. Avg.)					6.76%
Average Spread of AWW Companies			<u>4.08%</u>		<u>4.08%</u>
<b>ROE Calculated on Average Spread</b>			<b>10.84%</b>		<b>10.84%</b>

**Note:** West Virginia and Arizona Orders are not shown because they are both currently under appeal.