

SCHEDULE K

COMPARATIVE FINANCIAL DATA

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> |
|-----------------|----------------------------|
| K | Comparative Financial Data |

For electronic version, see KAW_APP_EX37K_043007.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 2 OF 3
Witness Responsible: M.A. Miller/ S.A. Miller

DATA: X_BASE PERIOD X_FORECASTED PERIOD
DATE CERTAIN: FOR THE PERIODS INDICATED
TYPE OF FILING: X_ORIGINAL ____ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): N/A

| Line No. | Description | Forecasted Period | Base Period | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|----------|---|-------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2 | Condensed Income Statement Data: | | | | | | | | | | | | |
| 3 | Operating Revenues | \$50,687,015 | \$49,644,888 | \$ 49,010,147 | \$ 50,119,619 | \$ 42,454,681 | \$ 42,800,150 | \$ 43,626,950 | \$ 41,477,827 | \$ 38,719,864 | \$ 39,103,841 | \$ 37,744,117 | \$ 35,249,388 |
| 4 | Operating Expenses | 39,799,347 | 38,953,452 | 37,336,707 | 36,095,827 | 37,937,891 | 30,259,986 | 28,619,892 | 25,611,432 | 22,412,482 | 22,788,899 | 21,509,024 | 20,213,113 |
| 5 | (Excluding Income Taxes) | 1,006,244 | (343,307) | 617,481 | 525,715 | 400,285 | 539,890 | 682,933 | 717,335 | 178,863 | 615,191 | 594,175 | 589,116 |
| 6 | State Income Taxes - Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Deferred SIT - Accelerated Depreciation | 175,054 | 729,919 | (162,568) | 555,762 | (50,216) | 223,533 | 222,489 | 209,924 | 762,856 | 402,307 | 370,825 | 251,510 |
| 8 | Federal Income Taxes - Current | 5,517,574 | (992,050) | 3,472,508 | 2,327,506 | (1,436,240) | 1,971,557 | 1,676,515 | 2,852,920 | 784,743 | 2,535,247 | 2,457,630 | 1,910,470 |
| 9 | Deferred FIT - Accelerated Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Deferred FIT - Other | 822,866 | 2,513,960 | (1,218,281) | 172,735 | 1,065,295 | 965,170 | 1,676,242 | 688,614 | 2,820,169 | 1,368,381 | 1,226,462 | 1,324,979 |
| 11 | Deferred FIT - ITC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Amortization of ITC | (84,797) | (84,792) | (84,757) | (95,596) | (85,596) | (85,352) | (84,797) | (84,796) | (84,798) | (84,795) | (84,796) | (84,798) |
| 13 | Operating Income | 3,450,907 | 8,867,706 | 9,049,057 | 10,537,670 | 4,613,262 | 8,925,366 | 10,833,676 | 11,462,198 | 11,845,559 | 11,478,611 | 11,670,797 | 11,034,998 |
| 14 | AFUDC | 1,863,142 | 398,018 | 390,200 | 494,177 | 173,521 | 655,695 | 652,328 | 449,628 | 606,971 | 1,101,362 | 602,891 | 338,184 |
| 15 | Other Income (Deductions), Net | 0 | 0 | (235,523) | (184,182) | (88,320) | (185,252) | (420,864) | 465,889 | (1,060,065) | (180,425) | (73,909) | (72,673) |
| 16 | Income Available for Fixed Charges | 5,314,049 | 9,255,724 | 9,203,734 | 10,847,665 | 4,698,463 | 9,395,809 | 11,065,140 | 12,387,715 | 11,382,465 | 12,399,548 | 12,199,779 | 11,300,509 |
| 17 | Interest Charges | 6,871,674 | 3,347,314 | 5,596,915 | 5,632,875 | 5,145,289 | 4,706,384 | 5,043,371 | 5,387,498 | 5,733,317 | 5,265,126 | 5,341,685 | 5,253,929 |
| 18 | Net Income | (1,557,625) | 5,908,410 | 3,606,819 | 5,214,790 | (446,826) | 4,689,425 | 6,021,769 | 7,010,217 | 5,649,148 | 7,134,422 | 6,858,094 | 6,046,580 |
| 19 | Preferred Dividends | 465,459 | 458,787 | 78,706 | 79,874 | 448,208 | 513,293 | 533,615 | 536,778 | 540,118 | 543,637 | 547,156 | 550,676 |
| 20 | Net Income to Common Equity | \$2,023,084 | \$5,449,623 | \$3,528,113 | \$5,134,916 | -\$895,034 | \$4,176,132 | \$5,488,154 | \$6,473,439 | \$5,119,030 | \$6,590,785 | \$6,310,938 | \$5,495,904 |
| 21 | AFUDC as a Percent of Net Income | -119.61% | 6.57% | 10.82% | 9.46% | -38.83% | 13.98% | 10.83% | 6.41% | 10.73% | 15.44% | 8.79% | 5.59% |
| 22 | AFUDC as a Percent to Earnings | -92.09% | 7.12% | 11.06% | 9.62% | -19.39% | 15.70% | 11.89% | 6.95% | 11.86% | 16.71% | 9.55% | 6.15% |
| 23 | Available for Common Equity | 6.46% | 6.55% | 6.29% | 6.91% | 6.24% | 6.87% | 7.34% | 9.27% | 10.37% | 7.65% | 7.96% | 8.17% |
| 24 | Embedded Cost of Long-Term Debt | 7.75% | 7.75% | 5.37% | 5.44% | 7.41% | 8.50% | 7.74% | 7.74% | 7.75% | 7.75% | 7.75% | 7.74% |
| 25 | Embedded Cost of Preferred Stock | 1.86 | 3.31 | 2.11 | 2.54 | 0.89 | 2.76 | 3.02 | 3.11 | 2.77 | 3.27 | 3.14 | 2.91 |
| 26 | Pre-Tax Interest Coverage | 1.58 | 3.19 | 2.04 | 2.46 | 0.86 | 2.63 | 2.89 | 3.03 | 2.66 | 3.06 | 3.03 | 2.85 |
| 27 | (Excluding AFUDC) | 0.77 | 2.77 | 1.64 | 1.93 | 0.91 | 2.00 | 2.19 | 2.30 | 1.99 | 2.36 | 2.28 | 2.15 |
| 28 | After-Tax Interest Coverage | 0.72 | 2.43 | 1.62 | 1.90 | 0.84 | 1.80 | 1.98 | 2.09 | 1.82 | 2.13 | 2.07 | 1.95 |
| 29 | After-Tax Fixed Charge Coverage | | | | | | | | | | | | |

Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 3 OF 3
Witness Responsible: M.A. Miller/ S.A. Miller

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
DATE CERTAIN: FOR THE PERIODS INDICATED
TYPE OF FILING: X_ ORIGINAL ____ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): N/A

| Line No. | Description | Forecasted Period | Base Period | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|----------|--|-------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2 | Stock and Bond Ratings: | | | | | | | | | | | |
| 3 | Moodys's Bond Rating | | | | | | | | | | | |
| 4 | S&P Bond Rating | | | | | | | | | | | |
| 5 | Moodys's Preferred Stock Rating | | | | | | | | | | | |
| 6 | S&P Preferred Stock Rating | | | | | | | | | | | |
| 7 | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |
| 9 | Common Stock Related Data: | | | | | | | | | | | |
| 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 | 1,567,391 | 1,567,391 | 1,397,082 |
| 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 | 1,567,391 | 1,567,391 | 1,410,183 | 107,468 |
| 12 | Earnings per Share - Weighted Average | (\$1.28) | \$3.48 | \$2.25 | (\$0.57) | \$2.66 | \$3.50 | \$4.13 | \$3.27 | \$4.20 | \$4.48 | \$51.14 |
| 13 | | | | | | | | | | | | |
| 14 | Dividends Paid per Share | (\$0.97) | \$2.61 | \$1.28 | \$1.22 | \$2.17 | \$3.01 | \$3.06 | \$2.60 | \$3.29 | \$3.32 | \$34.19 |
| 15 | Dividends Declared per Share | (\$0.97) | \$2.61 | \$1.28 | \$1.22 | \$2.17 | \$3.01 | \$3.06 | \$2.60 | \$3.29 | \$3.32 | \$34.19 |
| 16 | Dividend Payout Ratio (Declared Basis) | 75.19% | 75.00% | 56.89% | -214.04% | 81.58% | 86.00% | 74.09% | 79.51% | 78.33% | 71.00% | 57.00% |
| 17 | | | | | | | | | | | | |
| 18 | Market Price - High/Low | | | | | | | | | | | |
| 19 | 1st Quarter | | | | | | | | | | | |
| 20 | 2nd Quarter | | | | | | | | | | | |
| 21 | 3rd Quarter | | | | | | | | | | | |
| 22 | 4th Quarter | | | | | | | | | | | |
| 23 | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | |
| 25 | Book Value per Share (Year-End) | \$62.69 | \$46.80 | \$46.72 | \$38.45 | \$40.00 | \$39.41 | \$38.92 | \$37.85 | \$37.18 | \$36.27 | \$35.23 |
| 26 | | | | | | | | | | | | |
| 27 | Rate of Return Measures: | | | | | | | | | | | |
| 28 | Return on Common Equity (Average) | -2.27% | 7.92% | 5.15% | -1.46% | 6.71% | 8.94% | 10.76% | 8.71% | 9.73% | 13.15% | 10.56% |
| 29 | | | | | | | | | | | | |
| 30 | Return on Total Capital - (Average) | 1.51% | 6.86% | 6.56% | 3.23% | 6.50% | 8.25% | 9.19% | 9.26% | 9.11% | 10.10% | 9.72% |
| 31 | | | | | | | | | | | | |
| 32 | Return on Net Plant in Service (Average) | 0.76% | 3.06% | 5.05% | 2.88% | 5.90% | 7.62% | 5.64% | 9.18% | 9.39% | 7.80% | 7.42% |
| 33 | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | |
| 35 | Other Financial and Operating Data: | | | | | | | | | | | |
| 36 | Mix of Sales (Gas and Electric) | | | | | | | | | | | |
| 37 | Mix of Fuel (Gas and Electric) | | | | | | | | | | | |
| 38 | Composite Depreciation Rate | 2.65% | 2.87% | 2.13% | 2.42% | 2.23% | 2.27% | 2.30% | 2.31% | 2.55% | 2.27% | 2.31% |
| 39 | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | |
| 46 | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | |
| 48 | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | |

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

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY
NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

Return on net plant calculated by dividing utility operating income by average net plant.