

## KENTUCKY-AMERICAN WATER COMPANY

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TWELVE MONTHS ENDING NOVEMBER 30, 2001

| Customer<br>Classification<br>(1) | Cost of Service<br>(2) |                | Revenues, Present Rates<br>(4) |                | Revenues, Proposed Rates<br>(6) |                | Proposed Increase<br>(8) |                            |
|-----------------------------------|------------------------|----------------|--------------------------------|----------------|---------------------------------|----------------|--------------------------|----------------------------|
|                                   | Amount                 | Percent<br>(3) | Amount                         | Percent<br>(5) | Amount                          | Percent<br>(7) | Amount                   | Percent<br>Increase<br>(9) |
| Residential                       | 523,310,575            | 53.2%          | \$ 20,228,835                  | 52.2%          | \$ 23,349,627                   | 53.3%          | \$ 3,120,792             | 15.4%                      |
| Commercial                        | 11,756,185             | 28.8%          | 10,593,744                     | 27.3%          | 11,763,384                      | 26.8%          | 1,169,640                | 11.0%                      |
| Industrial                        | 2,185,700              | 5.0%           | 1,726,523                      | 4.5%           | 2,050,842                       | 4.7%           | 324,319                  | 18.8%                      |
| Public Authority                  | 3,208,840              | 7.3%           | 2,910,200                      | 7.5%           | 3,210,181                       | 7.3%           | 299,981                  | 10.3%                      |
| Sales for Resale                  | 901,646                | 2.1%           | 785,055                        | 2.0%           | 904,474                         | 2.1%           | 119,419                  | 15.2%                      |
| Private Fire                      | 676,946                | 1.6%           | 765,918                        | 2.0%           | 765,918                         | 1.8%           | -                        | 0.0%                       |
| Public Fire                       | 1,761,640              | 4.0%           | 1,736,908                      | 4.5%           | 1,736,908                       | 4.0%           | -                        | 0.0%                       |
| Total Sales                       | 43,801,532             | 100.0%         | 38,767,183                     | 100.0%         | 43,801,334                      | 100.0%         | 5,034,151                | 13.0%                      |
| Other Revenues                    | 1,319,836              |                | 1,319,836                      |                | 1,319,836                       |                | -                        | 0.0%                       |
| Total                             | \$45,121,368           |                | \$40,087,019                   |                | \$45,121,170                    |                | \$5,034,151              | 12.6%                      |

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2004-09103  
REVENUES AT PRESENT AND PROPOSED RATES  
TWELVE MONTHS ENDED JULY 31, 2006

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE(S): SCH MA.1 (CENTRAL DIVISION)

SCHEDULE MQC  
PAGE 1 OF 2  
Witness Responsible: James E. Salsar

| Line No. | Rate Classification (A)           | Sales (B)  | Revenues at Present Rates (C) | Revenues at Proposed Rates (M) | Revenue Change (Amt) (E) | % of Revenues Change (F) |
|----------|-----------------------------------|------------|-------------------------------|--------------------------------|--------------------------|--------------------------|
| 7        | Residential                       | 7,592,056  | \$21,559,838                  | \$24,870,193                   | \$3,300,355              | 15.301%                  |
| 8        | Commercial                        | 6,385,853  | 10,687,466                    | 12,322,734                     | 1,635,268                | 15.301%                  |
| 9        | Industrial                        | 1,088,384  | 1,487,804                     | 1,637,669                      | 219,865                  | 15.301%                  |
| 10       | Other Public Authority            | 2,044,721  | 3,399,832                     | 3,616,957                      | 626,195                  | 15.301%                  |
| 11       | Sales for Resale                  | 519,297    | 804,446                       | 927,632                        | 123,085                  | 15.301%                  |
| 12       | Miscellaneous                     | 2,912      | 9,827                         | 22,068                         | 12,241                   | 124.565%                 |
| 13       | Private Fire Service              | 0          | 844,179                       | 973,312                        | 129,134                  | 15.287%                  |
| 14       | Public Fire Service               | 0          | 1,645,303                     | 2,327,852                      | 262,640                  | 15.317%                  |
| 15       |                                   |            |                               |                                |                          |                          |
| 16       |                                   | 16,812,021 | \$42,898,464                  | \$48,821,357                   | \$5,922,893              | 13.828%                  |
| 17       | Total                             |            |                               |                                |                          |                          |
| 18       | Expenses-Other Operating Revenues |            |                               |                                |                          |                          |
| 19       | Oth Rev-Rentals Water Property    |            | \$105,148                     | \$105,148                      | \$0                      | 0.000%                   |
| 20       | Oth Rev-Collector Offset          |            | \$769,015                     | 769,015                        | 0                        | 0.000%                   |
| 21       | Oth Rev-NSF Check Charge          |            | \$38,595                      | 36,596                         | 0                        | 0.000%                   |
| 22       | Oth Rev-Reconnection Charges      |            | \$68,667                      | 68,667                         | 0                        | 0.000%                   |
| 23       | Oth Rev-Misc Service Rev          |            | \$301                         | 0                              | (101)                    | -100.000%                |
| 24       | Oth Rev-Other Water Rev           |            | (\$682)                       | (\$682)                        | 0                        | 0.000%                   |
| 25       | AFDQC                             |            |                               |                                |                          |                          |
| 26       |                                   |            |                               |                                |                          |                          |
| 27       | Profits Total Operating Revenues  |            | \$41,559,409                  | \$47,822,231                   | \$6,262,752              | 14.865%                  |
| 28       |                                   |            |                               |                                |                          |                          |
| 29       |                                   |            |                               |                                |                          |                          |
| 30       |                                   |            |                               |                                |                          |                          |
| 31       |                                   |            |                               |                                |                          |                          |
| 32       |                                   |            |                               |                                |                          |                          |
| 33       |                                   |            |                               |                                |                          |                          |
| 34       |                                   |            |                               |                                |                          |                          |
| 35       |                                   |            |                               |                                |                          |                          |
| 36       |                                   |            |                               |                                |                          |                          |
| 37       |                                   |            |                               |                                |                          |                          |
| 38       |                                   |            |                               |                                |                          |                          |
| 39       |                                   |            |                               |                                |                          |                          |
| 40       |                                   |            |                               |                                |                          |                          |
| 41       |                                   |            |                               |                                |                          |                          |
| 42       |                                   |            |                               |                                |                          |                          |
| 43       |                                   |            |                               |                                |                          |                          |
| 44       |                                   |            |                               |                                |                          |                          |
| 45       |                                   |            |                               |                                |                          |                          |
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| 47       |                                   |            |                               |                                |                          |                          |
| 48       |                                   |            |                               |                                |                          |                          |
| 49       |                                   |            |                               |                                |                          |                          |
| 50       |                                   |            |                               |                                |                          |                          |