

SCHEDULE G

PAYROLL COST ANALYSES

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: NOVEMBER 2008

Base Period: FOR THE TWELVE MONTHS ENDED: JULY 2007

<u>Schedule</u>	<u>Description</u>
G-1	Payroll Costs
G-2	Payroll Analyses by Employee Classification
G-3	Executive Compensation

For electronic version, see KAW_APP_EX37G_043007.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
PAYROLL COSTS

FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2006

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

SCHEDULE G - 1
PAGE 1 of 1
Witness Responsible: S.A. Miller

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
2						
3	Base Period:					
4	Total Salary	\$6,879,531	100.00%	\$6,879,531	\$0	\$6,879,531
5	Other Allowances and Compensation	245,820		245,820	0	245,820
6	Sub-total	7,125,351		7,125,351	0	7,125,351
7						
8	Employee Benefits:					
9	Pension	778,012		778,012	0	778,012
10	Group Insurance	2,034,385		2,034,385	0	2,034,385
11	Defined Contribution Plan	46,577		46,577	0	46,577
12	401-K Plan	72,337		72,337	0	72,337
13	Sub-total	2,931,311		2,931,311	0	2,931,311
14						
15	Payroll Taxes:					
16	F.I.C.A.	546,914		546,914	0	546,914
17	Federal Unemployment	15,546		15,546	0	15,546
18	State Unemployment	12,169		12,169	0	12,169
19	Sub-total	574,629		574,629	0	574,629
20						
21	Total Compensation	\$10,631,291		\$10,631,291	\$0	\$10,631,291
22						
23						
24						
25	Forecasted Period:					
26	Total Salary	7,420,019	100.00%	7,420,019	0	7,420,019
27	Other Allowances and Compensation	252,550		252,550	0	252,550
28	Sub-total	7,672,569		7,672,569	0	7,672,569
29						
30	Employee Benefits:					
31	Pension	503,772		503,772	0	503,772
32	Group Insurance	2,300,947		2,300,947	0	2,300,947
33	Defined Contribution Plan	145,405		145,405	0	145,405
34	401-K Plan	120,731		120,731	0	120,731
35	Sub-total	3,070,855		3,070,855	0	3,070,855
36						
37	Payroll Taxes:					
38	F.I.C.A.	583,113		583,113	0	583,113
39	Federal Unemployment	17,077		17,077	0	17,077
40	State Unemployment	12,203		12,203	0	12,203
41	Sub-total	612,393		612,393	0	612,393
42						
43	Total Compensation	\$11,355,817		\$11,355,817	\$0	\$11,355,817
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - 2
PAGE 1 of 6
Witness Responsible: S.A. Miller

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	2002	% Change	2003	% Change	2004	% Change	2005	% Change	2005	% Change	Base Period	% Change	Forecasted Period
2	Total Company													
3	Employee Hours:													
4	Straight-Time Hours	292,756.00	-6.59%	273,454.00	-7.95%	251,711.00	-2.54%	245,318.00	8.41%	265,938.00	4.90%	278,959.00	2.25%	295,230.00
5	Overtime Hours	18,106.00	7.88%	19,532.00	5.61%	20,628.00	8.15%	22,309.00	5.19%	23,466.00	-6.87%	21,855.00	4.44%	22,825.00
6	Total Employee Hours	310,862.00	-5.75%	292,986.00		272,339.00		267,627.00		289,404.00		300,814.00		308,055.00
7	Ratio of Overtime Hours to Straight-Time Hours	6.18%	7.14%	7.14%	8.20%	8.20%	9.09%	9.09%	8.82%	8.82%	7.83%	7.83%	8.00%	8.00%
8	Labor Dollars:													
9	Straight-Time Dollars	6,229,541	-0.64%	6,189,839	-14.14%	5,314,870	4.47%	5,552,393	3.65%	5,755,307	8.11%	6,221,957	8.73%	6,765,116
10	Overtime Dollars	465,819	7.22%	520,884	10.12%	573,583	12.81%	647,055	9.11%	706,028	-6.86%	657,574	-0.41%	654,903
11	Total Labor Dollars	\$6,715,360	-4.87%	\$6,710,723	0.42%	\$5,888,453	10.79%	\$6,199,448	11.65%	\$6,461,333	12.27%	\$7,879,531	9.68%	\$7,420,019
12	Ratio of Overtime Dollars to Straight-Time Dollars	7.60%	8.27%	8.42%	10.79%	10.79%	11.65%	11.65%	12.27%	12.27%	10.57%	10.57%	9.68%	9.68%
13	O&M Labor Dollars	5,838,291	-4.87%	5,553,892	-12.14%	4,873,792	6.70%	5,206,951	1.04%	5,261,097	6.05%	5,579,252	6.72%	6,066,031
14	Total Labor Dollars	86,944%	82.76%	82.76%	82.87%	82.87%	83.99%	83.99%	81.42%	81.42%	81.10%	81.10%	81.75%	81.75%
15	Total Employee Benefits	2,352,771	29.19%	3,039,565	-5.50%	2,872,395	3.53%	2,973,767	2.07%	3,035,344	-3.43%	2,931,311	4.76%	3,070,855
16	Employee Benefits Expensed	2,045,499	22.89%	2,515,544	-5.37%	2,380,354	4.93%	2,497,667	-1.05%	2,471,377	-3.81%	2,377,293	5.80%	2,510,424
17	Ratio of Employee Benefits Expensed to Total Employee Benefits	86.94%	82.76%	82.76%	82.87%	82.87%	83.99%	83.99%	81.42%	81.42%	81.10%	81.10%	81.75%	81.75%
18	Total Payroll Taxes	507,307	2.26%	510,760	-10.10%	466,357	-3.06%	452,059	9.71%	495,948	15.86%	574,629	6.57%	612,383
19	Payroll Taxes Expensed	441,053	-2.66%	429,326	-9.98%	366,470	-1.75%	379,693	6.35%	403,801	15.41%	466,024	7.43%	500,631
20	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	86.94%	82.76%	82.76%	82.87%	82.87%	83.99%	83.99%	81.42%	81.42%	81.10%	81.10%	81.75%	81.75%
21	Average Employee Levels	123	-0.81%	122	-0.82%	121	-7.44%	112	3.57%	116	12.03%	131	4.58%	137
22	Year-End Employee Levels	116	5.83%	125	-8.80%	114	-4.39%	109	12.64%	123	11.38%	137	0.00%	137

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - 2
PAGE 3 of 6
Witness Responsible: S.A. Miller

DATA: X_BASE PERIOD X_FORECASTED PERIOD
TYPE OF FILING: X_ORIGINAL X_UPDATED X_REVIS
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	2002	% Change	2003	% Change	2004	% Change	2005	% Change	2006	% Change	Base Period	% Change	Forecasted Period
2	Distribution													
4	Employee Hours:													
5	Straight-Time Hours	154,459.00	-8.22%	141,763.00	-12.08%	124,644.00	0.04%	124,690.00	6.33%	132,566.00	1.24%	134,235.00	3.86%	139,416.00
6	Overtime Hours	10,474.00	12.30%	11,762.00	7.13%	12,601.00	23.05%	15,505.00	1.06%	15,669.00	-7.66%	14,468.00	7.71%	15,563.00
8	Total Employee Hours	164,933.00	-6.82%	153,525.00		137,245.00		140,195.00		148,255.00		148,703.00		154,999.00
11	Ratio of Overtime Hours to Straight-Time Hours	6.78%		8.30%		10.11%		12.43%		11.82%		10.76%		11.18%
14	Labor Dollars:													
15	Straight-Time Dollars	\$2,749,950	-7.23%	\$2,551,107	-11.86%	\$2,248,730	4.61%	\$2,352,395	11.46%	\$2,621,947	0.62%	\$2,638,136	12.93%	\$2,979,373
16	Overtime Dollars	270,622	15.29%	311,992	9.86%	342,823	29.07%	442,476	5.28%	465,866	-8.05%	428,370	-2.16%	419,101
18	Total Labor Dollars	\$3,020,572	-5.21%	\$2,863,099		\$2,591,553		\$2,794,871		\$3,087,813		\$3,066,506		\$3,398,474
20	Ratio of Overtime Dollars to Straight-Time Dollars	9.84%		12.23%		15.25%		18.81%		17.77%		16.24%		14.07%
24	O&M Labor Dollars	3,020,572		2,863,099		2,591,553		2,794,871		3,087,813		3,066,506		3,398,474
26	Total Labor Dollars	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
29	Total Employee Benefits	1,058,285	22.54%	1,296,794	-2.52%	1,264,155	6.05%	1,340,639	0.19%	1,450,466	-25.93%	1,074,379	10.83%	1,190,687
30	Employee Benefits Expensed	1,058,285	22.54%	1,296,794	-2.52%	1,264,155	6.05%	1,340,639	8.19%	1,450,466	-25.93%	1,074,379	10.83%	1,190,687
32	Ratio of Employee Benefits Expensed to Total Employee Benefits	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
35	Total Payroll Taxes	228,189	-3.01%	221,323	-7.26%	205,246	-0.70%	203,803	16.29%	236,997	8.08%	256,139	9.50%	260,477
36	Payroll Taxes Expensed	228,189	-3.01%	221,323	-7.26%	205,246	-0.70%	203,803	16.29%	236,997	8.08%	256,139	9.50%	260,477
38	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
41	Average Employee Levels	62	0.00%	62	1.61%	63	-3.17%	61	13.11%	69	11.59%	77	1.30%	78
43	Year-End Employee Levels	59	10.17%	65	-7.69%	60	3.33%	62	22.56%	76	2.63%	76	0.00%	78

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - 2
PAGE 5 of 6
Witness Responsible: S.A. Miller

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): N/A

Line No	Description	2002	% Change	2003	% Change	2004	% Change	2005	% Change	2006	% Change	Base Period	% Change	Forecasted Period
1	Administrative & General													
2	Employee Hours:													
3	Straight-Time Hours	40,811.00	-28.66%	29,113.00	-16.76%	24,235.00	-18.54%	19,743.00	-11.32%	17,508.00	-25.63%	21,996.00	25.63%	22,203.00
4	Overtime Hours	473.00	66.60%	788.00	-21.57%	618.00	-91.26%	54.00	39.00	39.00	-38.46%	24.00	-100.00%	0.00
5	Total Employee Hours	41,284.00	-27.57%	29,901.00		24,853.00		19,797.00		17,547.00		22,020.00		22,203.00
6	Ratio of Overtime Hours to Straight-Time Hours	1.16%	2.71%		2.55%		0.27%		0.22%		0.11%		0.11%	0.00%
7	Labor Dollars:													
8	Straight-Time Dollars	\$1,254,631	-5.86%	\$1,180,805	-41.03%	\$696,352	30.54%	\$908,994	-48.70%	\$457,255	52.42%	\$696,961	52.42%	\$745,507
9	Overtime Dollars	11,150	79.94%	20,078	-14.22%	17,222	-91.21%	1,513	1,054	1,054	-23.43%	807	-100.00%	0
10	Total Labor Dollars	\$1,265,789	-5.13%	\$1,200,883		\$713,574		\$910,497		\$458,309		\$697,768		\$745,507
11	Ratio of Overtime Dollars to Straight-Time Dollars	0.89%	1.70%		2.47%		0.17%		0.23%		0.12%		0.12%	0.00%
12	O&M Labor Dollars	1,265,789		1,200,883		713,574		910,497		458,309		697,768		745,507
13	Ratio of Labor Dollars to Total Labor Dollars	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
14	Total Employee Benefits	443,481	-5.13%	420,740	-40.58%	250,007	74.69%	435,746	-50.71%	215,289	13.55%	244,469	13.55%	261,195
15	Employee Benefits Expensed	443,481	-5.13%	420,740	-40.58%	250,007	74.69%	435,746	-50.71%	215,289	13.55%	244,469	13.55%	261,195
16	Ratio of Employee Benefits Expensed to Total Employee Benefits	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
17	Total Payroll Taxes	95,624	-2.92%	92,830	-38.12%	56,514	17.48%	66,394	-47.02%	35,176	65.69%	58,283	65.69%	61,527
18	Payroll Taxes Expensed	95,624	-2.92%	92,830	-39.12%	56,514	17.48%	66,394	-47.02%	35,176	65.69%	58,283	65.69%	61,527
19	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
20	Average Employee Levels	29	6.90%	31	6.45%	33	-21.21%	26	-23.08%	20	10.00%	22	9.09%	24
21	Year-End Employee Levels	27	29.65%	35	-14.29%	30	-30.00%	21	-9.52%	19	26.32%	24	0.00%	24

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - 3
PAGE 1 of 3
Witness Responsible: M.A. Miller

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3	Title of Executive: President					
4						
5						
6	Base Period:					
7	Total Salary	\$190,632	100.00%	\$190,632	\$0	\$190,632
8	Other Allowances and Compensation (AIP)	47,659		47,659	0	47,659
9	Sub-total	238,290		238,290	0	238,290
10	Employee Benefits:					
11	Pension	21,559		21,559	0	21,559
12	Group Insurance	15,530		15,530	0	15,530
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	3,813		3,813	0	3,813
15	Sub-total	40,902		40,902	0	40,902
16	Payroll Taxes:					
17	F.I.C.A.	8,654		8,654	0	8,654
18	Federal Unemployment	56		56	0	56
19	Slate Unemployment	40		40	0	40
20	Sub-total	8,750		8,750	0	8,750
21						
22	Total Compensation	\$287,941		\$287,942	\$0	\$287,942
23						
24						
25						
26	Forecasted Period:					
27	Total Salary	\$208,289	100.00%	\$208,289	\$0	\$208,289
28	Other Allowances and Compensation (AIP)	52,072		52,072	0	52,072
29	Sub-total	260,361		260,361	0	260,361
30	Employee Benefits:					
31	Pension	14,141		14,141	0	14,141
32	Group Insurance	16,795		16,795	0	16,795
33	Defined Contribution Plan	0		0	0	0
34	401-K Plan	4,166		4,166	0	4,166
35	Sub-total	35,102		35,102	0	35,102
36	Payroll Taxes:					
37	F.I.C.A.	8,910		8,910	0	8,910
38	Federal Unemployment	56		56	0	56
39	Slate Unemployment	40		40	0	40
40	Sub-total	9,006		9,006	0	9,006
41						
42	Total Compensation	\$304,469		\$304,469	\$0	\$304,469
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - J
PAGE 2 of 3
Witness Responsible: M.A. Miller

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
2	Title of Executive: Vice President Operations					
3						
4						
5						
6	<u>Base Period:</u>			\$0	\$0	\$0
7	Total Salary		100.00%	0	0	0
8	Other Allowances and Compensation			0	0	0
9	Sub-total			0	0	0
10	<u>Employee Benefits:</u>					
11	Pension	0		0	0	0
12	Group Insurance	0		0	0	0
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	0		0	0	0
15	Sub-total	0		0	0	0
16	<u>Payroll Taxes:</u>					
17	F.I.C.A.	0		0	0	0
18	Federal Unemployment	0		0	0	0
19	State Unemployment	0		0	0	0
20	Sub-total	0		0	0	0
21						
22						
23	Total Compensation	\$0		\$0	\$0	\$0
24						
25						
26						
27	<u>Forecasted Period:</u>					
28	Total Salary		100.00%	\$0	\$0	\$0
29	Other Allowances and Compensation			0	0	0
30	Sub-total			0	0	0
31	<u>Employee Benefits:</u>					
32	Pension	0		0	0	0
33	Group Insurance	0		0	0	0
34	Defined Contribution Plan	0		0	0	0
35	401-K Plan	0		0	0	0
36	Sub-total	0		0	0	0
37	<u>Payroll Taxes:</u>					
38	F.I.C.A.	0		0	0	0
39	Federal Unemployment	0		0	0	0
40	State Unemployment	0		0	0	0
41	Sub-total	0		0	0	0
42						
43	Total Compensation	\$0		\$0	\$0	\$0
44						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JULY 31, 2007
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE G - J
PAGE 3 of 3
Witness Responsible: M.A. Miller

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL_ UPDATED_ REVISED
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3	Title of Executive: Vice President Treasurer and Comptroller					
4						
5						
6	<u>Base Period:</u>		100.00%	\$0	\$0	\$0
7	Total Salary	0		0	0	0
8	Other Allowances and Compensation	0		0	0	0
9	Sub-total	0		0	0	0
10	<u>Employee Benefits:</u>					
11	Pension	0		0	0	0
12	Group Insurance	0		0	0	0
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	0		0	0	0
15	Sub-total	0		0	0	0
16	<u>Payroll Taxes:</u>					
17	F.I.C.A.	0		0	0	0
18	Federal Unemployment	0		0	0	0
19	State Unemployment	0		0	0	0
20	Sub-total	0		0	0	0
21						
22						
23	Total Compensation	\$0		\$0	\$0	\$0
24						
25						
26						
27	<u>Forecasted Period:</u>		100.00%	\$0	\$0	\$0
28	Total Salary	0		0	0	0
29	Other Allowances and Compensation	0		0	0	0
30	Sub-total	0		0	0	0
31	<u>Employee Benefits:</u>					
32	Pension	0		0	0	0
33	Group Insurance	0		0	0	0
34	Defined Contribution Plan	0		0	0	0
35	401-K Plan	0		0	0	0
36	Sub-total	0		0	0	0
37	<u>Payroll Taxes:</u>					
38	F.I.C.A.	0		0	0	0
39	Federal Unemployment	0		0	0	0
40	State Unemployment	0		0	0	0
41	Sub-total	0		0	0	0
42						
43	Total Compensation	\$0		\$0	\$0	\$0
44						
45						
46						
47						
48						
49						
50						