

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 38 of 80

Witness: Michael A. Miller/Sheila Miller

38. Refer to Kentucky-American's Application, Exhibit 37, Schedule F, page 10 of 13.
- a. Provide the conservation advertisements whose cost Kentucky-American proposes for the forecasted period.
 - b. Kentucky-American includes in the forecasted advertising expense institutional advertising of \$69,099. Administrative Regulation 807 KAR 5:016 prohibits the recovery of institutional advertising in rates. Explain why the cost of the proposed institutional advertising may lawfully be recovered through rates. Kentucky-American's response should include examples of the proposed advertisements or other forms of advertising.

Response:

- a. Please see attached documents that provide the type of conservation advertising KAWC will perform in 2008.
- b. While Exhibit 37 refers to institutional or goodwill advertising due to the account number used, the Company does not believe the types of advertising included in that category fall into institutional or goodwill advertising which is precluded from rate recovery. Attached to this response is a schedule that details the advertising that the Company is seeking recovery for in its filing. Those elements of advertising include public education about customer service options, payment locations, the water quality consumer confidence reports, H2O Help to Others and other information addressing customer education. The expenses listed are for advertisement types of materials (print ads, bill inserts, newsletters, handouts) that are produced for consumer awareness and education. These efforts cover the following types of topics:

- payment options available to customers
- payment assistance program
- drinking water quality report
- annual flushing program
- main break/boil water information
- frozen pipe prevention
- key initiatives and projects
- required water quality consumer confidence reports

Samples of past advertisements that will be updated for future use are attached.

For the electronic version, refer to KAW_R_PSCDR2#38_061807.pdf



2622 Broad Street
Chattanooga, Tennessee 37408
423.894.7145-P
423.485.4756-F
www.moriahgroup.com

SCRIPT DRAFT

SUBJECT: FOUR :30 CONSERVATION RADIO SPOTS
ONE :30 TV SPOT
CLIENT: KENTUCKY AMERICAN WATER
DATE: JUNE 12, 2006
MEDIA: TV AND RADIO
AIRING: LATE JUNE 2006

RADIO SPOT #1

This is Kentucky American Water with today's "water wise tip." Start being water wise outside your home. You can conserve water, and maintain lawn and landscaping by planting drought-resistant plants, which require less water. You can also capture and use rainwater. Consider using drip irrigation in your garden to make every drop count. For more information, visit Kentucky American Water's web site at www.kawc.com or call XXX-XXX-XXXX

RADIO SPOT #2

This is Kentucky American Water with today's "water wise tip." Toilets account for almost a third of all the water used in a home. Be water wise and check for sneaky leaks by using one of our free test kits or put a few drops of food coloring in the tank--color will show up in the toilet bowl if there's a leak. For more information on being water wise, visit Kentucky American Water's web site at www.kawc.com or call XXX-XXX-XXXX

RADIO SPOT #3

This is Kentucky American Water with today's "water wise tip." Showerheads in older homes or apartments' may not be the low flow type. There are two ways to conserve water in the shower. Remove the old showerhead, and install a new low flow washer. Or just replace the old showerhead with the new low-flow model. For more information on being water wise, visit Kentucky American Water's web site at www.kawc.com or call XXX-XXX-XXXX

RADIO SPOT #4

This is Kentucky American Water with today's "water wise tip." Make your kitchen water wise starting with your dishwasher. Only run your dishwasher when it is full. Reduce the amount of rinsing you do before loading the dishwasher. Most new dishwashers do an excellent job of cleaning extra dirty dishes, pots and pans all by themselves. For more information on being water wise, visit Kentucky American Water's web site at www.kawc.com or call XXX-XXX-XXXX



2622 Broad Street
Chattanooga, Tennessee 37408
423.894.7145-P
423.485.4756-F
www.moriahgroup.com

AUDIO	VIDEO
<p>MUSIC: Thematic—up and under</p> <p>VO: Kentucky American Water wants to help you be water wise. Here are easy ways to conserve...</p> <p>Maintain your lawn using drip irrigation and drought-resistant plants...</p> <p>Check for leaks in your toilet...</p> <p>Use low-flow shower heads...</p> <p>Reduce the rinsing of dishes--let your dishwasher do the work...and buy water wise appliances too...</p> <p>Easy steps to being water wise! Thanks from Kentucky American Water.</p>	<p>Establishing shot of the exterior of an average size house...FADE UP KAW LOGO AND HOLD UNTIL THE END OF THE SPOT.</p> <p>DISSOLVE to shot of water hose with drips of water underneath it and capture with drop...</p> <p>DISSOLVE to shot of person kneeling looking under toilet tank...</p> <p>DISSOLVE to shot of low-flow showerhead...</p> <p>DISSOLVE to person taking plate from kitchen sink into dishwasher...</p> <p>CG: Visit KAWC.COM for more information or call XXX-XXX-XXXX.</p>



now is a
great time
to use water wisely



Water is a resource that we depend on daily. From drinking and cooking to bathing, gardening and recreation, water adds so much value to our lives. Using water wisely ensures that there is plenty of water available now and in the future. Wise water usage also means protecting water supplies by avoiding careless actions that can pollute and endanger rivers, streams and reservoirs. Follow the tips provided here to help preserve and protect one of the Earth's most precious resources: water

Start using water wisely now by following these simple tips in your home.

In the Bathroom

- Install water-saving showerheads and faucet aerators in your sinks
- Shorten showers to 7 - 10 minutes.
- Turn off the water while brushing your teeth.

In the Kitchen

- Run only full loads in the dishwasher.
- Rinse produce in a basin rather than under running water

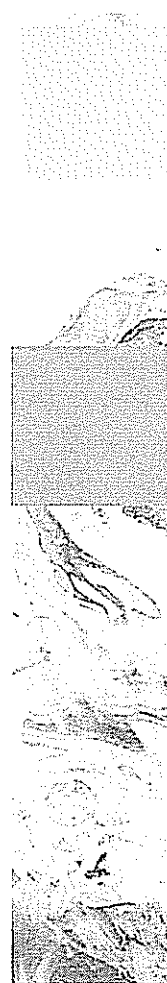
In the Laundry

- Adjust the water level on your washing machine to match the size of your load.

Outside the House

- Use a broom, not a hose, for cleaning patios, sidewalks and driveways.
- Water your lawn and plants only when they need it.
- Plant appropriate plants for the climate. Check with local nurseries about non-invasive, drought-tolerant plants.
- Don't leave the water running when washing your car. Use a hose sprayer attachment to easily turn the water on and off

To learn more about water conservation, call 1-877-24WATER or visit our website at www.kawc.com



Water. It's worth using wisely.

www.KAWC.com



KENTUCKY-AMERICAN WATER COMPANY
 2008 Forecasted Period
 DETAIL FORM

OBJECT DESCRIPTION: Bill Inserts

BUSINESS UNIT: 120121

OBJECT: 575120.0000

SUBSIDIARY: 16.0000

LINE NUMBER (168): 21

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec 07	Total
H2O - Help to Others									3,605				3,605
Payment Options		3,605											3,605
Note:													-
Conservation insert is under "conservation account													-
CCR is in brochures account													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
Total	0	3605	0	0	0	0	0	0	3,605	0	0	0	7210

KENTUCKY-AMERICAN WATER COMPANY
2008 Forecasted Period
DETAIL FORM

OBJECT DESCRIPTION:

Brochures (CCR's)

BUSINESS UNIT: 120121
OBJECT: 575130.0000
SUBSIDIARY: 16.0000

LINE NUMBER (168): 21

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec 07	Total
Public Education Materials	0	0	2575	0	0	0	0	2575	0	0	0	0	5,150
Connections	0	0	3090	0	0	3090	0	0	3090	0	0	3000	12,270
Xpress Check Brochures	0	0	2575	0	0	0	0	0	0	0	0	0	2,575
Consumer Confidence Report	0	0	0	0	25750	0	0	0	0	0	0	0	25,750
Total	0	0	8240	0	25760	3090	0	2575	3090	0	0	3000	45745

KENTUCKY-AMERICAN WATER COMPANY
2008 Forecasted Period
DETAIL FORM

OBJECT DESCRIPTION:

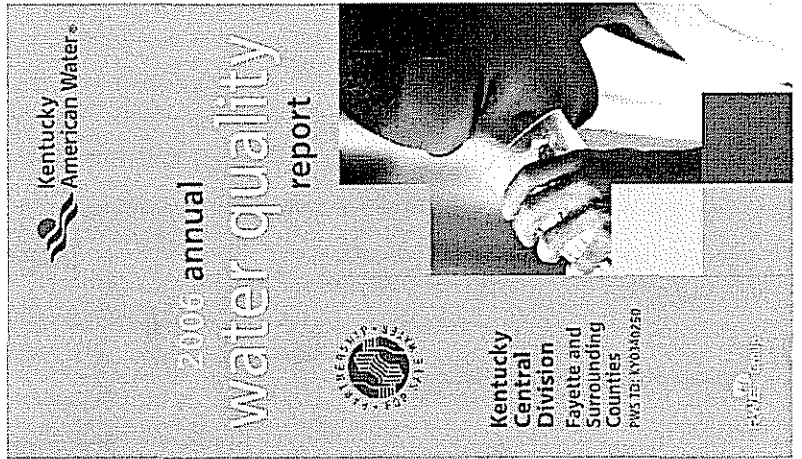
Advertising

BUSINESS UNIT: 120121
 OBJECT: 575030.0000
 SUBSIDIARY: 16.0000

LINE NUMBER (168): 21

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec-07	Total
575030.1605 - Newspapers:													
Drinking Water Week	0	0	0	0	2060	0	0	0	0	0	0	0	2,060
Water quality ad	0	0	0	0	0	0	0	0	2060	0	0	0	2,060
Lex Apt Assn Full Page Ad Mbrshii	0	0	0	0	360.5	0	0	0	0	0	0	0	361
Commerce Lexington-Ad 2005 Gu	0	0	0	0	1236	0	0	0	0	0	0	0	1,236
Miscellaneous Ads	206	206	206	206	103	103	103	206	206	206	206	200	2,157
Hydrant Flushing Ad	0	0	0	4120	0	0	0	0	0	0	0	0	4,120
Investing in system	0	0	0	2060	0	0	0	0	0	0	0	0	2,060
Ripple Effect winners	0	0	0	0	0	1030	0	0	0	0	0	0	1,030
Science Fair winners	0	0	0	1030	0	0	0	0	0	0	0	0	1,030
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
Total	206	206	2,266	5,356	3,760	1,133	103	206	2,266	206	206	200	16,114


69,069




AW051

Este informe contiene información importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

Kentucky American Water
2300 Richmond Road
Lexington KY 40502



Quality Water for Quality Life



Our Customer Charter

We Are...

- dedicated to service excellence
- focused on personalized solutions
- committed to our customers' health and welfare

therefore...

We Will...

- partner with our customers
- treat them with dignity and respect
- enhance their quality of life
- earn their loyalty
- exceed their expectations

Why is this Report Important?

The water quality report is a key tool for helping you understand the quality of your drinking water. It provides information about the safety of your water and the steps we take to ensure it is safe to drink. The report also provides information about the water quality standards that apply to your water and the steps we take to ensure we meet these standards.

- What are the Sources of Contamination?**
- When it rains, water travels over the surface of the land or through the ground, dissolving naturally occurring minerals (possibly radioactive material) and picking up organic material from animals or humans. The water ends up in rivers, lakes, streams, ponds, reservoirs, springs, and wells, where it may be used as a source of supply for both drinking and bottled water. The following contaminants may be present in source water as a result of this process:
- **Microbial Contaminants**, such as viruses and bacteria from sewage, agricultural livestock operations, or wildlife.
 - **Inorganic Contaminants**, such as salts and metals that may be naturally occurring or may result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
 - **Pesticides and Herbicides**, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.
 - **Organic Chemical Contaminants**, (including synthetic and volatile organic chemicals) which are by-products of industrial processes and petroleum production, and may also come from gas stations, urban storm water runoff, and septic systems.
 - **Radioactive Contaminants**, which may be naturally occurring or the result of oil and gas production and mining activities.

Printed on a recycled paper. Each ton of recycled paper saves 7,000 gallons of water.

The Kentucky River (as it runs south of Lexington) and Jacobson Reservoir (located in Fayette County) are surface water sources that supply the Lexington area. A third surface water source in Fayette County, Lake Elberle, may supplement these sources if necessary.

Protecting Your Water

The Kentucky Division of Water approved a Source Water Assessment and Protection Plan for Kentucky American Water in 2003. The plan focuses on potential sources of contamination for the water supplies used by Kentucky American Water.

The Kentucky River is most vulnerable to contamination from agricultural runoff, which may include pesticides, nutrients and silt from croplands, and potential pathogens from pasture lands. Jacobson Reservoir is most vulnerable to urban storm water runoff, which may include heavy metals from paved areas, nutrients, pesticides, and organics (e.g., yard waste) from lawn care. Industrial and construction runoff in urban areas may include silt, synthetic chemicals and metals.


A copy of the completed Source Water Assessment and Protection Plan may be viewed by calling the Watershed Management Branch of the Kentucky Division of Water at (502) 564-3310. Kentucky American Water encourages you to take an active part in protecting your water supply by participating in activities as they occur in your area.

You Can Be Involved in Matters That Affect Your Water

Kentucky American Water welcomes your comments and questions regarding water quality issues. You can contact us with questions about your water and obtain additional copies of this report by calling our Customer Service Center at (800) 578-6301. Electronic copies of this document may be obtained by visiting our website at www.kaw.com.


A Proud Member of the Partnership for Safe Drinking Water Program

In 2003 Kentucky American Water treatment facilities were awarded the prestigious "Five-Year Director's Award" under the Partnership for Safe Water program administered by the U.S. Environmental Protection Agency (EPA), American Water Works Association, and other water-related organizations. The award honors water utilities for achieving operational excellence, by voluntarily optimizing their treatment facility operations and adopting more stringent performance goals than those required by federal and state drinking water regulations. We are proud to report that we have maintained those standards throughout 2006.



A Proud Master Member of the Kentucky EXCEL Program

The Kentucky Department for Environmental Protection administers a voluntary program that is open to anyone who wishes to improve and protect Kentucky's environment beyond regulatory requirements. There are four membership levels available to program participants, including Advocate, Partner, Leader, and Master. The Master membership is the highest of four membership levels, requiring members to demonstrate comprehensive environmental management planning; undergo an independent, third-party assessment of compliance; and commit to complete and report on at least four voluntary projects that will benefit Kentucky's environment. Kentucky American Water is proud of the fact that we became a Master member in this program October 16, 2006, and we encourage individuals and organizations to participate in this environmental program.



Information on the Internet

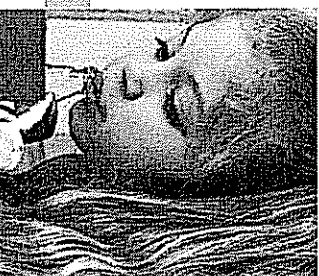
The U.S. EPA, Centers for Disease Control, and the Kentucky Division of Water websites provide a substantial amount of information relating to water sources, water conservation, and public health.

You may visit these sites at the addresses below:

United States Environmental Protection Agency
www.epa.gov/atewater

Centers for Disease Control and Prevention
www.cdc.gov

Kentucky Division of Water
www.water.ky.gov/



Water Quality Data

For your information, we have compiled a list in the table below showing what regulated substances were detected in your drinking water during 2006. Although all of the substances listed are below the Maximum Contaminant Level (MCL) set by the EPA and the Kentucky Department for Environmental Protection, we believe it is important that you know exactly what was detected and how much of each substance was present in the water.

Water Quality Results

Regulated Substances (Monitored on the Water Leaving the Treatment Facility)									
Substance (units)	Year Sampled	MCL	MCLG	Highest Value	Range Low-High	Highest Value	Range Low-High	Compliance Achieved	Typical Source
Arsenic (ppb)	2006	10	0	ND	ND	1	NA	Yes	Erosion of natural deposits; runoff from orchards; runoff from clubs and electronics production wastes.
Barium (ppm)	2006	2	2	0.025	NA	0.028	NA	Yes	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits.
Fluoride (ppm)	2006	4	4	1.1	0.9 - 1.1	1.1	0.9 - 1.1	Yes	Water additive that promotes dental fluoridation.
Nitrate (ppm)	2006	10	10	0.34	0.21 - 0.34	0.40	0.16 - 0.40	Yes	Runoff from fertilizer use; leaching from septic tanks; seepage, erosion of natural deposits.
2,4-D (ppb)	2006	70	70	ND	NA	0.2	NA	Yes	Runoff from herbicide used on law crops.
Total Organic Carbon (ppm)	2006	TT	NA	1.20	1.00 - 1.41	1.40	1.11 - 1.74	Yes	Naturally present in the environment.
Lead (ppb)	2006	TT	NA	0.13	100% Lowest Monthly	0.09	100% Lowest Monthly	Yes	Self runoff.

Regulated Substances (Monitored in the Distribution System)									
Substance (units)	Year Sampled	MCL	MCLG	Highest Value	Range Low-High	Highest Value	Range Low-High	Compliance Achieved	Typical Source
Total Inorganic Ammonia Nitrogen (ppb)	2006	80	0	51	31 - 95	51	31 - 95	Yes	By-product of drinking water disinfection.
Nitrate (ppm)	2006	60	0	32	12 - 71	32	12 - 71	Yes	By-product of drinking water disinfection.
Chloramines (ppm)	2006	MRLG = 4	MRLG = 4	3.0	0.8 - 4.8	3.0	0.8 - 4.8	Yes	Water additive used to control microbes.

Regulated Items (Monitored in the Distribution System)									
Substance (units)	Year Sampled	MCL	MCLG	Highest Percentage Detected	Compliance Achieved	Typical Source			
Lead (ppb)	2006	15	0	ND	0	Conservation of household plumbing systems; Corrosion of household plumbing systems.			
Copper (ppm)	2006	1.3	1.3	0.16	50	0	Yes		

Commonly Asked Questions

- Why does my water look cloudy or milky sometimes?**
Occasionally your water may look cloudy or milky. Cloudy or milky looking water is usually the result of lots of tiny air bubbles in the water. The bubbles are so small that they are almost invisible, but together they look like someone poured milk in your water. Our water has dissolved air in it all of the time, but it has more during the colder months. When the colder water warms in your hot water heater or in the pipes at your home it is no longer able to hold all of the dissolved air so it comes out of solution as air bubbles. There is nothing that Kentucky American Water can do to clear up the water, but it will clear on its own as the water warms up. Water that has air in it is not harmful to consume and it should clear in a glass on its own. If the water does not clear from the bottom up, please contact our Customer Service Center at (800) 678-6301.
- Is there lead in my water?**
Although we regularly test lead levels in your drinking water, it is possible that lead and/or copper levels at your home are higher because of materials used in your plumbing. If you are concerned about elevated levels, run your faucet for 30 seconds to 2 minutes before using your water; use cold water for cooking, drinking or making baby formula; use low-lead-containing faucets; and when replacing or working on pipes, use lead-free solder. Kentucky American Water remains in full compliance with all of the requirements pertinent to lead and copper in drinking water.
- How hard is my water?**
Hardness is a measure of the concentration of two minerals (calcium and magnesium) naturally present in water. Hardness levels of water leaving our water treatment plants range from 117 (hard) to 227 (parts per million (very hard) or 6.8 to 13.2 grains per gallon).
- How much sodium is in my water?**
The sodium level is approximately 19 ppm.
- What is the pH (acidity) range of my water?**
Water within our distribution system averages 7.0 pH units. A pH of 7.0 is considered neutral - neither acidic nor basic.
- What is the alkalinity of my water?**
Alkalinity is the capacity of water to neutralize acids. Water within our distribution system averages 80 mg/L.
- Is there fluoride in my water?**
Yes. Kentucky American Water is required by law to add fluoride to a level of near 1 ppm to assist in the prevention of dental cavities. The average fluoride level in our distribution system is 0.9 mg/L.

Definitions of Terms Used in this Report

- AL (Action Level): The concentration of a contaminant, which if exceeded, triggers treatment or other requirements that a water system shall follow.
- MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- MRDL (Maximum Residual Disinfectant Level): The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- MRDLG (Maximum Residual Disinfectant Level Goal): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- NA: Not applicable
- ND: Not detected
- NTU (Nephelometric Turbidity Unit): A measurement of the clarity, or turbidity, of the water.
- pH: A measurement of acidity, 7.0 being neutral
- ppb (parts per billion): One part substance per billion parts water, or micrograms per liter.
- ppm (parts per million): One part substance per million parts water, or milligrams per liter.
- TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.
- %: means percent
- <: means less than

Substances Expected to be in Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects may be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

To ensure tap water is safe to drink, the U.S. EPA prescribes regulations limiting the amount of certain substances in water provided by public water systems. The U.S. Food and Drug Administration establishes limits for contaminants in bottled water that must provide the same protection for public health.

Kentucky American Water's Central Division maintains two water treatment plants, the Kentucky River Station and the Richmond Road Station, capable of reliably producing up to 65 million gallons of water per day (MGD). Our treatment processes are designed to reduce contaminant concentrations to levels well below any health concern, and the processes are controlled to provide maximum protection against microbial and viral pathogens that can be naturally present in surface waters.

Special Health Information

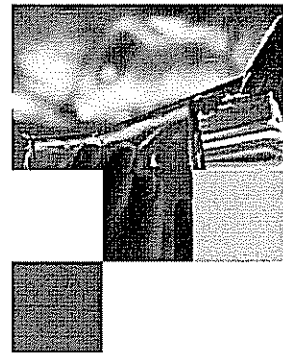
Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

What is Cryptosporidium?

Cryptosporidium is a microbial pathogen found in surface water throughout the United States. Although filtration removes cryptosporidium, the most commonly used filtration methods cannot guarantee 100 percent removal. Ingestion of cryptosporidium may cause cryptosporidiosis, an abdominal infection. Symptoms of infection include nausea, diarrhea, and abdominal cramps. Most healthy individuals can overcome the disease within a few weeks.

Special Monitoring

Kentucky American Water conducted quarterly effluent monitoring for contaminants in accordance with the Unregulated Contaminant Monitoring Rule (UCMR) in 2002. In addition, quarterly effluent monitoring was performed for radionuclides in 2002. Unregulated contaminants listed in the UCMR and radionuclides were not detected during this monitoring. Copies of these reports can be obtained by contacting our Customer Service Center at (800) 678-6301.



Kentucky American Water®

2006 annual
water quality
report

Kentucky
Northern
Division
PWS ID: KY0940430

FWW Group

Quality Water for Quality Life



As a trusted leader in the water industry, Kentucky American Water places a strong emphasis on educating customers about the quality of their drinking water. We encourage you to take a few minutes to review this annual water quality report, which outlines information about the quality of water we provide each day.

We're proud of the fact that we provide quality water at an affordable price for you and your family. We continually strive to adopt new and better methods of delivering the best quality drinking water to you. As regulations and drinking water standards change, we incorporate these changes in our system in an expeditious and cost-effective manner. In fact, Kentucky American Water often addresses regulations before they even go into effect.

In addition, we continue to support efforts and organizations that help improve the quality of our region's waterways and raise awareness of the impact each of us has on the environment. We believe programs such as the Kentucky River Clean Sweep, and organizations such as local Audubon Societies, for example, are not only making a direct impact on the environment today, but are also fostering a commitment to environmental stewardship among citizens of all ages, including tomorrow's leaders. We are also pleased to report that we were the first utility in the state to join the Kentucky Department for Environmental Protection's new and voluntary Kentucky EXCEL environmental leadership program.

Kentucky American Water began serving TriVillage Water District customers in 2001, Elk Lake Property Association customers in 2002, and New Columbus customers in 2003 and 2004. In 2005, Kentucky American Water welcomed our newest customers in Owen County that were formerly served by Owenton Water Works under PWSID 0940337. We look forward to continuing to meet the expanding water needs of Owen and surrounding counties for generations to come.

Thank you for taking time to read this report on water quality.

Nick O. Rowe

President

Why is this Report Important?

Kentucky American Water is once again proud to present to you our annual water quality report. The purpose of this report is to raise your understanding of drinking water and your awareness of the need to protect drinking water sources. The report provides an overview of water quality for our Northern Division – the area spanning Grant, Gallatin, and Owen counties – in 2006. It includes details about where your water comes from and what it contains.

If you have any health concerns relating to the information in this report, we encourage you to contact your health care provider. For more information about this report, or for any questions relating to your drinking water, please feel free to contact our Customer Service Center at (800) 678-6301, 24 hours a day, seven days a week.

Our Customer Charter

We Are...

- dedicated to service excellence
- focused on personalized solutions
- committed to our customers' health and welfare therefore...

We Will...

- partner with our customers
- treat them with dignity and respect
- enhance their quality of life
- earn their loyalty
- exceed their expectations

What are the Sources of Contamination?

When it rains, water travels over the surface of the land or through the ground, dissolving naturally occurring minerals (possibly radioactive material) and picking up organic material from animals or humans. The water ends up in rivers, lakes, streams, ponds, reservoirs, springs, and wells, where it may be used as a source of supply for both drinking and bottled water. The following contaminants may be present in source water as a result of this process:

- **Microbial Contaminants**, such as viruses and bacteria from sewage, agricultural livestock operations, or wildlife.
- **Inorganic Contaminants**, such as salts and metals that may be naturally occurring or may result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- **Pesticides and Herbicides**, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.
- **Organic Chemical Contaminants**, (including synthetic and volatile organic chemicals) which are by-products of industrial processes and petroleum production, and may also come from gas stations, urban storm water runoff, and septic systems.
- **Radioactive Contaminants**, which may be naturally occurring or the result of oil and gas production and mining activities.

The majority of drinking water for our Northern Division customers is produced at our 1.44 million gallon per day treatment facility that treats surface water from Thomas Lake, in south-central Owen County. Thomas Lake's supply is supplemented with surface water from Severn Creek near its confluence with the Kentucky River pool 2 south of Owen County.

Kentucky American Water customers in the Glencoe area receive water purchased from Gallatin County Water. The primary supply for Gallatin County is treated groundwater purchased from the Warsaw Water Works treatment facility located in Warsaw. Gallatin County also produces and treats water from the same groundwater source that Warsaw draws from, which is an underground aquifer that runs beneath the city in Gallatin County.

Customers in the Wheatley area receive water purchased from Carroll County Water District #1, whose source is groundwater that is pumped from two separate well fields in Carroll and Gallatin counties. The Carroll County well field consists of five wells: three located at the water plant, one located on Henry Clay Lane, and a well located on Fishing Street. The Gallatin County well field consists of two wells and is located on Highway 42 on the riverside of the Gallatin Steel property. Carroll County Water District #1 can also purchase water that Carrollton Utilities treats from its wells located in downtown Carrollton.

Our customers in the New Columbus area may receive water purchased from the City of Georgetown, whose source is the historic Royal Spring, a groundwater source under the direct influence of surface water that has supplied Georgetown with drinking water since 1775. Water from the spring is pumped downstream to the treatment plant at 214 West Main Street.

Georgetown also may supply a small portion of treated water purchased from Frankfort Water and Kentucky American Water's Central Division. Frankfort treats surface water from the Kentucky River in pool 4, west of Owen County, and Kentucky American Water Central facilities treat surface water from the Kentucky River pool 9, south of Fayette County, and Jacobson Reservoir, a surface water impoundment in Fayette County.

Protecting Your Water

The Kentucky Division of Water approved Source Water Assessment and Protection Plans for Kentucky American Water's Northern Division suppliers in 2003. These plans focus on identifying potential sources of contamination for drinking water supplies and encourage ongoing planning to protect source waters. The following are brief summaries of potential contamination sources for Kentucky American Water's Northern Division suppliers' sources of supply.

An analysis of Owenton's surface water supplies indicates that susceptibility to contamination is generally moderate with potential contamination sources identified as storage tanks, agricultural and lawn care activities, power line right-of-way applications, roadway runoff, and septic systems.

Carroll County Water is moderately susceptible to contamination from agricultural, industrial, residential, and sewage treatment plant sources. There are a total of 20 potential sources of contamination within the wellhead protection area.

Warsaw Water Works' and Gallatin County Water's groundwater supplies are moderately susceptible to contamination. Potential sources of contamination within the wellhead protection area include storage tanks, agricultural land use, highways, wastewater treatment, septic systems, and machinery storage.

Georgetown Municipal Water's Royal Spring has been determined to have a moderate susceptibility to potential contamination due to runoff from various sources in an urban environment. Frankfort Water and Kentucky American Water have determined that sources have moderate susceptibility to contamination, due to activities within the watershed such as agriculture and urban runoff.

Source Water Assessment and Protection Plans for each water system may be viewed by calling the Watershed Management Branch of the Kentucky Division of Water at (502) 564-3410. Kentucky American Water encourages you to take an active part in protecting your water supply by participating in activities in your area.

A Proud Master Member of the Kentucky EXCEL Program

The Kentucky Department for Environmental Protection administers a voluntary program that is open to anyone who wishes to improve and protect Kentucky's environment beyond regulatory requirements. There are four membership levels available to program participants, including Advocate, Partner, Leader, and Master. The Master membership is the highest of four membership levels, requiring members to demonstrate comprehensive environmental management planning; undergo an independent, third-party assessment of compliance; and commit to complete and report on at least four voluntary projects that will benefit Kentucky's environment. Kentucky American Water is proud of the fact that we became a Master member in this program October 16, 2006, and we encourage individuals and other organizations to participate in this environmental program.



Water Quality Data

For your information, we have compiled a list in the table below showing what regulated substances were detected in your drinking water during 2006. The Kentucky Department for Environmental Protection allows us to monitor for some contaminants less than once per year because the concentration of the contaminants does not change frequently. Consequently, some of our data, although representative, are more than one year old. Although all of the substances listed are below the Maximum Contaminant Level (MCL) set by U.S. EPA and the Kentucky Department for Environmental Protection, we feel it is important that you know exactly what was detected and how much of each substance was present in the water. Kentucky American Water remains committed to providing the highest quality water to our customers.

Water Quality Results

Regulated Substances (Measured on the Water Leaving the Treatment Facility)															
Substance (units)	Year Sampled	MCL	MCLG	Owenton Area Customers		Glencoe Area Customers				New Columbus Area Customers		Wheatley Area Customers		Compliance Achieved	Typical Source
				Kentucky American Water - Northern Division		Warsaw Water Works		Gallatin County Water		Georgetown Municipal Water and Sewer System		Carroll County Water District #1			
				Highest Value	Range Low - High	Highest Value	Range Low - High	Highest Value	Range Low - High	Highest Value	Range Low - High	Highest Value	Range Low - High		
Alpha emitters ¹ (pCi/l)	2006	15	0	ND	ND	2.73	0.0 - 2.73	0.5	0.4 - 0.5	0.4	0.4 - 0.4	1.2	0.4 - 1.2	Yes	Erosion of natural deposits.
Antimony, Total (ppb)	2006	6	6	ND	NA	ND	NA	ND	NA	ND	NA	ND	NA	Yes	Discharge from petroleum refineries; fire retardants; ceramics; electronics; solder.
Arsenic (ppb)	2006	10	0	ND	NA	ND	NA	ND	NA	1	1 - 1	ND	NA	Yes	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes.
Barium (ppm)	2006	2	2	0.009	NA	ND	NA	0.035	0.030 - 0.035	0.028	0.023 - 0.028	0.04	0.04 - 0.04	Yes	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits.
Beta or photon emitters ¹ (pCi/l)	2006	4 mrem/yr	0	ND	ND	2.74	0.0 - 2.74	1.5	0.2 - 1.5	ND	ND	NA	NA	Yes	Decay of natural and man-made deposits.
Combined Radium (pCi/l)	2003	5	0	NA	NA	NA	NA	NA	NA	1.2	1.2 - 1.2	2	0 - 2	Yes	Erosion of natural deposits.
Fluoride (ppm)	2006	4	4	1.17	0.89 - 1.17	1.3	0.0 - 1.3	NA	NA	1.27	0.91 - 1.27	1.38	0.89 - 1.38	Yes	Water additive that promotes strong teeth;
Nitrate (ppm)	2006	10	10	0.03	NA	6.2	0.0 - 6.2	7	5.22 - 7	4.13	0.21 - 4.13	9.37	4.93 - 9.37	Yes	Runoff from fertilizer use; leaching from septic tanks; sewage; erosion of natural deposits.
2,4-D (ppb)	2006	70	70	0.3	ND - 0.3	ND	NA	ND	ND	ND	NA	ND	NA	Yes	Runoff from herbicide used on row crops
Selenium (ppb)	2006	50	50	ND	NA	ND	NA	1.1	0.0 - 1.1	ND	NA	ND	NA	Yes	Discharge from petroleum and metal refineries; erosion of natural deposits; discharge from mines.
Tetrachloroethylene (ppb)	2006	5	0	ND	NA	ND	NA	ND	ND	ND	ND	ND	ND	Yes	Discharge from factories and dry cleaners.
Total Organic Carbon ² , ppm	2006	TT	NA	2.15	2.09 - 2.59	NA	NA	NA	NA	1.34	1.00 - 4.04	NA	NA	Yes	Naturally present in the environment.
Turbidity ³ , NTU	2006	TT	NA	0.23	100% Lowest Monthly	NA	NA	NA	NA	0.21	100% Lowest Monthly	NA	NA	Yes	Soil runoff

Regulated Substances (Measured in the Distribution System)								
Substance (units)	Year Sampled	MCL	MCLG	Highest RAA	Range Low-High	Compliance Achieved	Typical Source	
Total Trihalomethanes * (ppb)	2006	80	0	53	36 -94	Yes	By-product of drinking water disinfection.	
Haloacetic Acids * (ppb)	2006	60	0	42	29 -72	Yes	By-product of drinking water disinfection.	
Chlorine (ppm)	2006	MRDL = 4	MRDLG = 4	1.1	0.3 - 2.6	Yes	Water additive used to control microbes.	
Regulated Substances (Measured at the Customer's Tap)								
Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead † (ppb)	2004	15	0	3	21	0	Yes	Corrosion of household plumbing systems;
Copper † (ppm)	2004	1.3	1.3	0.23	21	0	Yes	Corrosion of household plumbing systems;
Bacterial Results (Measured in the Distribution System)								
Substance (units)	Year Sampled	MCL	MCLG	Highest Number of Positive Samples Detected	Compliance Achieved	Typical Source		
Total Coliform	2006	1 Positive Monthly Sample	NA	1	Yes	Naturally present in the environment.		

† Alpha and Beta or Photon Emitters: The MCL for beta or photon emitters is 4 mrem/year (millirems per year) is a measure of radiation absorbed by the body. The results in the table are reported in picoCuries/liter (pCi/l). EPA considers 50 pCi/l the level of concern for beta emitters
 ‡ Total Organic Carbon: Although the concentration is listed as ppm, the values shown are ratios that are used to determine compliance. Compliance with the TOC Treatment Technique (TT) requirement is based on the lowest running annual average (RAA) of the monthly ratios of the % TOC treatment removal achieved compared to the required removal. A minimum annual average ratio of 1.00 is required.
 § Turbidity: Turbidity is the clarity of water. It is measured as an indicator of water quality and the effectiveness of the filtration system. Compliance with the turbidity Treatment Technique (TT) is achieved when 95% of four-hour filtered water readings are 0.3 NTU or lower and no readings are greater than 1 NTU. Groundwater systems are not required to monitor for turbidity or to meet the TT for turbidity removal.
 ¶ Total Trihalomethanes (THMs) and Haloacetic Acids (HAAs): Compliance is based on a RAA that is calculated quarterly. The highest quarterly RAA is the measured value in the table. Some people who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidneys, or central nervous systems, and may have an increased risk of getting cancer.
 ¶ Lead and Copper: Compliance is achieved when the results from at least 90% of samples collected from water standing in contact with plumbing for at least 6 hours are below the Action level. Owenton Water Works (former PWSID 0940337) conducted lead and copper sampling in 2004 with the 90th Percentile for lead < 1 ppb and for copper 0.052 ppm.
 ¶ Gallatin County Water: Sampled arsenic, barium and selenium in 2005
 ¶ Carroll County Water District #1: Sampled antimony, arsenic, barium, 2,4-D, selenium and tetrachloroethylene in 2005

Definitions of Terms used in this Report

- **AL (Action Level):** The concentration of a contaminant, which if exceeded, triggers treatment or other requirements that a water system shall follow.
- **MCL (Maximum Contaminant Level):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- **MCLG (Maximum Contaminant Level Goal):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **MRDL (Maximum Residual Disinfectant Level):** The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

- **MRDLG (Maximum Residual Disinfectant Level Goal):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **NA:** Not applicable
- **ND:** Not detected
- **NTU (Nephelometric Turbidity Unit):** A measurement of the clarity, or turbidity, of the water.
- **ppb (parts per billion):** One part substance per billion parts water, or micrograms per liter.
- **ppm (parts per million):** One part substance per million parts water, or milligrams per liter.
- **TT (Treatment Technique):** A required process intended to reduce the level of a contaminant in drinking water.
- **<:** means less than
- **%:** means percent

Violations of 401 KAR Chapter 8

There is a violation that occurred during 2006 that affects our customers in the Glencoe area of our Northern Division. Even though this violation is not an emergency, as our customer, you have a right to know what happened and what has been done to correct the situation. Please note that this violation was issued to Warsaw Water, from which we purchase water, but we want you to be aware of this information. There is nothing you need to do regarding this violation. You do not need to seek an alternative water supply.

The paragraph that follows is required language. The "we" listed in the paragraph refers to the system (identified in the table below with the area in our distribution system that may be affected by the violation) that violated 401 KAR Chapter 8.

We are required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not your drinking water meets health standards. During 2006 we did not complete all monitoring or testing for sodium and therefore, cannot be sure of the quality of your drinking water during that time.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

System Where Violation Occurred	Customers Who May Be Affected	What Happened?	Corrective Action
Warsaw Water and Sewer	Customers in Kentucky American Water's Glencoe area	A sodium sample was collected in 2006, but was not submitted to the Division of Water within the required time frame.	Sample for sodium in 2007. They will ensure samples are submitted according to required regulatory deadlines.

Special Information on Nitrate

Nitrate in drinking water at levels above ten (10) ppm is a health risk for infants of less than six months of age. High nitrate levels in drinking water can cause blue baby syndrome. Nitrate levels may rise quickly for short periods of time because of rainfall or agricultural activity. If you are caring for an infant you should ask for advice from your health care provider.

Substances Expected to be in Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects may be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

To ensure tap water is safe to drink, the U.S. EPA prescribes regulations limiting the amount of certain substances in water provided by public water systems. The U.S. Food and Drug Administration (FDA) establishes limits for contaminants in bottled water that must provide the same protection for public health.

What is Cryptosporidium?

Cryptosporidium is a protozoan found in the surface water throughout the United States. Although filtration removes cryptosporidium, the most commonly used filtration methods cannot guarantee 100 percent removal. Ingestion of cryptosporidium may cause cryptosporidiosis, an abdominal infection. Symptoms of infection include nausea, diarrhea, and abdominal cramps. Most healthy individuals can overcome the disease within a few weeks. However, people with severely weakened immune systems have a risk of developing life-threatening illness. We encourage such people to consult their doctors regarding appropriate precautions to take to avoid infection. Cryptosporidium must be ingested to cause disease, and it is spread through means other than drinking water.

In late 2003, Georgetown Municipal Water and Sewer Service began testing the untreated water from the Royal Spring for cryptosporidium in preparation for future regulations. Laboratory analysis detected cryptosporidium in 1 out of 4 samples of untreated water from Royal Spring in 2003, but found no cryptosporidium in 2004, 2005, and 2006 testing.



2300 Richmond Road
Lexington, KY 40502

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

Frankfort Electric and Water Plant Board began testing their effluent water every quarter for cryptosporidium in 1994 and have found none to date. In addition, Frankfort began testing their source water for cryptosporidium in January 2004 and identified the organism in three samples (one sample in October 2004 and two samples in March 2005). Frankfort tested their effluent quarterly for cryptosporidium in 2006 and did not identify the organism in any of their samples.

Kentucky American Water's Central Division tested its untreated source waters in 2003, 2004, and 2005 in preparation for future regulations and found no cryptosporidium.

Special Monitoring

Effluent monitoring was conducted quarterly for contaminants in accordance with the Unregulated Contaminant Monitoring Rule (UCMR) in 2002. In addition, quarterly effluent monitoring was performed for radionuclides in 2002. Unregulated contaminants listed in the UCMR and radionuclides were not detected during this monitoring. Copies of these reports can be obtained by contacting our Customer Service Center at (800) 678-6301.

You Can Learn More and Be Involved in Matters That Affect Your Water

Kentucky American Water welcomes your comments and questions regarding water quality issues. You can contact us with questions about your water and obtain additional copies of this report by calling our Customer Service Center at (800) 678-6301. Electronic copies of this document may be obtained by visiting our website at www.kawc.com.

Information on the Internet

The U.S. Environmental Protection Agency (EPA), Centers for Disease Control and the Kentucky Division of Water websites provide a substantial amount of information relating to water sources, water conservation, and public health. You may visit these sites at the addresses below:

United States Environmental Protection Agency
www.epa.gov/safewater

Centers for Disease Control and Prevention
www.cdc.gov

Kentucky Division of Water
www.water.ky.gov/dw

Special Health Information for the Immunocompromised

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).



2006 CCR

State: Kentucky
Address: 2300 Richmond Road
Lexington, KY 40502

Number of Water Systems
Covered in this Report: 1

System: Kentucky American
Central Division (Ford Hampton Area)

PWS ID KY0340250

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien (This report contains important information about your drinking water. If you do not understand it, please have someone translate it for you.)

Quality Water for Quality Life

Kentucky American Water is committed to providing our communities with the best quality water possible. This is demonstrated by our award-winning water treatment processes, our voluntary participation in the U.S. Environmental Protection Agency's Partnership for Safe Water and through the regular investment we make to maintain and upgrade our water system.

We encourage you to take a few minutes to review this annual water quality report, which outlines information about the quality of water we provide each day. We're proud of the fact that we provide quality water at an affordable price for you and your family. We continually strive to adopt new and better methods of delivering the best quality drinking water to you. As regulations and drinking water standards change, we incorporate these changes in our system in an expeditious and cost-effective manner. In fact, Kentucky American Water often addresses regulations before they even go into effect.

In addition, we continue to support efforts and organizations that help improve the quality of our region's waterways and raise awareness of the impact each of us has on the environment. We believe programs such as Reforest the Bluegrass and the Kentucky River Clean Sweep, and organizations such as Bluegrass PRIDE and the Fayette County Conservation District, for example, are not only making a direct impact on the environment today, but are also fostering a commitment to environmental stewardship among citizens of all ages, including tomorrow's leaders. We are also pleased to report that we were the first utility in the state to join the Kentucky Department for Environmental Protection's new and voluntary Kentucky EXCEL environmental leadership program.

Kentucky American Water is proud to have served Central Kentucky for generations, and to have supported efforts that are environmentally focused. We look forward to continuing that service and support for generations to come.

Nick O. Rowe

President,
Kentucky American Water

Our Customer Charter

We are ...

- dedicated to service excellence
- focused on personalized solutions
- committed to our customers' health and welfare

therefore ...

We will ...

- partner with our customers
- treat them with dignity and respect
- enhance their quality of life
- earn their loyalty
- exceed their expectations

Purpose of This Report

Kentucky American Water is once again proud to present to you our annual water quality report. The purpose of this report is to raise your understanding of drinking water and your awareness of the need to protect drinking water sources. The report provides an overview of water quality for Ford Hampton customers in 2006. It includes details about where your water comes from and what it contains.

If you have any health concerns relating to the information in this report, we encourage you to contact your health care provider. For more information about this report, or for any questions relating to your drinking water, please feel free to contact our Customer Service Center at (800) 678-6301.

Source Water Information

When it rains, water travels over the surface of the land or through the ground, dissolving naturally occurring minerals (possibly radioactive material) and picking up organic material from animals or humans. The water ends up in rivers, lakes, streams, ponds, reservoirs, springs, and wells, where it may be used as a source of supply for both drinking and bottled water. The following contaminants may be present in source water as a result of this process.

- Microbial contaminants such as viruses and bacteria from sewage, agricultural livestock operations, or wildlife.
- Inorganic contaminants such as salts and metals that may be naturally occurring or may result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides that may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.
- Organic chemical contaminants (including synthetic and volatile organic chemicals) that are by-products of industrial processes and petroleum production, and may also come from gas stations, urban storm water runoff, and septic systems.
- Radioactive contaminants that may be naturally occurring or the result of oil and gas production and mining activities.

All of the water for our customers in the Ford Hampton service area is provided by Winchester Municipal Utilities (WMU), Public Water System Identification Number - KY0250473. WMU's raw (untreated) water sources are the Kentucky River Pool 10, and the Carroll E Ecton Reservoir which are surface water sources. Pool 10 of the Kentucky River is approximately 25 miles in length extending upriver between Clark and Madison counties from a lock and dam located at Fort Boonesboro. The Kentucky River supplied the majority of the water treated in 2005. The remainder was obtained from the Carroll E. Ecton Reservoir located near the WMU water treatment facilities on Water Works Road in southern Clark County.

Protecting Your Water Source

The Kentucky Division of Water approved a Source Water Assessment and Protection Plan for WMU in 2003. An analysis of the susceptibility of the Winchester water supply to contamination indicates that this susceptibility is generally moderate, but there are a few areas of high concern. Several highway bridges, a segment of railroad, areas of row crops, three active Superfund Sites, three solid waste generators and/or transporters, and impaired streams occur in the immediate area of Winchester's Kentucky River intake. An accidental release of toxic materials from a bridge or railroad could pose an immediate threat to Winchester's Kentucky River intake. There are numerous permitted operations and activities and other potential contaminant sources of moderate concern within the watershed that cumulatively increase the potential for the release of contaminants within the area. These potential contaminant sources include everything from large capacity septic systems, to major roads, to underground storage tanks, to Tier II hazardous chemical users. A copy of the completed Source Water Assessment and Protection Plan may be viewed by calling the Watershed Management Branch of the Kentucky Division of Water at (502) 564-3410. Kentucky American Water encourages you to take an active part in protecting your water supply by participating in activities as they occur in your area.

Substances Expected to be in Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects may be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at (800-426-4791).

To ensure tap water is safe to drink, the U.S. Environmental Protection Agency (EPA) prescribes regulations limiting the amount of certain substances in water provided by public water systems. The U.S. Food and Drug Administration (FDA) establish limits for contaminants in bottled water that must provide the same protection for public health.

Winchester Municipal Utilities has a single water treatment plant located on Water Works Road in Clark County. Its treatment processes are designed to reduce contaminant concentrations and to provide maximum protection against microbial and viral pathogens that can be naturally present in surface waters

Special Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

You Can Be Involved in Matters that Affect Your Water

Kentucky American Water welcomes your comments and questions regarding water quality issues. You can contact us with questions about your water and obtain additional copies of this report by calling our customer service center at (800) 678-6301. Alternatively, you may find additional information by visiting our website at www.kawc.com.

Information on the Internet

The U.S. EPA and Centers for Disease Control Web sites provide a substantial amount of information relating to water sources, water conservation and public health. The Kentucky Division of Water Drinking Water Branch has a website that contains useful information as well. Visit these sites at the addresses below:

United States Environmental Protection Agency - www.epa.gov/safewater

Centers for Disease Control and Prevention - www.cdc.gov

Kentucky Division of Water – www.water.ky.gov/

Violations of 401 KAR Chapter 8

There is a violation that occurred during 2006 that affects our customers in the Ford Hampton area. Even though this violation is not an emergency, as our customer, you have a right to know what happened and what has been done to correct the situation. Please note that this violation was issued to Winchester Municipal Utilities, from which we purchase water, but we want you to be aware of this information. There is nothing you need to do regarding this violation. You do not need to seek an alternative water supply.

The paragraph that follows is required language. The "we" listed in the paragraph refers to the system (identified in the table below with the area in our distribution system that may be affected by the violation) that violated 401 KAR Chapter 8.

We are required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not your drinking water meets health standards. During 2006 we did not complete all monitoring or testing for sodium and therefore, cannot be sure of the quality of your drinking water during that time.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

System Where Violation Occurred	Customers Who May Be Affected	What Happened?	Corrective Action
Winchester Municipal Utilities	Customers in Kentucky American Water's Ford Hampton service area	Two sodium samples were collected in 2006 as required, but one sample was not analyzed by the contract laboratory.	Sample correctly for sodium in 2007. Winchester will ensure samples are analyzed according to required regulatory schedules.

Water Quality Data

For your information, we have compiled a table showing what regulated and unregulated substances were detected in your drinking water. Results for regulated substances measured on the water leaving the treatment facility are provided by Winchester Municipal Utilities. Regulated substances measured in the distribution system and at the customer's tap are collected and analyzed by Kentucky American Water. The Kentucky Department for Environmental Protection allows us to monitor for some contaminants less than once per year because the concentration of the contaminants does not change frequently. Therefore, some of this data, although representative, are more than one year old.

Regulated Substances (Measured by Winchester Municipal Utilities, KY0250473, on the Water Leaving the Treatment Facility)								
Substance (units)	Year Sampled	MCL	MCLG	Winchester Municipal Utilities		Compliance Achieved	Typical Source	
				Highest Value	Range Low-High			
Alpha emitters (pCi/l)	2002	15	0	11	ND - 11	Yes	Erosion of natural deposits	
Barium (ppm)	2006	2	2	0.015	NA	Yes	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits	
Combined Radium (pCi/L)	2002	5	0	0.8	0.7 - 0.8	Yes	Erosion of natural deposits	
Fluoride (ppm)	2006	4	4	1.4	0.59 - 1.4	Yes	Water additive that promotes strong teeth;	
Nitrate (ppm)	2006	10	10	0.2	NA	Yes	Runoff from fertilizer use; leaching from septic tanks; sewage; erosion of natural deposits	
Total Organic Carbon ¹ (ppm)	2006	TT	NA	0.97	0.57 - 1.78	Yes	Naturally present in the environment	
Turbidity ² NTU	2006	TT	NA	0.35	99% monthly lowest	Yes	Soil runoff	
Regulated Substances (Trihalomethanes and Haloacetic Acids are measured in the Distribution System by Winchester Municipal Utilities, KY0250473. Chlorine is measured in the Distribution System by Kentucky American Water, KY0340250)								
Substance (units)	Year Sampled	MCL	MCLG	Highest RAA	Range Low-High	Compliance Achieved	Typical Source	
Total Trihalomethanes ³ (ppb)	2006	80	NA	68	13 - 94	Yes	By-product of drinking water disinfection	
Haloacetic Acids ³ (ppb)	2006	60	NA	39	12 - 62	Yes	By-product of drinking water disinfection.	
Chlorine (ppm)	2006	MRDL = 4	MRDLG = 4	0.8	0.2 - 2.3	Yes	Water additive used to control microbes.	
Regulated Substances (Measured at the Customer's Tap by Kentucky American Water, KY0340250)								
Substance (units)	Year Sampled	Action Level	MCLG	90 th Percentile	Number of Samples	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead ⁴ (ppb)	2006	15	0	ND	50	0	Yes	Corrosion of household plumbing systems;
Copper ⁴ (ppm)	2006	1.3	1.3	0.16	50	0	Yes	Corrosion of household plumbing systems;
Bacterial Results (Measured in the Distribution System by Kentucky American Water, KY0340250)								
Substance (units)	Year Sampled	MCL	MCLG	Highest Percentage Detected		Compliance Achieved	Typical Source	
Total Coliform	2006	5% Positive	NA	5		Yes	Naturally present in the environment	

¹Total Organic Carbon: Although the concentration is listed as ppm, the values shown are ratios that are used to determine compliance. Compliance with the TOC Treatment Technique (TT) requirement is based on the lowest running annual average (RAA) of the monthly ratios of the % TOC treatment removal achieved compared to the required removal. A minimum annual average ratio of 1.00 is required. Total organic carbon data are from Winchester Municipal Utilities. The number reported in the Highest Value column is actually the lowest RAA, calculated quarterly, for the year. Note that Winchester maintained compliance for the final two quarters of the year, but did receive a Notice of Violation (NOV) for failing to meet the required removal ratio during the year. We notified our customers of the NOV by letter and posted the information at Halls on the River and Dale Power Plant.

²Turbidity: Turbidity is the clarity of water. It is measured as an indicator of water quality and the effectiveness of the filtration system. Compliance with the turbidity Treatment Technique (TT) is achieved when 95% of four-hour filtered water readings are 0.3 NTU or lower and no readings are greater than 1 NTU. Turbidity data are from samples collected by Winchester Municipal Utilities.

³Total Trihalomethanes (TTHMs) and Haloacetic Acids (HAAs): Compliance is based on a RAA that is calculated quarterly. The highest quarterly RAA is the measured value in the table. Trihalomethane and Haloacetic Acid data is from samples collected by Winchester Municipal Utilities.

⁴Lead and Copper: Compliance is achieved when at least 90% of samples collected from water standing in contact with plumbing for at least 6 hours are below the Action Level. Lead and copper results are from samples collected by Kentucky American Water.

Definitions of Terms Used in This Report

- **AL (Action Level):** The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system shall follow.
- **MCL (Maximum Contaminant Level):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- **MCLG (Maximum Contaminant Level Goal):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **MRDL (Maximum Residual Disinfectant Level):** The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **MRDLG (Maximum Residual Disinfectant Level Goal):** The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **NA:** Not applicable
- **ND:** Not detected
- **NTU (Nephelometric Turbidity Unit):** Measurement of the clarity, or turbidity, of the water.
- **pH:** A measurement of acidity, 7.0 being neutral
- **ppb (parts per billion):** One part substance per billion parts water, or micrograms per liter.
- **ppm (parts per million):** One part substance per million parts water, or milligrams per liter.

A Proud Master Member of the Kentucky EXCEL Program



The Kentucky Department for Environmental protection administers a voluntary program that is open to anyone who wishes to improve and protect Kentucky's environment beyond regulatory requirements. There are four membership levels available to program participants, including Advocate, Partner, Leader, and Master. The Master membership is the highest of four membership levels, requiring members to demonstrate comprehensive environmental management planning, undergo an independent, third-party assessment of compliance, and commit to complete and report on at least four voluntary projects that will benefit Kentucky's environment. Kentucky American Water is proud of the fact that we became a Master member in this program October 16, 2006, and we encourage individuals and other organizations to participate in this environmental program.

keeping your **water** clean and clear

Each year Kentucky American Water conducts a distribution system flushing to ensure that our customers continue to receive high quality water service. Hydrants throughout the system are flushed to remove normal sediments that collect over time.

This year's flushing program will begin **Sunday, April 15**, and conclude **Thursday, April 26**. Most flushing will occur between the hours of 7:30 p.m. and 4 a.m. The company will temporarily switch from using chloramine to chlorine in its treatment process from Thursday, April 12, through Friday, April 27.

During this time you may notice a more significant smell of chlorine in your water and possibly a slight discoloration of water. These do not pose safety concerns. Check for discolored water before doing laundry, washing dishes and other uses, however, to prevent staining. If water is discolored, wait until it runs clear before using it.

If you have questions or concerns please contact Kentucky American Water at (800) 678-6301.



Payment Locations

Fayette County

Kentucky American Water
2300 Richmond Road in Lexington
Eastland Shell Food Mart
Eastland Parkway @ New Circle Road
Mist Lake Shell Food Mart
Mist Lake Plaza on Richmond Road

Jessamine County

Central Bank Branch location
301 N Main Street, Nicholasville

Owen County

Kentucky American Water
102 North Main Street
Owenton, Kentucky

Scott County

Central Bank Branch location
100 W Main Street, Georgetown
Connector Road Shell Food Mart
Connector Road @ U.S. 460

Remember to bring
a copy of your bill
with you when paying
in person.

Andover, Man-O-War @

Maple Leaf Drive
1331 Eastland Drive
515 New Circle Road NW
100 East Reynolds Road
Palomar Center, Harrodsburg @
Man-O-War Blvd
3100 Pimlico Parkway
2233 Richmond Road
256 Southland Drive
3270 Tates Creek Road
Turland Mall, Harrodsburg Road
2347 Versailles Road



1-800-678-6301
www.kawc.com

Payment made easy

Pay by Mail

Mail your check to:
Kentucky American Water
P.O. Box 70824
Charlotte, NC 28272

Include the pre-addressed payment stub, write your account number and address on your check or money order and use the envelope provided. Please do not use paper clips or staples or send cash.

Pay by Phone

If you do not have questions about your bill, you can call our pay-by-phone TOLL-FREE line at 1-866-271-5522. There is a small fee for this service. Be sure to have your ten-digit account number handy which is located in the upper right hand corner of your bill.

Local Payment Locations

If you prefer to pay your water bill in person, you can do so at our main headquarters located at 2300 Richmond Road in Lexington, or at our Owenton office located at 102 North Main Street in Owenton. You can also pay your bill at any Central Bank location, participating Shell Food Marts and at Xsell in Winchester. Be sure to bring a copy of your bill with you. See the list of payment locations in this insert.

Automatic Payment

Sign up for Automatic Payment, and your bill will be paid on time every time directly from your checking or savings account on the date it is due. You will still receive a copy of your bill well before the due date, so you will have time to ask any questions before payment. Call our Customer Service Center at 1-800-678-6301 for more information or go to our website at www.kawc.com.

Online Bill Pay

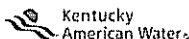
You can use your Visa or MasterCard credit or debit cards to pay your bill online. Go to www.kawc.com and click on 'Customer Service' and then 'Your Bill' for more information. There is a small fee for this service.



Billing

Made Easy





Xpress Check Authorization Form

YES, sign me up for Xpress Check

Kentucky American Water Account #: _____

Customer Name (please print clearly): _____

Address: _____ Telephone: (____) _____

City: _____ State: _____ Zip: _____

Account type (check one): Checking (Be sure to include a VOIDED check or a photocopy)
 Savings (Contact your bank to determine if this account can be used If yes, ask your bank for the ABA Routing Number)

ABA Routing Number: _____

Name of Financial Institution: _____ Account Number: _____

Signature: _____

(Detach here)

For Service To: John & Jane Doe
12345 Any Street
Alton, IL 62002

John & Jane Doe
12345 Any Street
Any Where, KY 77000

AMOUNT DUE	\$30.83
DUE DATE	Aug 26, 2006
Amount Paid	

Kentucky American Water
P.O. Box 60874
Charlotte, NC 28272

1	Balance from last bill	\$80.71
2	Payment on of Nov 14, 2006. Thanks!	\$50.11
3	Total prior balance, Nov 14, 2006	0.00
4	Water Usage (\$1.62750 x 5.00)	7.95
5	Total water charges, Nov 14, 2006	8.12
6	Current Water Charges	17.07
7	Sewer Usage (\$1.5000 x 4.00)	7.12
8	Total Sewer Charges	7.12
9	Total Current Charges	24.19
10	Other Current Charges	9.28
11	Landfill User Fee	3.50
12	Total other charges, Nov 14, 2006	4.50
13	Taxes	2.1
14	25A 1500/dues/wal fee - LUGC	1.52
15	School Tax	1.25
16	Franchise Fee - LFUGG	1.25
17	Total taxes, Nov 14, 2006	3.77
18	Total Current Charges	37.10
19	TOTAL AMOUNT DUE	\$32.10

Water Usage Comparison
Monthly usage in 100 cubic feet

Messages from Kentucky American Water
 *Add \$1 to your monthly water bill and help low income customers with their water bill payments.
 *Pay by credit card, debit card or electronic check, call TOLL FREE 1-866-271-5522
 *Pay online at www.waterpayments.com. A service fee will apply. Customers can also pay their water bill at our local office at 2300 Richmond Road in Lexington, at Lexington area Central Bank locations, and participating Shell Food Markets, and at Xpress in Winchester. Call 1-800-678-6301 for location information, or visit our Web site at www.kaw.com

Customer Service: 800-678-6301
 Emergencies: 606-678-6301
 Visit us on the INTERNET at: www.kaw.com

Billing made easy

Your bill is designed to provide the information you need to know about your account. The following is provided to help you understand the charges on your water bill and the payment options available to you.

- 1 Return address — address where payments should be mailed using the envelope provided with the bill
- 2 Address and account number where the water service is received
- 3 Billing period and type of service
- 4 Meter number and size
- 5 Beginning and ending meter readings for the billing period
- 6 Amount of water used during the billing period
- 7 Billing summary — shows balance from last bill, amount paid and balance owed, if any
- 8 Meter service charge — monthly service charge based on meter size
- 9 Water usage — cost for water consumption based on 100 cubic feet multiplied by water usage
- 10 Total water charges for the month
- 11 Current wastewater charges — lifeline sewer rate = \$1.78 for first 4 cubic feet per Lexington/Fayette Urban County Government (LFUGG) ordinance. The remaining usage is charged at \$2.16 per cubic foot.*
- 12 Other current charges — local user fees assessed by the city/county in which you live
- 13 KRA withdrawal fee — Kentucky River Authority fee charged per 100 cubic feet of water withdrawn from river
- 14 Local school tax
- 15 Franchise fee — assessed only in Fayette County by the LFUGG
- 16 Total current charges
- 17 Total amount due — can include any past due amounts
- 18 Water usage comparison — shows usage of water over a 12 month period of time
- 19 Telephone number of the customer service center and emergency services

If you have any additional questions, please call a customer service representative at **1-800-678-6301**.

* Information is based on Lexington/Fayette County residential bills. In Lexington/Fayette County, Kentucky American Water collects wastewater payments for the local government, which owns and operates the wastewater/sewer system. Your bill may be slightly different.



Kentucky American Water
2500 Fishbinder Road
Lexington, KY 40502
Phone: 606.257.6888
www.kaw.com

www.kaw.com



Helping Kentuckians in need

Our Customer Charter

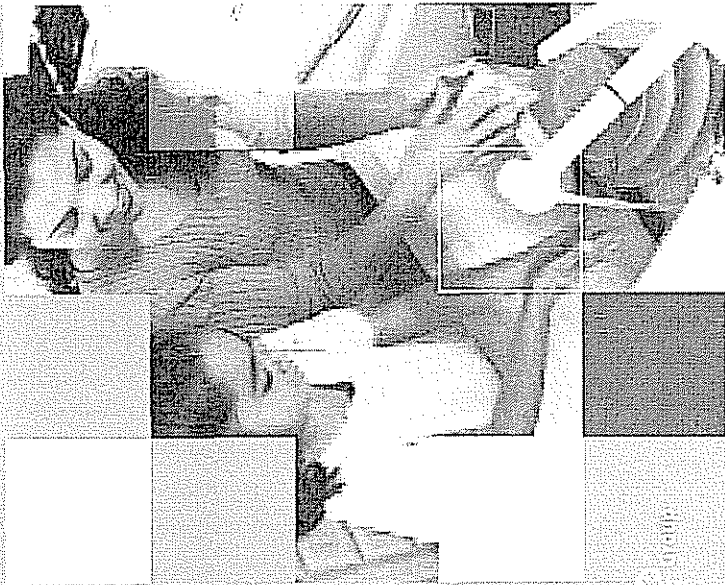
We Are...

- dedicated to service excellence
- focused on personalized solutions
- committed to our customers' health and welfare

therefore...

We Will...

- partner with our customers
- treat them with dignity and respect
- enhance their quality of life
- earn their loyalty
- exceed their expectations



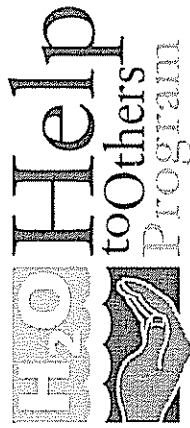
www.kaw.com

www.kaw.com

www.kaw.com

The importance of water

Drinking, bathing, cooking. Reliable water service is essential to our daily lives. You can help those who are experiencing financial hardship and having trouble paying their monthly water bills by making a donation to H₂O – Help to Others.



What is H₂O – Help to Others?

Kentucky American Water's customer assistance program, formerly known as Water for Life, now has a new name: H₂O – Help to Others. The program helps Kentucky American Water customers who are dealing with financial difficulties and having trouble paying their water bills. Customers eligible for assistance must meet established income criteria.

H₂O – Help to Others is administered by a third party, Community Action Council, for all eligible customers in Kentucky American Water's 10-county service area. Community Action Council coordinates the application process and disburses funds to eligible customers.

Your contribution makes a difference
Funding for the program is provided by Kentucky American Water and customers like you.

If you'd like to help Kentuckians in need with payment of their water bills, simply add an extra \$1 to your water bill payment or send your check in any amount, made payable to H₂O – Help to Others, to:

Community Action Council
Attn: H₂O – Help to Others
P.O. Box 11610
Lexington, KY 40576

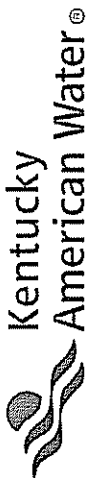
Do you need assistance?

If you are having trouble paying your water bill, please contact our customer service center at 1-800-678-6301, 24 hours a day, seven days a week, so that we can work with you on setting up a payment plan.

If you believe you may be eligible for H₂O - Help to Others program assistance, please call Community Action Council at (859) 233-4600 or toll-free 1-800-244-2275. Community Action Council staff will review your situation with you to determine whether or not you are eligible for this type of assistance.



PRSR1 STD
U.S. POSTAGE
PAID
LEXINGTON, KY
PERMIT #850



2300 Richmond Road
Lexington, Kentucky 40502

Have a correction, or want us to add someone, to our mailing list?

- Contact/address correction
- Addition

Name _____

Title _____

Organization _____

Address _____

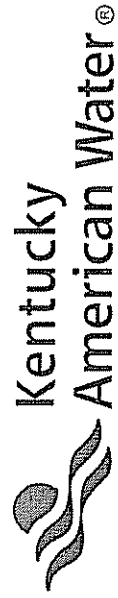
City/State/Zip _____

Phone _____

Please return to: Susan Lancho by fax at 859.268.6327 or susan.lancho@amwater.com.

For more information on these or other water-related topics, please contact Susan Lancho, Communications Manager, at 859.268.6332, or Valeria Swope, Communications Specialist, at 859.268.6314.

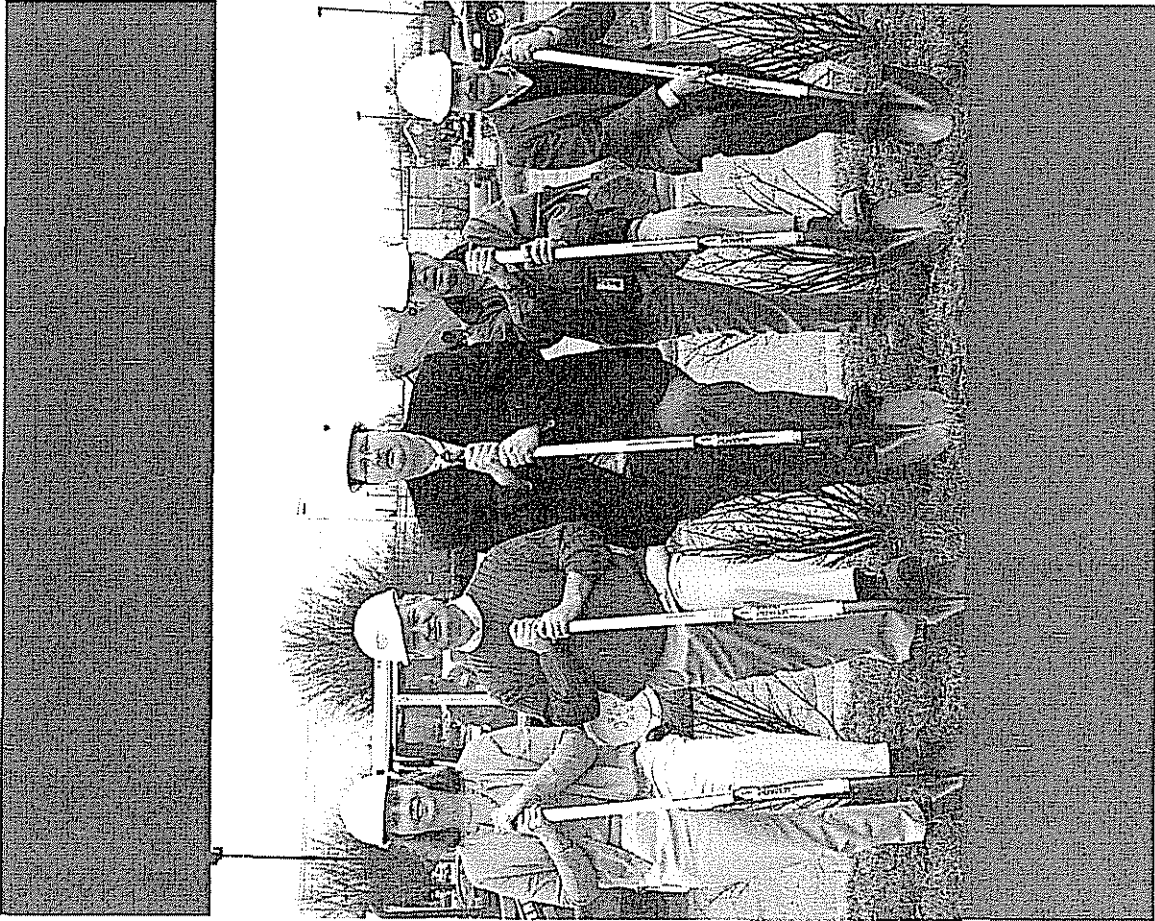
On the cover: Groundbreaking for \$1.75 million water main project on New Circle Road in Lexington. Pictured second from left is Dwain Randolph, C.J. Hughes Construction; along with from left to right from Kentucky American Water, Linda Bridwell, Engineering Manager, Jason Hurt, Project Engineer; Tim Anderson, Operations Specialist; and Greg Tomko, Project Manager, New Development Construction. In the background, J.R. Smith, backhoe operator.



connections

news and information for our
community leaders

Spring 2007





20-inch pipe to be installed on Clays Mill Road in Lexington.

Water main installations

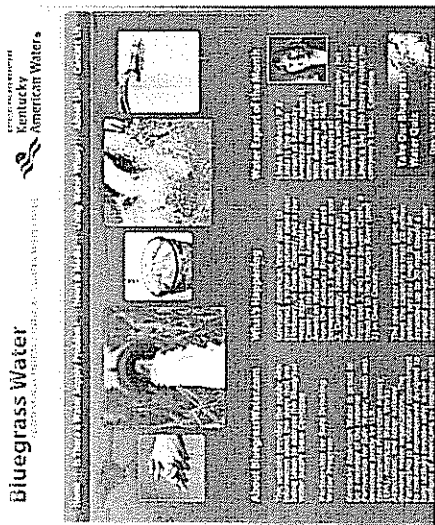
Kentucky American Water has a number of water main projects taking place during 2007. The first, already underway, is on Clays Mill Road in Fayette County where construction crews are installing 20-inch pipe along a two-mile stretch of roadway.

In April, contractors will begin work on a \$1.75 million water main project on Lexington's New Circle Road. The project will involve laying new water lines along a 2½-mile stretch of New Circle Road between Floyd Drive and North Limestone. Most of the work will be done in the evening to avoid causing any major traffic tie-ups.

The new water treatment plant on pool 3 of the Kentucky River will have the capacity to treat 20 million gallons per day (mgd). It may be expanded an additional 5 MGD to meet the needs of the Bluegrass Water Supply Commission, a group of municipal providers that voted in January to fund design for the additional capacity. The group and Kentucky American Water are negotiating a partnership.

The water transmission line will transport water from the new plant to the company's Central Kentucky distribution system. A route for the waterline has been chosen and Kentucky American Water will work directly with affected property owners to answer questions, address concerns and mitigate the impact to their properties as much as possible. The route travels from Owen County through Franklin and Scott counties and then enters Fayette County on Iron Works Pike.

More information can be found by visiting the project's website at www.bluegrasswater.com.



The welcome page to Bluegrasswater.com, a website dedicated to providing the public with information about the steps being taken to address the Bluegrass water supply issue.

INVESTING IN OUR COMMUNITIES IN THIS ISSUE OF CONNECTIONS

Water supply solution moves ahead
Kentucky American Water has filed an application with the Kentucky Public Service Commission to construct a water treatment plant near Monterey, in Owen County, a raw water intake nearby in Franklin County, and an approximately 30-mile water transmission line.

Work is already underway to replace and upgrade existing water mains along portions of Second Street, Royster Road and New Circle Road in Lexington and is scheduled to begin in May along Sunset, Columbia and Marquis avenues. These upgrades will improve water and fire service for those who live and work in the University of Kentucky campus area.

Several highway relocation projects are planned as a result of state and local roadway relocation and widening projects. These projects will be taking place on Clays Mill Road, Liberty Road, Newtown Pike, Leestown Road and U.S. 25, all in Fayette County.



New water line being installed on Newtown Springs Drive in Lexington.

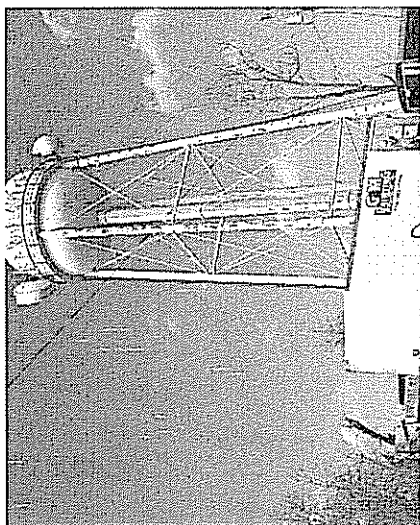
Tank improvements

In the past 12 months, Kentucky American Water has constructed three new storage tanks, including a new tank on Russell Cave Road near the Bourbon/Fayette County line. In March, work began on the Parkers Mill Road tank improvement project in Fayette County, which includes replacing the pump and the diesel generator as well as upgrading the facility.

A new booster station was built at Mallard Point in Scott County which dramatically improved water pressure for residents who live in that community.

In the city of Owenton, work is underway to repaint and upgrade one of the city's older water tanks. This work will coincide with the new main and main extension work currently taking place across this northern Kentucky city.

Treatment plant improvements
Kentucky American Water will spend approximately \$4.5 million to make



Kentucky American Water is repainting and upgrading an older water tank in Owenton this spring. The company acquired the water system in 2005.

a number of improvements to its Richmond Road and Kentucky River water treatment plants. The improvements will include upgrading the electrical system at the Kentucky River station to improve reliability, changing pumps and improving the System Control and Data Acquisition system (SCADA). SCADA electronically monitors and controls numerous sensing devices that provide information about how the water system is operating by using computers and various software programs.

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 39 of 80

Witness: Linda C. Bridwell

39. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P3, page 107 of 118. Explain why Kentucky-American did not allocate a portion of the forecasted maintenance expense to Boonesboro Sewer.

Response:

KAW is negotiating with other parties in Clark County to shut down the sewer plant and send wastewater to the Winchester Municipal Utilities sanitary sewer plant. Because of that pending closure, and because the operational expenses for the plant are very small, KAW does not budget for separate maintenance expenses and charges them only as they occur.

For electronic version, refer to KAW_R_PSCDR2#39_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 40 of 80

Witness: Michael Miller/Sheila Miller

40. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P3, page 117 of 118. Kentucky-American incurred actual paving/backfill expense of \$173,051 in 2006, but proposes to increase the level of this expense to \$235,750 in the forecasted period. State the reasons why Kentucky-American anticipates such an increase in paving/backfill in the forecasted period.

Response:

In 2006 the cost of asphalt increased 10% by year-end due to petroleum cost increases. Indications were that this trend would continue. The Company used the actual expense of \$243,808 for 2005 and \$173,051 for 2006 to develop an average base for the 2007 Plan. The historical information was adjusted to reflect a 10% increase for paving material due to the current petroleum prices. The likelihood of this trend continuing and possibly increasing was considered. After considering all these issues, the paving/expense budget line was increased.

For electronic version, refer to KAW_R_PSCDR2#40_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 41 of 80

Witness: Sheila Miller/Michael Miller

41. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P 4 pages 10 through 13 of 16.
- a. Identify each asset listed on these schedules that is used to provide service to Kentucky-American's non-regulated or sewer operations.
 - b. Reconcile the account numbers and titles listed here to those stated in the Direct Testimony of John Spanos at Exhibit JJS-1, III-4 and III-5.
 - c. Identify the account numbers and titles to which the proposed construction in Case No. 2007-00134¹ will be charged. Provide the estimated amounts to be charged to each account. Show construction costs, costs of removal and salvage values separately.
 - d. For each account identified in Item 41(c), state the annual composite depreciation rate that Kentucky-American intends to apply when calculating annual depreciation expense on the new facilities once they are placed into service. Show the calculation of the anticipated annual depreciation expense.
 - e. Refer to Kentucky-American's Application, Exhibit 37, Schedule B-1 page 2 of 2, Rate Base Summary as of November 30, 2008. The Contributions In Aid of Construction ("CIAC") balances contained in the workpapers differ from the balances contained on Schedule B-1. Reconcile the CIAC balances in the following table:

	<u>Division</u>	<u>WP 4</u>	<u>Sch B-1</u>
(1)	Central	\$ 53,512,277	\$ 42,644,839
(2)	Tri-Village	\$ 2,453,706	\$ 2,202,856
(3)	Elk Lake	\$ 0	\$ 64,647
(4)	Owenton	\$ 2,125,463	\$ 1,630,457

¹ Case No 2007-00134, The Application of Kentucky-American Water Company for a Certificate of Public Convenience and Necessity Authorizing the Construction of Kentucky River Station II, Associated Facilities and Transmission Main (Ky. PSC filed Mar. 30, 2007).

Response:

- a. All the assets listed on WP4_Page 10 through 13 of 16 are related to providing water service.
- b. See attached schedule.
- c. See attached schedule. The project is additional source of supply therefore, there are no cost of removal or salvage.
- d. See response to 41c.
- e. The numbers under WP 4 are the CIAC dollars received and the numbers under Sch B-1 are the CIAC dollars received less the amortization of the CIAC. Elk Lake \$64,647 should read \$84,847. The \$84,847 is included in Tri-Village WP 4 and Sch B-1 numbers.

For electronic version, refer to KAW_R_PSCDR2#41_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
 DEPRECIABLE PROPERTY NET OF CIAC
 REFERENCED TO ACCOUNT SCHEDULE B
 LEXINGTON

Acct No.	Account Title	
	Depreciation Schedule	John Spanos Depreciation Schedule
3031	OTHE P/E INTANGIBLES	
3036	OTHER P/E COMPREHENSIVE STUDIES	
311	SS STRUCTURES & IMPROVEMENTS	304 10
312	COLL & IMPOUNDING RESERV	305 00
313	LAKE, RIVER, & OTHER INTAKES	306 00
314	WELLS & SPRINGS	
316	SUPPLY MAINS	309 00
321	PUMPING STRUCTURES & IMPROVEMENTS	304 20
322	BOILER PLANT EQUIPMENT	
3232	OTHER POWER PROD EQPT	310 10
325	ELECTRIC PUMPING EQUIPMENT	311 20
326	DIESEL PUMPING EQUIPMENT	311 30
3282	GASOLINE PUMPING EQPT	311 40
3283	OTHER PUMPING EQUIPMENT	
331	WT STRUCTURES & IMPROVMNT	304 30
332	WATER TREATMENT EQUIPMENT	320 10
334	GAC	
341	T & D STRUCTURES & IMP	304 40
342	DIST RES & STANDPIPES	330 10
343	T & D MAINS	331 00
345	SERVICES	333 00
346	METERS	334 10
3461	METERS - BRONZE CASE	334 11
3462	METERS - PLASTIC CASE	334 12
3463	METERS - OTHER	334 13
347	METER INSTALLATIONS	334 20
348	HYDRANTS	335 00
3901	OFFICE STRUCTURES	304 60
3902	STORES, SHOP & GAR STRUCT	304 70
3903	MISC STRUCTURES	304 80
3911	OFFICE FURNITURE	340 10
3912	MAINFRAME COMP & PERIPH EQPT	340 21
39121	PERSONAL COMP & PERIPH EQPT	340 22
39122	OTHER OFFICE MACH & EQPT	340 23
39123	OFFICE MACH & EQPT - SOFTWARE	
39125	MAINFRAME SOFTWARE	340 30
39126	PERSONAL COMP SOFTWARE	340 32
39128	OTHER SOFTWARE	340 33
3913	OTHER OFFICE EQUIPMENT	340 50
39211	TRANS EQUIP - LIGHT TRUCKS	341 10
39212	TRANS EQUIP - HEAVY TRUCKS	341 20
3922	TRANS EQUIP - CARS	341 30
3923	OTHER TRANS EQUIP	341 40
393	STORES EQUIPMENT	342 00
394	TOOLS, SHOP, & GARAGE EQUIP	343 00
395	LABORATORY EQUIPMENT	344 00
396	POWER OPERATED EQUIPMENT	345 00
397	COMMUNICATION EQUIPMENT	346 10
3971	COMMUNICATION EQUIPMENT	
3972	COMMUNICATION EQUIPMENT	
398	MISC EQUIPMENT	347 00
399	OTHER TANGIBLE PROPERTY	348 00

Staff 2nd set 41c and 41d

	Estimated Amount	Depreciation Rate	Depreciation Expense Proposed
313 Lake, River and Other Intakes	\$ 1,223,649	2.52%	\$ 30,836
321 Pumping Structure & Improvements	8,443,175	2.01%	169,708
325 Electric Pumping Equipment	8,116,828	2.58%	209,414
316 Supply Mains	1,101,284	1.93%	21,255
331 WT Structure & Improvements	48,798,951	1.96%	956,459
332 Water Treatment Equipment	10,573,141	2.31%	244,240
343 T & D Mains	73,234,135	1.70%	1,244,980
342 Dist Res & Standpipes	2,426,112	2.32%	56,286
341 T & D Structures & Improvements	3,738,516	4.63%	173,093
330 Water Treatment Land	823,378		
340 Transmission Land	<u>1,244,564</u>		
Totals	<u>\$ 159,723,733</u>		<u>\$ 3,106,271</u>

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 42 of 80

Witness: John Spanos

42. Refer to the Direct Testimony of John Spanos, pages III-4 and III-5.
- a. State for each account listed on this schedule the expected average service lives and average ages of the assets used to determine the composite remaining lives.
 - b. Provide all documents, show all calculations, and state all assumptions used to derive the net salvage percentages.

Response:

- a. The expected average service lives for each account is set forth in column 2 of the schedule on pages III-4 and III-5. For example, the average service life recommended in the depreciation study for Account 331, Mains and Accessories, is 75-years as set forth by the survivor curve, 75-S2 on page III-4, column 2. The average age of the assets within each account can be determined by the detailed calculations on pages III-103 through III-161 of the depreciation study.
- b. As described on pages II-24 through II-26, the net salvage percentages are determined based on historical analyses and estimates of other water companies within the industry. The historical analysis is set forth by account on pages III-71 through III-101 of the depreciation study.

For electronic version, refer to KAW_R_PSCDR2#42_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 43 of 80

Witness: John Spanos

43. Refer to Kentucky-American’s Response to Commission Staff’s First Set of Information Requests, Item 1(a), W/P 1, page 12 of 79. State for the following asset groups the reasons for the change in the average remaining service lives as determined in Kentucky-American’s previous depreciation study and that presented in Kentucky-American’s current application.

	Current	Proposed
Collection & Impounding Reservoirs	45.45 Yrs	59.88 Yrs
Supply Mains	90.09	51.81
Electric Pumping Equipment	26.95	38.76
Water Treatment Equipment	24.81	43.29
T&D Mains	84.75	58.82
Services	23.64	30.12
Meters Bronze Case	98.04	34.01
Meters Plastic Case	20.12	33.78
Meter Installations	40.98	32.57
Hydrants	38.76	56.50
Stores, Shop, and Garage Struct.	60.60	41.32
Office Furniture and Equip.	24.69	9.59
Comp & Periph Other	28.82	3.94
Mainframe Software	4.75	9.68
Trans Equip – Light Trucks	7.06	12.35
Trans Equip – Heavy Trucks	7.94	13.95
Trans Equip – Cars	4.93	7.37
Other Trans Equip	6.96	15.36
Stores Equipment	25.77	15.36
Power Operated Equipment	10.95	21.37
Other Tangible Property	4.79	16.67

Response:

The comparison of remaining lives in the table above is not properly calculated for both the current and proposed depreciation studies. The calculation of 1 divided by the accrual rate is a whole life method calculation. The remaining lives for each account are set forth in column 9 of pages III-4 and III-5 of Mr. Spanos’ depreciation study and similarly in the last depreciation study. However, the primary reasons for change in

remaining lives are due to change in survivor curves, net salvage percents, plant activity, attained age of the surviving plant and the plant to reserve ratio.

For electronic version, refer to KAW_R_PSCDR2#43_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 44 of 80

Witness: John Spanos

44. Through the application of the remaining life method of depreciation, Kentucky-American is depreciating new assets over the average remaining lives of similar assets instead of the anticipated whole life of the new asset. Explain why this action is appropriate.

Response:

The remaining life method is the most systematic and rational method of capital recovery. It is the most common method of depreciation utilized by utility companies and recognized by FERC and state commissions. The remaining life method assures full recovery where as the whole life method does not.

Additionally, as shown by the detailed calculations, new assets are depreciated based on the survivor curve and net salvage percent. Therefore, new assets are calculated with a vintage remaining life consistent with the survivor curve. The average or composite remaining life is a summation of the individual vintage remaining lives. Thus, new assets are depreciated over the average service life so if the average service life is 35 years, a 2006 vintage asset has a remaining life close to 35 years.

For electronic version, refer to KAW_R_PSCDR2#44_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 45 of 80

Witness: Sheila Miller

45. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P 5, pages 2 through 34 of 48.
- a. Kentucky-American reports that in calendar year 2006 property tax payments of \$2,642,495. Provide a schedule that lists each area where Kentucky-American was assessed a property tax, the tax base used to make the assessment, and the amount of taxes paid. Total taxes paid should correspond to \$2,642,495.
 - b. Provide the same information requested in Item 45(a) for property taxes that Kentucky-American actually paid in 2007.
 - c. Provide the source documents for each item listed in the following tax base calculations:
 - (1) Tax base at December 31, 2005.
 - (2) Tax base at December 31, 2006.
 - (3) Tax base at December 31, 2007.
 - d. Explain why Kentucky-American used property taxes assessed in 2005 but paid in 2006 as the basis for its forecasted property tax adjustment, rather than the property taxes that were assessed in 2006 but paid in 2007.

Response:

- a. The amount in the filing actually included the latest payments that were made rather than those payments made in 2006. See the paid dates on the attached schedule listing the area assessed and the amount paid. For the tax base used to make the assessment refer to the working papers provided in the response to the PSC Data Request 1, Question 1 - KAW_R-PSCDR1#1a_WP5_052107.pdf pages 3 through 48, which includes the tax ticket for each payment. In the original filing the amount paid for Bourbon County was incorrect and should be as shown on the attached schedule. This will be corrected in the revised filing.

- b. The 2007 property tax payments that were paid at the time of the filing are included in the schedule referred to in part a. above. Attached is the information for Bourbon County which was paid May 23, 2007.
- c. See the attached detail and workpapers with the individual items referenced by number.
- d. Kentucky American actually used the latest property tax payments available. The testimony incorrectly stated that the ratio was based on the 2006 payments.

For the electronic version refer to KAW_R_PSCDR2#45_061807.pdf

Kentucky American Water
PSC DR 2 Question 45
Attachment 1

PROPERTY TAXES PAID

<u>Taxing Authority</u>	<u>Paid Date</u>	<u>Tax Amt in filing</u>	<u>Revised Tax Amount</u>
Bourbon County	12/8/2005	235,285	23,528
Fayette County/ LFUCG	2/15/2007	1,386,021	1,386,021
Harrison County	2/6/2007	4,904	4,904
Jessamine County	4/18/2007	39,357	39,357
Scott County	2/27/2007	138,872	138,872
City of Georgetown	2/27/2007	3,718	3,718
City of Sadieville	1/31/2006	928	928
Woodford County	2/14/2007	7,268	7,268
Clark County	2/14/2007	13,092	13,092
Kentucky	12/18/2006	579,973	579,973
Owen	2/6/2007	233,077	233,077
Total		\$ 2,642,495	2,430,738

Bourbon County paid 5/23/07 is \$24,059.39 which was after the filing date.

American Water

PO Box 5600
Cherry Hill, NJ 08034
INVOICE NO.
00122793 05

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)
COMPANY NO./NAME REMARKS
12 Kentucky AWW Bourbon Cnty Prop Tax

Check No. - 62041980
Check Date - 05/23/07
Stub 1 of 1
INVOICE AMOUNT
24,059.39

24,059.39

Acura-Seatbelt Patent 4,918,128 - 5,252,798 - 5,785,242 - 5,829,670

50259649 Bourbon County Sheriff

CHECK CONTAINS A VOID PANTOGRAPH, MICROPRINT BORDER, CHEMICAL REACTANTS AND A WATERMARK ON BACK — HOLD AT AN ANGLE TO VIEW

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62041980

DATE 05/23/07

TWENTY FOUR THOUSAND FIFTY NINE AND 39/100 *****

\$****24,059.39

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

Bourbon County Sheriff
301 Main St
Paris KY 40361



J. M. Kehl
AUTHORIZED SIGNATURE

⑈62041980⑈ ⑆031202770⑆ 8013584806⑈

See Reverse Side for Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



Bourbon County Sheriff
301 Main St
Paris KY 40361

Solutions for Business • 908-387-8050

American Water
PO Box 5600
Cherry Hill, NJ 08034
INVOICE NO.
00122793 05

A/P Phone 1-866-777-8426 (Opt. 2; 0; 1; 2)
COMPANY NO./NAME
12 Kentucky AWW
REMARKS
Bourbon Cnty Prop Tax

Check No. - 62041980
Check Date - 05/23/07
Stub 1 of 1
INVOICE AMOUNT
24,059.39
24,059.39

HGF

50259649 Bourbon County Sheriff

CHECK CONTAINS A VOID PANTOGRAPH MICROPRINT BORDER, CHEMICAL REACTANTS AND A WATERMARK ON BACK - HOLD AT AN ANGLE TO VIEW

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNB BANK, NA
NEW JERSEY

SH-277
312

NO 62041980

DATE 05/23/07

TWENTY FOUR THOUSAND FIFTY NINE AND 39/100 *****

*****24,059.39
VOID AFTER 90 DAYS

PAY TO THE
ORDER OF

Bourbon County Sheriff
301 Main St
Paris, KY 40361

RWE GROUP



AUTHORIZED SIGNATURE

⑈62041980⑈ ⑆031202770⑆ 8013584806⑈

See Reverse Side For Easy Opening Instructions

American Water
PO Box 5600
Cherry Hill, NJ 08034



Bourbon County Sheriff
301 Main St
Paris KY 40361

2007 Property Taxes- Kentucky - American Water Company

- 1-county
- 2-township
- 3-boro/city
- 4-school district
- 5-other
- P-Purta

State	County	District	Municipali	School Dist.	Tax Type	Real or P Prop.	Payee	Vendor #	GL Acct#	2007 Jan	Date
-------	--------	----------	------------	--------------	----------	-----------------	-------	----------	----------	----------	------

KY	Bourbon				1,4	R	Bourbon County Sheriff	50259649	120205.236151	22206.97	1-Jun
KY	Bourbon				1,4	P Prop	Bourbon County Sheriff	50259649	120205.236151	1852.42	1-Jun

24059.39

ORDER
138406

[Handwritten signature]
10/25/06

F1a Edit Functions Help

Whse or Dept 12
 Order Date 05/23/07
 Cancel Date
 G/L Date 05/23/07
 Order Number 138406 OC

Action Code A
 Supplier # 50259649 Bourbon County Sheriff
 Ship To 50070026 Kentucky American Water C
 Requested 05/23/07 Account Number
 Promised 05/23/07 Sub/WO# Amount 24,059.39
 Cost Rule Skip To Line #

Enter 'Y' to Record Order

Account Number	Description	Code	Extended Cost	O
120205236151	Bourbon Cnty Prop Tax	TL09	24,059.39	

F6=Summary F15=PO Header F24=More Keys Opt: 1=Detail 3=Text 9=De

OK Cancel Help

? | O | [] | [] | []

MFB

**PUBLIC SERVICE COMPANY
PROPERTY TAX STATEMENT**
For County, School or Special Taxes
Assessment for 2006 Taxes

61A255 (1-06)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Bill No. KAWC-1-06
GNC No Type Co.
Date 5-1-07

Return Tax Payment To Sheriff:

MARK L. MATTHEWS SHERIFF
301 MAIN STREET (859) 987-2130
PARIS, KY 40361

County Clerk: Richard Stipp Eads, BCC
Telephone Number (859) 987-2142

Name Kentucky American Water Co
Company Attn Gary Akmentins
Address 2300 Richmond Rd
Address
City, State, ZIP Code Lexington, Ky 40502-1308

Name of District County/School/Specials	Assessed Value Real Estate	Real Estate 2006 Rate Per \$100 Value	Number See Reverse	Tax Due Real Estate	Assessed Value Tangible	Tangible 2006 Rate Per \$100 Value	Tax Due Tangible	Total Real & Tangible Tax Due
COUNTY	3123344	0.1170		\$3,654.31	249450	0.1170	\$291.86	\$3,946.17
SCHOOL	3123344	0.4780		\$14,929.58	249450	0.4780	\$1,192.37	\$16,121.96
LIBRARY	3123344	0.0630		\$1,967.71	249450	0.0932	\$232.49	\$2,200.19
HEALTH	3123344	0.0290		\$905.77	249450	0.0290	\$72.34	\$978.11
EXTENSION	3123344	0.0170		\$530.97	249450	0.0254	\$63.36	\$594.33
CONSERVATION	3123344	0.0070		\$218.63				\$218.63
							Total District Tax \$	\$24,059.39

Important: See Reverse

Kentucky American Water
PSC DR 2 Question 45
Part C-attachment 3

	TAX BASE @ 12/31/2005	Ref #	TAX BASE @ 12/31/2006	Ref #	TAX BASE @ 12/31/2007	Ref #
Utility Plant in Service	\$ 303,346,602	1	\$323,642,452	6	\$ 358,242,406	11
Construction Work in Progress (50%)	5,708,493	2	5,867,675	7	4,485,212	12
Acquisition Adjustment	338,465	3	56,553	8	43,502	13
Materials & Supplies	425,930	4	515,515	9	523,761	14
Accumulated Depreciation	<u>(68,781,987)</u>	5	<u>(75,828,389)</u>	10	<u>(82,502,359)</u>	15
TOTAL TAX BASE	<u>\$ 241,037,503</u>		<u>\$254,253,807</u>		<u>\$ 280,792,523</u>	

For the 2005 and 2006 tax base see the attached financial statements.
2007 Tax Base:

Utility Plant in Service:

Lexington	345,108,170	See attached working papers
Tri Village	7,487,455	
Elk Lake	322,012	
Owenton	<u>5,324,770</u>	
	<u>358,242,407</u>	

Construction Work in Progress (50%)

Lexington 8,956,115 * 50%	4,478,058	See attached working papers
Tri Village 6,929 * 50%	3,465	
Elk Lake	-	
Owenton 7,380 * 50%	<u>3,690</u>	
	<u>4,485,212</u>	

Depreciation

Lexington	78,938,023	See attached working papers
Tri Village	1,694,906	
Elk Lake	49,674	
Owenton	<u>1,819,757</u>	
	<u>82,502,360</u>	

83410
GL012TBA
TEST

American Water Works Company
Kentucky American Water- CO 12
Total Company (USGAAP)
Initial Balance
For the period Ending 12/09/2005

03/20/07
10:26:46

Prior Year
Balance

Prior Year
Activity

December
Balance

December
Activity

00012 Kentucky-American Water Co.

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
B01 Utility Plant Original Cost				
101000 Organization				
301000 Franchises	5,439.75	30,923.00		75.33
302000 Land & Ld Rights SS		31,222.50		22,222.42
303000 Land & Ld Rights P		68,168.34		35,340.45
303400 Land & Ld Rights WT		3,986,000.00		3,887,080.18
303500 Land & Ld Rights TD		4,484,817.91		4,441,022.44
304000 Struct & Imp SS	59,118.66	8,724,329.32	239,952.93	8,241,969.65
304200 Struct & Imp WT	4,200.00	3,960,137.27	30,895.84CR	3,865,099.06
304300 Struct & Imp TD	9,408.40	1,015,925.11	200.00CR	1,020,920.20
304400 Struct & Imp P	233,281.09	1,581,323.11	274,466.03	1,020,920.20
304500 Struct & Imp Offices	12,432.28	3,989,137.27	14,508.35	3,865,099.06
304600 Struct & Imp Store, Shop, Gar	55,137.56	1,114,925.11	111,909.37	1,020,920.20
304800 Struct & Imp Misc	2,423.02	1,015,925.11		1,020,920.20
305000 Collect & Impounding		5,572,728.11		5,581,323.11
306000 Lake, River & Other Intakes		9,594,011.27		9,494,179.25
309000 Supply Generation Equip Othe		41,777.99		41,777.99
310100 Pump Equip Electric	35,640.82	24,177,777.99	45,108.97	24,139,638.15
311100 Pump Equip Diesel	45,510.07	5,928,271.29	200.00CR	5,970,281.29
311400 WT Equip Non-Media		137,405.64		137,405.64
330000 Dist Reservoirs & Standpipes	2,000.00CR	1,456,176.32	499,412.63	1,914,057.35
330100 TD Mains Not Classified by		1,788,988.22		1,788,988.22
331100 TD Mains 4in & Less		1,788,988.22		1,788,988.22
331200 TD Mains 6in to 8in		1,788,988.22		1,788,988.22
331300 TD Mains 10in to 16in		1,788,988.22		1,788,988.22
331400 TD Mains 18in & Gtr		1,788,988.22		1,788,988.22
333000 Services	1,138.92	32,543,728.92	615,608.02	30,001,982.44
334100 Meters	653,130.84	87,209,147.84		87,209,147.84
334410 Bronze Case		27,209,147.84		27,209,147.84
334420 Meters Plastic Case	14,604.79CR	516,271.29	980.83CR	521,152.02
334430 Meters Other	69,964.38	2,326,729.32	221,229.32	1,562,650.04
334500 Meter Installations	209,816.02	14,238,589.19	157,629.49	13,409,784.57
335000 Hydrants	110,283.64	9,129,000.00	26,785.91	8,548,619.13
339100 Other P/E Intangible		611,847.49		611,847.49
339600 Office Furniture & Equip		34,460.81		34,460.81
340100 Office Periph Mainframe		1,466,640.81	1,378.93	1,378,930.88
340200 Comp & Periph Personal		4,486,639.33	10,898.25	4,497,537.58
340300 Comp & Periph Other		4,638,639.33	2,718.01CR	4,641,357.34
340320 Computer Software	20,356.27	449,006.28		428,650.01
340330 Comp Software Personal		1,295,899.33		1,295,899.33
340350 Other Office Equipment		168,006.28		168,006.28
340500 Trans Equip Lt Duty Trks		1,295,899.33		1,295,899.33
341100 Trans Equip Hvy Duty Trks		162,633.77		162,633.77
341200 Trans Equip Autos		84,478.95		84,478.95
341300 Trans Equip Other		35,546.44		35,546.44
341400 Stores Equipment		802,235.44		802,235.44
342000 Tools, Shop, Garage Equip		839,578.80		839,578.80
343000 Laboratory Equipment		1,530,815.04		1,530,815.04
343500 Power Operated Equipment		1,678,483.66		1,678,483.66
346100 Comm Equip Non-Telephone	982,816.82	1,678,483.66	1,092.40	1,677,391.26
346500 Misc Equipment	32,115.00	1,678,483.66		1,678,483.66
348000 Other Tangible Property	109,185.74	1,678,483.66	5,759.23	1,654,524.43
348200 WW Struct & Imp Coll		139,669.92		139,669.92
348400 WW Pump Equip Elect	5,644.13	10,710.77		10,710.77
101000 Land & Ld Rights SS		20,744.00		20,744.00
303200 Land & Ld Rights SS		9,000.00		9,000.00
303300 Land & Ld Rights P		12,375.28		12,375.28
303400 Land & Ld Rights TD		25,117.46		25,117.46
304700 Struct & Imp TD		68,377.22		68,377.22
304800 Struct & Imp Store, Shop, Gar		57,366.47		57,366.47
320100 WT Equip Non-Media		943,211.64		943,211.64
330100 Elevated Tanks & Standpipes		22,555.70		22,555.70
330101 TD Mains Not Classified by		19,005.00		19,005.00
330400 Meters Installations		3,550.70		3,550.70
330500 Hydrants		19,005.00		19,005.00
330600 Office Furniture & Equip		5,632.94		5,632.94
330700 Office Periph Personal		5,339.43		5,339.43
340220 Computer Software		10,318.65		10,318.65
340300 Other Office Equipment		4,200.91		4,200.91
340500 Trans Equip Lt Duty Trks		58,008.82		58,008.82

83410 American Water Works Company
 GL012TBA Kentucky-American Water-Co 12
 TEST Total Trial Balance (USGAAP)
 For the Period Ending 12/09/2005

03/20/07
10:26:46

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
00012 Kentucky-American Water Co.				
B01 Utility Plant Original Cost				
101001 Tools, Shop, Garage Equip		997.50		
343000 Tools, Shop, Garage Equip		49,449.98		
345000 Power Operated Equipment		76,817.23		
347000 Misc Equipment	32,893.00	2,250.00		
353500 WW Land & Ld Rights Gen		267,212.77		
354300 WW Struct & Imp SPP		2,110,399.46		
354400 WW Struct & Imp TOP		853,517.58		
354500 WW Struct & Imp Gen		9,550.00		
360000 WW Collection Sewers Forced		17,759.00		
363000 WW Services Sewer		5,399.16		
380000 WW Id Equipment		6,144.16		
390000 WW Office Furniture & Equip		35,500.00		
390200 WW Computers & Peripheral		24,394.73		
391100 WW Trans Equip & Lt Dty Trks		37,141.28		
392000 WW Stores Equipment		1,396.00		
393000 WW Tool Shop & Garage Equip		12,970.57		
395000 WW Power Operated Equip				
396000 WW Communication Equip				
101099 Completed Const not Classif				
101100 Reg Asset-AFUDC-Debt		272,637.00		272,637.00
103000 Property Held Future Use		114,076.24		114,076.24
104000 Utility Plant Purchased/Sold				
Utility Plant Purchased/Sold				
B01 Utility Plant Original Cost	4,253,348.15	303,733,314.69	2,203,356.95	282,577,352.24
B02 CWIP				
105050 CWIP Accr-Infra				
21 CWIP Accr-Infra	19,000.00CR		2,223,840.30CR	
31 CWIP Accr-Plant	75,222.96CR		185,377.74CR	
105110 CWIP History				
11 CWIP History-Bldgs	215,787.00	10,021,825.69		10,021,825.69
21 CWIP History-Infrastr	2,573,363.00	2,573,363.00		51,966.84
105125 CWIP Permits & Fees	1,546,119.59	1,143,057.41		596,937.82
11 CWIP Permits & Fees		49,042.88		49,042.88
21 CWIP Permits-Bldgs		59,345.00		52,210.88
21 CWIP Permits-Infrastr	150.00	82,356.93		72,899.90
105150 CWIP M&S & Purchases		244,653.33		242,942.56
11 CWIP M&S & Purchases		19,115,344.78		19,115,344.78
21 CWIP M & S-Bldgs		316,078.36		1,175,819.32
21 CWIP M & S-Infrastr		11,609,374.09		8,260,011.04
105175 CWIP Professional Services	418,427.32	1,984,111.54	614,930.27	2,489,032.41
21 CWIP Prof Svc-Infrastr	13,571.66CR		1,229,862.84	
21 CWIP Prof Svc-Plant	2,142.00	30,385.35	53,926.22	30,385.35
105200 CWIP Co Labor		40,017.77		478,860.27
11 CWIP Co Labor		1,594,849.33		1,594,849.32
21 CWIP Co Labor-Bldgs	1,302.20	18,947.09		1,175,819.32
21 CWIP Co Labor-Infrastr	22,158.62	1,675,424.40	56,693.81	1,170,257.56
105250 CWIP Co Labor OH	1,709.04	5,520,047.66	868.00	1,564,965.38
11 CWIP Co Labor OH		1,733,257.65		1,733,257.65
21 CWIP Labor OH-Bldgs	1,086.06	4,419.48		64,176.12
21 CWIP Labor OH-Infrastr	18,525.06	1,097,691.93	10,579.93	209,367.87
105260 CWIP Overhead	1,395.51	214,180.55		
11 CWIP Overhead		688,754.64		688,754.64
21 CWIP Overhead-Bldgs	20,475.88	155,654.68		20,475.88
21 CWIP Overhead-Infrastr	234,273.04	2,337,416.65	90,501.80	1,446,921.55
105270 CWIP Service Co Chgs	33,010.51	3,397,432.08	14,345.39	1,294,750.01
11 CWIP Service Co Chgs		5,269.73		5,269.73
21 CWIP AMWSC Chg-Infrastr	17,269.10CR	1,171,181.11	154,659.30	391,034.02
21 CWIP AMWSC Chg-Plant	1,938.43	3,600,992.99	1,685.64	301,034.30
105275 CWIP Contracted Services				
11 CWIP Contracted Services		26,666,582.64		26,666,582.64
21 CWIP Contr Svc-Bldgs	441,644.05	6,955,526.14		6,955,526.14
21 CWIP Contr Svc-Infrastr	33,649.34	20,451,601.06	1,185,828.95	13,568,300.52
105280 CWIP Retainage		6,182,768.16		5,035,339.39

Handwritten initials/signature

American Water Works Company
Kentucky-American Water- CO 12
Total Company (USGAAP)
Trial Balance
For the Period Ending 12/09/2005

83410
GHST
TEST

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
1 CWIP Retainage		366,817.31		366,817.31
1 CWIP Retainage-Bldgs		61,325.00		839,564.44
1 CWIP Retainage-Infrastr		1,509,289.11		151,017.44
105300 CWIP Retainage-Plant	52,601.20	1,244,521.00	23,782.37	
1 CWIP Paving		22,858.20		22,858.20
1 CWIP Paving-Infrastr	193,800.00	195,235.55		1,435.55
1 CWIP AFUDC Debt		703,911.94		703,911.94
1 CWIP AFUDC Debt		14,164.70		4,755.27
1 CWIP AFUDC Debt-Bldgs	3,792.19	194,948.31		105,303.64
1 CWIP AFUDC Debt-Infrastr	12,260.81	463,814.31	4,546.85	413,224.78
105375 CWIP AFUDC Equity	3,450.75		3,567.31	
1 CWIP AFUDC Equity		809,429.26		809,429.26
1 CWIP AFUDC Equity-Bldgs	5,545.90	19,704.93		2,924.58
1 CWIP AFUDC Equity-Infrastr	17,931.23	258,055.74	5,683.60	131,284.58
1 CWIP AFUDC Equity-Plant	5,046.92	576,238.80	4,459.12	508,558.06
1 CWIP Tran PY Chg-Bldgs		145,563.87		24,478.46
1 CWIP Tran PY Chg-Infrastr		622,802.82		34,944.88
1 CWIP Tran PY Chg-Plant		914,630.87		318,159.27
1 CWIP Trans Current Yr Chgs		9,843,395.47		9,843,395.47
1 CWIP Tran, CY Chg-Infrastr	467,202.28	9,467,202.28		
1 CWIP Prelim Eng-Plant		2,618.00		2,618.00
1 CWIP Transfer to UPIS		51,962,726.94		51,962,726.94
1 CWIP Tran UPIS-Bldgs	59,118.66	262,311.32		20,150.57
1 CWIP Tran UPIS-Infrastr	2,856,174.26	35,617,362.43	1,618,734.15	23,808,928.89
1 CWIP Tran UPIS-Plant	1,582,950.81	9,996,043.69	7,732,437.14	7,802,584.18
B02 CWIP	220,924.05	11,416,984.79	813,016.25	6,345,739.70
B03 Accumulated Depreciation				
108105 AD UPIS-Acc Depr-Not Classifd		51,804,362.18		59,144,434.13
AD UPIS-Acc Depr-Not Classifd	98,376.22	1,692,437.98	26,629.86	97,847.03
AD UPIS-Acc Depr-Oper Bldgs	31,314.95	11,541.22	10,150.57	2,267,857.26
AD UPIS-Acc Depr-Admin Bldgs	11,541.22	11,541.22	298,555.63	6,290,362.91
AD UPIS-Acc Depr-Infrastruct	323,054.75	5,406,859.84	158,349.96	1,158,251.78
AD UPIS-Acc Depr-Op Water	171,155.22	2,474,346.00	114,788.22	1,158,251.78
AD UPIS-Acc Depr-Oth Op Equi	127,103.32	3,648,151.02	114,788.22	2,119,969.02
AD UPIS-Acc Depr-Office Equi	1,079.82	3,388,873.52	1,079.82	2,119,969.02
AD UPIS-Removal Cost		2,040,605.16		2,040,605.16
AD UPIS-Salvage		94,978.49		94,978.49
AD UPIS-Salvage		11,146.90		8,195.40
AD UPIS-Scrap Meters	931.50			
AD UPIS-Scrap Meters		2,108.52		328.66
AD UPIS-Scrap Misc		16,975.00		16,975.00
AD UPIS-Salv Trade-In		2,490.81		2,490.81
AD UPIS-Salv Sale		6,105,723.26		5,556,867.85
AD UPIS-Orig Cos-Not Classifd	280,536.40		147,814.54	
AD UPIS-Orig Cost-Not Classifd	575.00	89,689.18	575.00	82,789.18
Acc Depr Reg Asset		7,673.55		7,673.55
Acc Depr Neg Asset		68,879,349.77		66,027,848.13
Acc Amort Util Pft Svc				
Acc Amort Util Pft Svc	328,892.15		341,799.94	
B03 Accumulated Depreciation				
B04 UPAA				
114100 UPAA-ATL	744.80	425,369.94		472,911.14
UPAA-ATL		86,905.21	1,800.91	65,294.29
Accum Amort UPAA-ATL	1,800.91	338,464.73	1,800.91	407,616.85
B04 UPAA				
B07 Non Utility Property, Net				
121500 NUP-Other		249,737.68		249,737.68
NUP-Other		249,737.68		249,737.68
B07 Non Utility Property, Net				
B10 Cash & Cash Equivalents				
131312 BE&I				

20%

35

3

83410
C012TBA
TEST

American Water Works Company
Kentucky-American Water-Co 12
Total Company (USGAAP)
Trial Balance
For the Period Ending 12/09/2005

03/20/07
10:26:46

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
BB&T	158,390.77CR	687,833.83	46.64CR	577,092.42
Deutsche Bank			1,372,531.78CR	
Cash in Transit-Interco				845.99
Cash Clear-NSF Checks				3,593.25
Cash Clear-NSF Checks	1,894.78CR	6,219.19	5,725.43	3,139.20
Cash Clear-Misc DR/CR	550.14CR	2,414.08CR	6,311.93CR	
Cash Clear-MIS	10,660.71CR	24.10	217.01	
Cash Clear-ORCOM		407.83		78.34
Cash Clear-Interco				103.51CR
Cash Clear-Pinnaci/ARP	100,019.43	153,648.61	4,298.88	
Cash Clear-General	2,227.56	2,448.46		
Cash Clear-ARC DR/CR				2,400.00
Petty Cash		2,400.00		584,045.69
B10 Cash & Cash Equivalents	68,841.58CR	840,222.02	1,554,235.86CR	
B12 Customer Accounts Receivable				
141000 Customer A/R	223,775.81	3,426,220.68	683,013.85	2,506,850.54
Customer A/R	9.94	2,080.11		
Customer A/R Clearing				
141999 Customer A/R Clearing	223,785.75	3,428,300.79	683,013.85	2,506,850.54
B12 Customer Accounts Receivable				
B13 Allowance for Uncollectible A/				
143000 Accum prov-uncoll accts	27,550.70CR	258,903.51CR	41,334.00CR	169,699.00CR
Accum prov-uncoll accts	27,550.70CR	258,903.51CR	41,334.00CR	169,699.00CR
B13 Allowance for Uncollectible A/				
B14 Accrued Utility Revenue				
144000 Accrued Utility Revenue	775,160.41	4,529,611.79	845,253.85	4,429,251.42
Accrued Utility Revenue	775,160.41	4,529,611.79	845,253.85	4,429,251.42
B14 Accrued Utility Revenue				
B15 PTT Refund Due From Assoc Co				
145000 PTT Refund Receivable	403,099.00	1,778,196.82	1,175,056.42	1,438,863.82
PTT Refund Receivable	403,099.00	1,778,196.82	1,175,056.42	1,438,863.82
145100 SIT Refund Receivable	363,207.00	386,991.41	34,239.07CR	89,230.41
SIT Refund Receivable	363,207.00	386,991.41	34,239.07CR	89,230.41
B15 PTT Refund Due From Assoc Co				
146000 PTT Refund Receivable	766,306.00	2,165,188.23	1,140,817.35	1,528,094.23
PTT Refund Receivable	766,306.00	2,165,188.23	1,140,817.35	1,528,094.23
B16 Miscellaneous Receivables				
146100 Misc A/R System	150,462.25CR	444,827.60	65,461.74	398,808.20
Misc A/R System	150,462.25CR	444,827.60	65,461.74	398,808.20
001 Misc A/R-Manual	73,028.29	145,748.82	156,070.20	224,480.74
Misc A/R-Manual	73,028.29	145,748.82	156,070.20	224,480.74
146300 Misc A/R-Adv to Employees				
Misc A/R-Adv to Employees				
146500 A/R Assoc Cos				
A/R Assoc Cos				
146800 Rents Receivable				
Rents Receivable				
B16 Miscellaneous Receivables	77,433.96CR	590,576.42	221,531.94	623,288.94
B17 Materials & Supplies				
151100 Plant Material	38,578.75CR	306,288.59	35,051.83	404,690.37
Plant Material	38,578.75CR	306,288.59	35,051.83	404,690.37
151300 Chemicals	.12	119,641.00	10,537.35	131,514.07
Chemicals	.12	119,641.00	10,537.35	131,514.07
B17 Materials & Supplies	38,578.63CR	425,929.59	45,589.18	536,204.44
B19 Prepayments				
163400 Other Special Deposits				
Other Special Deposits				
165100 Prepaid Taxes	1,394.79	1,394.79		1,000.00
Prepaid Taxes	1,394.79	1,394.79		1,000.00
165200 Prepaid Insurance	40,465.28CR	.01	41,694.45CR	
Prepaid Insurance	40,465.28CR	.01	41,694.45CR	
165500 Prepaid Other	9,766.40CR	62,141.30	9,898.22CR	24,310.21
Prepaid Other	9,766.40CR	62,141.30	9,898.22CR	24,310.21
174100 Deferred Vacation Pay	179,115.72CR	23,199.99	71,066.30CR	81,851.24
Deferred Vacation Pay	179,115.72CR	23,199.99	71,066.30CR	81,851.24
174200 Curr State Def Tax	15,311.00	31,549.00	10,219.00	16,238.00
Curr State Def Tax	15,311.00	31,549.00	10,219.00	16,238.00
174300 Curr Fed Def Tax				
Curr Fed Def Tax				

83410
C:\P\12\FBA
TEST

American Water Works Company
Kentucky-American Water-CA 12
Total Company (USGAAP)
Trial Balance
For the Period Ending 12/31/2006

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
00012 Kentucky-American Water Co.				
B01 Utility Plant Original Cost				
101000 Organization				
300000 Franchises	5,439.75CR		5,439.75	
300100 Land & Ld Rights SS		31,640.33		30,620.33
300200 Land & Ld Rights P		70,260.82		70,260.82
300300 Land & Ld Rights WT		335,222.42		335,222.42
300400 Land & Ld Rights TD		82,540.59		82,540.59
300500 Struct & Imp SS		68,163.84		68,163.84
300600 Struct & Imp P	125,792.66	3,568.187.51	59,118.66	3,846,198.84
300700 Struct & Imp Wt	25,309.80	4,800.062.05	4,200.00	4,400.00
300800 Struct & Imp ID	281,528.06	8,962.557.44	9,405.40	8,418.40
300900 Struct & Imp Ofc	56,581.20	13,215.32	233,251.09	4,484.00
301000 Struct & Imp Misc	166,346.17	3,993.631.47	12,432.28	3,960.00
301100 Collect & Imp		1,473.885.24	55,137.56	1,117.00
301200 Lake, River & Other Intakes		1,016.429.96	2,425.02	1,016.00
301300 Supply Generation Equip Othe		5,084.342.14		5,072.00
301400 Pump Equip Electric		9,600.980.00		9,574.00
301500 Pump Equip Diesel		7,174.49		7,174.00
301600 Pump Equip Hydraulic		2,485.28CR		2,485.00
301700 Piping Equip Non-Medic		61,581.87		61,581.00
301800 Dist Reservoirs & Standpipe		24,144.251.43	35,640.82	24,177.00
301900 Elevated Tanks & Standpipes		1,656.899.71	45,510.07	1,599.00
302000 TD Mains Not Classified by		9,470.324.37	2,000.00CR	1,599.00
302100 TD Mains 4in to 8in		147,851.489.96	1,456,176.32	137,914.00
302200 TD Mains 10in to 16in		1,718.848.52		1,718.00
302300 TD Mains 18in & Grtr		4,852.63		4,852.00
302400 Services		1,138.92	1,138.92	1,138.00
302500 Meters		35,200.649.14	653,130.84	32,547.00
302600 Bronze Case		87,406.47		87,406.00
302700 Plastic Case		45,063.51		45,063.00
302800 Meters Other		1,444.409.44	14,604.79CR	1,516.00
302900 Meters Installations		6,870.500.64	69,964.38	5,926.00
303000 Hydrants		15,145.584.55	209,816.02	14,235.00
303100 Other Piping		10,144.261.64	110,283.64	9,121.00
303200 Other Piping		3,838.00		3,838.00
303300 Office Furniture & Equip		695,445.14		695,445.00
303400 Office Periph Mainframe		15,760.39		15,760.00
303500 Comp & Periph Personal		1,497,916.83		1,497,916.00
303600 Comp & Periph Other		4,597,999.21		4,597,999.00
303700 Comp Software		4,542,345.95		4,542,345.00
303800 Comp Software Personal		638,669.14		638,669.00
303900 Other Software Other		528,219.88		528,219.00
304000 Trans Equip Lt Duty Trks		174,482.20		174,482.00
304100 Trans Equip Hvy Duty Trks		1,592,418.32		1,592,418.00
304200 Trans Equip Autos		783,375.94		783,375.00
304300 Trans Equip Other		180,201.17		180,201.00
304400 Tools & Equipment		135,681.17		135,681.00
304500 Labor, Rep, Garage Equip		35,546.95		35,546.00
304600 Power Operated Equipment		1,416.411.27		1,416.411.00
304700 Comm Equip Non-Telephone		843,098.99		843,098.00
304800 Misc Equipment		1,540,368.86		1,540,368.00
304900 Other Tangible Property		1,331,144.48		1,331,144.00
305000 WW Pump Equip		138,484.58		138,484.00
305100 Land & Ld Rights SS		67,153.46		67,153.00
305200 Land & Ld Rights P		10,707.91		10,707.00
305300 Land & Ld Rights WT		20,744.25		20,744.00
305400 Land & Ld Rights TD		73,658.20		73,658.00
305500 Struct & Imp SS		25,013.89		25,013.00
305600 Struct & Imp P		25,137.46		25,137.00
305700 Struct & Imp Wt		89,953.29		89,953.00
305800 Struct & Imp Ofc		2,316,985.19		2,316,985.00
305900 Elevated Tanks & Standpipes		686,246.64		686,246.00
306000 TD Mains Not Classified by		943,281.64		943,281.00
306100 Sewers		125,555.78		125,555.00
306200 Meters		104,152.13		104,152.00
306300 Hydrants		3,522.94		3,522.00
306400 Office Furniture & Equip		5,658.05		5,658.00
306500 Comp & Periph Personal		12,043.83		12,043.00
306600 Other Office Equip		8,963.62		8,963.00
306700 Trans Equip Lt Duty Trks		4,958.91		4,958.00
306800 Trans Equip Hvy Duty Trks		125,958.23		125,958.00

03/20/07
09:53:56

83410 American Water Works Company
 01/01/2007 Kentucky-American Water-CA 12
 TEST Total Company (USGAAP)
 For the Period Ending 12/31/2006

03/20/07
09:53:56

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
00012 Kentucky-American Water Co.				
B01 Utility Plant Original Cost				
10001 Tools, Shop, Garage Equip		4,877.77		997.50
343000 Tools, Shop, Garage Equip		49,449.98		49,449.98
347000 Power, Operated Equipment		75,554.21		76,817.23
347000 Misc Equipment		2,250.00		2,250.00
347000 Land & Id. Rights Gen		267,212.77		267,212.77
347000 Struct & Imp SPP		2,110,399.46		2,110,399.46
347000 Struct & Imp IDP		853,517.58		853,517.58
347000 Collection Sewers Forced	477.06	9,550.00		17,720.00
347000 Services Sewer		22,715.85		17,720.00
347000 Office Furniture & Equip		5,399.16		5,399.16
347000 Computers & Peripheral		6,237.56		6,237.56
347000 Trans Equip Lt Dty Trks		35,144.56		35,144.56
347000 Stor'es Equipment		35,500.00		35,500.00
347000 Tool Shop & Garage Equip		25,748.28		24,390.79
347000 Power Operated Equip		37,141.28		37,141.28
347000 Misc Communication Equip		1,396.00		1,396.00
347000 Misc Equipment		19,745.70		12,970.57
101099 Completed Const not Classified	6,775.13			
101100 Reg Asset- AFUDC-Debt		272,637.00		272,637.00
103000 Property Held Future Use		114,076.24		114,076.24
104000 Utility Plant Purchased/Sold				
Utility Plant Purchased/Sold				
B01 Utility Plant Original Cost	4,402,710.22	327,533,086.16	4,253,348.15	303,733,314.69
B02 CWIP				
105050 CWIP Accr-Infra				
21 CWIP Accr-Infra		1,745,378.86	10,000.00CR	
21 CWIP Accr-Plant		2,559,478.22	75,222.96CR	
105110 CWIP History				
11 CWIP History		10,021,825.69	215,787.00	10,021,825.69
11 CWIP History-Blgds		51,966.84		267,723.82
11 CWIP History-Infrastr		51,966.84		573,123.04
105125 CWIP Permits & Fees		602,319.28	2,546,119.59	1,143,037.41
11 CWIP Permits & Fees		49,042.88		49,042.88
11 CWIP Permits-Blgds		270,904.98		59,374.88
11 CWIP Permits-Infrastr		111,161.97		82,348.93
105150 CWIP M&S & Purchases		349,761.45	150.00	244,653.33
11 CWIP M&S & Purchases		19,115,344.78		19,115,344.78
11 CWIP M & S-Blgds		316,707.29		316,707.29
11 CWIP M & S-Infrastr		17,520,522.20		11,609,374.09
105175 CWIP Professional Services		4,582,402.75	418,427.32	11,864,111.54
11 CWIP Professional Services		30,385.35		30,385.35
11 CWIP Prof Svc-Infrastr		1,082,241.40		782,801.20
11 CWIP Prof. Svc-Plant		40,017.77		40,017.77
105200 CWIP Labor				
11 CWIP Labor		1,594,849.33		1,594,849.33
11 CWIP Labor-Blgds		19,406.87		19,406.87
11 CWIP Labor-Infrastr		2,351,556.56		1,675,434.40
105250 CWIP Labor OH		605,143.76	1,709.04	572,047.66
11 CWIP Labor OH		1,733,257.65		1,733,257.65
11 CWIP Labor OH-Blgds		4,759.36		4,759.36
11 CWIP Labor OH-Infrastr		1,567,355.95		1,097,691.93
105260 CWIP Overhead		239,804.22	1,395.51	214,180.53
11 CWIP Overhead		688,754.64		688,754.64
11 CWIP Overhead-Blgds		159,785.93		125,624.64
11 CWIP Overhead-Infrastr		3,233,596.06		2,314,166.45
105270 CWIP Service, Co Chgs		550,530.52	32,010.51	397,432.08
11 CWIP Service, Co Chgs		5,269.73		5,269.73
11 CWIP AMSC Chg-Infrastr		544,022.02	1,938.43	1,171,181.11
105275 CWIP Contracted Services		16,375.66		26,666,582.64
11 CWIP Contracted Services		2,586,883.85		26,666,582.64
11 CWIP Contr Svc-Blgds		28,980,348.23		20,451,601.06
11 CWIP Contr Svc-Infrastr		9,448,162.59		6,182,788.16
105280 CWIP Retainage				

[Handwritten signature]

83410
GL012PBAGP
0001R

American Water Works Company
Kentucky-American Water-Co 12
Total Company (USGAAP)
Trial Balance
For the Period Ending 12/31/2006

01/17/07
18:27:46

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
1 CWIP Retainage-Bldgs	217,135.32	366,817.31		366,817.31
31 CWIP Retainage-Infrastr	79,784.53	61,325.00		61,325.00
105300 CWIP Retainage-Plant		2,155,105.36	52,601.20	1,509,289.91
1 CWIP Paying		2,429,707.62		1,244,521.00
21 CWIP Paying-Infrastr		22,858.20	193,800.00	22,858.20
105350 CWIP AFUDC Debt		195,235.55		195,235.55
1 CWIP AFUDC Debt		703,911.94		703,911.94
11 CWIP AFUDC Debt-Bldgs		51,763.27	3,792.19	14,164.70
31 CWIP AFUDC Debt-Infrastr	6,035.05	234,212.02	12,260.81	194,948.31
105375 CWIP AFUDC Debt-Plant	4,379.53	495,314.81	3,450.75	463,814.31
1 CWIP AFUDC Equity		809,429.26		809,429.26
11 CWIP AFUDC Equity-Bldgs		74,380.19	5,545.90	19,709.25
31 CWIP AFUDC Equity-Infrastr	7,998.11	314,587.25	17,931.23	258,054.93
105390 CWIP Transf to UPIS	5,681.26	620,494.85	5,046.92	578,238.80
1 CWIP Transf to UPIS-Bldgs		177,144.11		145,563.87
21 CWIP Transf to UPIS-Infrastr	39,096.36	620,494.85	17,931.23	522,802.82
31 CWIP Transf to UPIS-Plant	209,603.53	850,078.59	467,202.28	914,630.87
105391 CWIP Transf to UPIS-Chgs	1,754,409.90	9,843,395.47		9,843,395.47
1 CWIP Transf to UPIS-Chgs		2,618.00		2,618.00
21 CWIP Transf to UPIS-Infrastr		51,962,726.94		51,962,726.94
105399 CWIP Transf to UPIS-Plant		1,944,594.67	59,118.66	1,944,594.67
1 CWIP Transf to UPIS-Plant		55,976,919.57	2,856,174.28	35,617,361.32
11 CWIP Transf to UPIS-Flggs	106,113.95	13,044,854.66	1,582,950.81	9,996,043.69
21 CWIP Transf to UPIS-Flggs	3,510,736.83		220,924.05	11,416,984.79
31 CWIP Transf to UPIS-Flggs	1,563,960.59	11,735,349.17		
B02 CWIP	5,155,855.80			
B03 Accumulated Depreciation				
108105 AD UPIS-Depreciation				
01 AD UPIS-Depreciation-Not Classifd				
02 AD UPIS-Depreciation-Not Classifd				
03 AD UPIS-Depreciation-Not Classifd				
04 AD UPIS-Depreciation-Not Classifd				
05 AD UPIS-Depreciation-Not Classifd				
06 AD UPIS-Depreciation-Not Classifd				
07 AD UPIS-Depreciation-Not Classifd				
08 AD UPIS-Depreciation-Not Classifd				
09 AD UPIS-Depreciation-Not Classifd				
108110 AD UPIS-Removal Cost				
108115 AD UPIS-Salvage				
108120 AD UPIS-Scrap Meters				
108122 AD UPIS-Scrap Meters				
108135 AD UPIS-Scrap Misc				
108140 AD UPIS-Salv In				
108145 AD UPIS-Salv Sale				
108190 Acc Dep't Reg Asset				
110100 Acc Amort Util P't Svc				
B03 Accumulated Depreciation				
B04 UPAA				
114100 UPAA-ATL				
115100 Accum Amort UPAA-ATL				
B04 UPAA				
B07 Non Utility Property, Net				
121500 NUP-Other				
B07 Non Utility Property, Net				
B10 Cash & Cash Equivalents				
131312 BB&T				

83410
GL012TBA
TEST

American Water Works Company
Kentucky-American Water-Co 12
Total Company (USGAAP)
Trial Balance
For the Period Ending 12/31/2006

03/20/07
09:53:56

Description	December Activity	December Balance	Prior Year Activity	Prior Year Balance
002 BB&T				
003 Deutsche Bank				
131398 Cash Clear-NSF Checks	63,079.70CR	76,661.28	158,390.77CR	687,833.83
001 Cash Clear-NSF Checks	22.49CR			
002 Cash Clear-Mixed Pymt	121.44CR	121.44CR	1,894.78CR	6,219.19
003 Cash Clear-Misc DR/CR				
004 Cash Clear-Misc				
005 Cash Clear-Misc	510.00		550.14CR	182.99CR
006 Cash Clear-ORCOM	41.53CR			
007 Cash Clear-Interco	278.43	57.94	407.83	2,414.08CR
008 Cash Clear-Pinnacil/ARP	449.37CR	114.98		
009 Cash Clear-General	118,290.96CR	825,408.00	100,019.43	456.01
006 Cash Clear-ARC DR/CR	7.29	51.80	2,227.56	10,211.11CR
134100 Petty Cash		2,400.00		153,648.61
				2,448.46
				2,400.00
B10 Cash & Cash Equivalents	181,209.77CR	904,169.16	68,841.58CR	840,222.02
B12 Customer Accounts Receivable				
141000 Customer A/R				
141999 Customer A/R Clearing	103,153.71	2,450,494.71	223,775.81	3,426,220.68
	2,097.45CR	2,533.93	9.94	2,080.11
B12 Customer Accounts Receivable	101,056.26	2,453,028.64	223,785.75	3,428,300.79
B13 Allowance for Uncollectible A/				
143000 Accum prov-uncoll accts	23,854.32	261,096.96CR	27,550.70CR	258,903.51CR
Accum prov-uncoll accts	23,854.32	261,096.96CR	27,550.70CR	258,903.51CR
B13 Allowance for Uncollectible A/				
B14 Accrued Utility Revenue				
144000 Accrued Utility Revenue	89,632.10	2,510,264.49	775,160.41	4,529,611.79
Accrued Utility Revenue	89,632.10	2,510,264.49	775,160.41	4,529,611.79
B14 Accrued Utility Revenue				
B15 FIT Refund Due From Assoc Co				
145000 FIT Refund Receivable				
FIT Refund Receivable	249,075.00	3,470,085.82	403,099.00	1,778,196.82
SIT Refund Receivable	249,075.00	626,090.86	363,207.00	386,991.41
B15 FIT Refund Due From Assoc Co	249,075.00	4,096,176.68	766,306.00	2,165,188.23
B16 Miscellaneous Receivables				
146100 Misc A/R-System				
Misc A/R-System	47,559.30CR	541,006.77	150,462.25CR	444,827.60
Misc A/R-Manual	108,641.84	45,154.49	773,028.29	145,748.82
146115 Misc A/R-Medicare Subsidy				
Misc A/R-Medicare Subsidy	11,758.69CR	20,476.31		
146300 Misc A/R-Adv to Employees				
Misc A/R-Adv to Employees				
146370 Accum prov-uncoll misc a/r				
Accum prov-uncoll misc a/r	3,657.57CR	3,657.57CR		
146500 A/R Assoc Cos				
A/R Assoc Cos	146.79	146.79		
AM02 A/R Assoc Cos-AM02	146.79CR	146.79CR		
AM12 A/R Assoc Cos-AM12				
146800 Rents Receivable				
Rents Receivable				
B16 Miscellaneous Receivables	45,666.28	602,980.00	77,433.96CR	590,576.42
B17 Materials & Supplies				
151100 Plant Material				
Plant Material	58,973.47CR	380,007.67	38,578.75CR	306,288.59
151300 Chemicals				
Chemicals	28,303.54CR	135,507.78	12	119,641.00
B17 Materials & Supplies	87,277.01CR	515,515.45	39,578.63CR	425,929.59
B19 Prepayments				
163400 Other Special Deposits				
Other Special Deposits				
165100 Prepaid Taxes				
Prepaid Taxes				
165200 Prepaid Insurance				
Prepaid Insurance	56,186.18CR	708.24	1,394.79	1,394.79
165300 Prepaid PUC/PSC Assessments				
Prepaid PUC/PSC Assessments	6,862.21CR	41,173.27	40,465.28CR	.01

KENTUCKY-AMERICAN WATER COMPANY
 CALCULATION OF AVERAGE RATE BASE ELEMENTS
 UTILITY PLANT ACQUISITION ADJUSTMENT
 TEST YEAR: FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008
 CASE NO: 2007-00143

CENTRAL

Month	Balance	Balance
	Amortization	
Apr-2001	130,508.00	130,508.00
May-2001	(1,087.57)	129,420.43
Jun-2001	(1,087.57)	128,332.86
Jul-2001	(1,087.57)	127,245.29
Aug-2001	(1,087.57)	126,157.72
Sep-2001	(1,087.57)	125,070.15
Oct-2001	(1,087.57)	123,982.58
Nov-2001	(1,087.57)	122,895.01
Dec-2001	(1,087.57)	121,807.44
Jan-2002	(1,087.57)	120,719.87
Feb-2002	(1,087.57)	119,632.30
Mar-2002	(1,087.57)	118,544.73
Apr-2002	(1,087.57)	117,457.16
May-2002	(1,087.57)	116,369.59
Jun-2002	(1,087.57)	115,282.02
Jul-2002	(1,087.57)	114,194.45
Aug-2002	(1,087.57)	113,106.88
Sep-2002	(1,087.57)	112,019.31
Oct-2002	(1,087.57)	110,931.74
Nov-2002	(1,087.57)	109,844.17
Dec-2002	(1,087.57)	108,756.60
Jan-2003	(1,087.57)	107,669.03
Feb-2003	(1,087.57)	106,581.46
Mar-2003	(1,087.57)	105,493.89
Apr-2003	(1,087.57)	104,406.32
May-2003	(1,087.57)	103,318.75
Jun-2003	(1,087.57)	102,231.18
Jul-2003	(1,087.57)	101,143.61
Aug-2003	(1,087.57)	100,056.04
Sep-2003	(1,087.57)	98,968.47
Oct-2003	(1,087.57)	97,880.90
Nov-2003	(1,087.57)	96,793.33
Dec-2003	(1,087.57)	95,705.76
Jan-2004	(1,087.57)	94,618.19
Feb-2004	(1,087.57)	93,530.62
Mar-2004	(1,087.57)	92,443.05
Apr-2004	(1,087.57)	91,355.48
May-2004	(1,087.57)	90,267.91
Jun-2004	(1,087.57)	89,180.34
Jul-2004	(1,087.57)	88,092.77
Aug-2004	(1,087.57)	87,005.20
Sep-2004	(1,087.57)	85,917.63
Oct-2004	(1,087.57)	84,830.06
Nov-2004	(1,087.57)	83,742.49
Dec-2004	(1,087.57)	82,654.92
Jan-2005	(1,087.57)	81,567.35
Feb-2005	(1,087.57)	80,479.78
Mar-2005	(1,087.57)	79,392.21
Apr-2005	(1,087.57)	78,304.64
May-2005	(1,087.57)	77,217.07
Jun-2005	(1,087.57)	76,129.50
Jul-2005	(1,087.57)	75,041.93
Aug-2005	(1,087.57)	73,954.36
Sep-2005	(1,087.57)	72,866.79
Oct-2005	(1,087.57)	71,779.22
Nov-2005	(1,087.57)	70,691.65
Dec-2005	(1,087.57)	69,604.08
Jan-2006	(1,087.57)	68,516.51
Feb-2006	(1,087.57)	67,428.94
Mar-2006	(1,087.57)	66,341.37
Apr-2006	(1,087.57)	65,253.80
May-2006	(1,087.57)	64,166.23
Jun-2006	(1,087.57)	63,078.66
Jul-2006	(1,087.57)	61,991.09
Aug-2006	(1,087.57)	60,903.52
Sep-2006	(1,087.57)	59,815.95
Oct-2006	(1,087.57)	58,728.38
Nov-2006	(1,087.57)	57,640.81
Dec-2006	(1,087.57)	56,553.24

Utility Plant Acquisition Adj. Bal.	\$	130,508
Amortization Period - Months		120
Monthly Amortization Exp.		(1,087.57)

Bal at end of Base Year	\$	48,940
Bal at end of Forecasted Year		31,539
Avg Balance for the Forecasted Test Year	\$	38,065

8

KENTUCKY-AMERICAN WATER COMPANY
 UTILITY PLANT IN SERVICE - CENTRAL
 BASE YEAR: 7/31/2007
 TEST YEAR: 1/30/2008

NO. CPS BALANCE SEE CELL AC 223
 See Cell BM & BN 224 to input new depreciation rates

ACCT NO.	ACCOUNT TITLE	ACCOUNT ACTIVITY FROM AUG 06 THRU JAN 07				Retirements	Rel Adj	Tot Bal	Adj	January-2007		February-2007		Balance at February-2007	Five Months F Additions
		July-2006	Retirements	Rel Adj	\$					Jan 07	Feb 07	Retirements	Feb 07		
301000	ORGANIZATION	30,624	5,723							37,347			37,347		
302000	FRANCHISE/CONSENTS	70,261								70,261			70,261		
338100	OTHER PIPE INTANGIBLES	125,793	(125,793)							0			0		
339600	OTHER PIPE COMPREHENSIVE STUDIES	611,071	(611,071)							0			0		
303200	LAND AND LAND RIGHTS	322,833								322,833			322,833		
304100	SS STRUCTURES & IMPROVEMENTS	423,997	1,675,664			1,100				2,098,251			2,098,251		
305000	COLL & IMPOUNDING RESERV	1,016,532	21			7,000				1,016,553			1,016,553		
306000	LAKE, RIVER, & OTHER INTAKES	568,430								568,430			568,430		
307000	WELLS & SPRINGS	5,069,822								5,069,822			5,069,822		
309000	SUPPLY MAINS	81,790								81,790			81,790		
303300	PUMPING LAND & LAND RIGHTS	4,450,575	349,050			1,500				4,798,128			4,798,128	441,000	
304300	PUMPING STRUCTURES & IMPROVEMENTS														
305300	BOILER/PLANT EQUIPMENT														
310100	OTHER POWER PROD EQPT	572,278	178			10,400				572,454			572,454	369,977	
311300	ELECTRIC PUMPING EQUIPMENT	9,440,263	14,858							9,444,801			9,444,801	1,060,000	
311300	DIESEL PUMPING EQUIPMENT	594,512	(29,930)							724,442			724,442		
311400	Pump Equip Hydraulic	(4,820)	68,694							63,874			63,874		
303400	OTHER PUMPING EQUIPMENT	66,164								66,164			66,164		
303400	LAND AND LAND RIGHTS	8,489,519								8,489,519			8,489,519		
303400	WT STRUCTURES & IMPROVMT	24,122,507	332,094			23,000				24,085,603			24,085,603	2,784,764	
320100	WATER TREATMENT EQUIPMENT	84,828				122,300				204,128			204,128	280,000	
303500	LAND AND LAND RIGHTS														
303500	T & D LAND & RIGHTS OF WAY	3,944,949								3,944,949			3,944,949		
303500	T & D LAND														
303500	T & D RIGHTS OF WAY														
304400	T & D STRUCTURES & IMP	723,770	56,163			1,100				778,833			778,833		
330000	DIST RES & STANDPIPES	1,599,936	56,965							1,656,901			1,656,901		
330100	Elevated Tanks & Standpipes	8,187,971	392,890							8,580,861			8,580,861	791,242	
331001	T & D MAINS	143,813,017	3,759,866			14,408				147,568,475			147,568,475	5,310,813	
333000	SERVICES	33,569,974	1,738,642							35,298,616			35,298,616	627,421	
334110	METERS - BRONZE CASE	20,702	37,862			13,500				45,064			45,064		
334120	METERS - PLASTIC CASE	1,104,299				34,408				1,129,891			1,129,891	672,186	
334130	METERS - OTHER	6,161,708	729,166			34,408				6,835,510			6,835,510	249,953	
334200	METER INSTALLATIONS	14,619,728	577,964			55,364				15,197,692			15,197,692	75,091	
335000	HYDRANTS	9,766,076	366,346			4,302				10,128,120			10,128,120	279,577	
3352	STORES/SHOP & GARAGE/LAND														
304500	OFFICE STRUCTURES	3,976,253	46,810							4,023,063			4,023,063		
304700	STORES, SHOP & GAR STRUCT	993,633								993,633			993,633		
304800	MISC STRUCTURES & EQUIP	1,286,854	230,715							1,527,569			1,527,569	17,848	
340100	OFFICE FURNITURE & EQUIP	688,494	22,660							711,154			711,154	26,400	
340210	MAINFRAME COMP & PERIPH EQPT	34,480	15,760							50,240			50,240	56,326	
340220	PERSONAL COMP & PERIPH EQPT	1,484,327	15,374							1,479,701			1,478,420	2,778	
340230	COMP & PERIPH OTHER	485,686	18,270			25,898				478,058			478,058	63,446	
340300	MAINFRAME SOFTWARE	4,544,713	(4,879)							4,539,834			4,539,834	13,860	
340320	PERSONAL COMP SOFTWARE	638,669								638,669			638,669		
340330	OTHER SOFTWARE	517,526	4,787							522,313			522,313		
340500	OTHER OFFICE EQUIPMENT	144,898	6,545			149				151,294			151,294		
341100	TRANS EQUIP - LIGHT TRUCKS	1,279,035	454,159			197,838				1,535,355			1,535,355	168,964	
341200	TRANS EQUIP - HEAVY TRUCKS	782,900	65,332			42,659				785,573			785,573	240,000	
341300	TRANS EQUIP - CARS	162,694	17,008							179,702			179,702	29,200	
341400	OTHER TRANS EQUIP	81,007	49,740							130,747			130,747		
342000	STORES EQUIPMENT	35,547								35,547			35,547		
343000	TOOLS, SHOP, & GARAGE EQUIP	909,452	464,106							1,373,558			1,373,558	211,860	
344000	LABORATORY EQUIPMENT	843,008	91							843,099			843,099	39,000	
345000	POWER OPERATED EQUIPMENT	1,455,059	49,598							1,504,657			1,504,657		
346100	COMMUNICATION EQUIPMENT	1,905,361	23,972							1,929,333			1,929,333	1,726	
346200	COMMUNICATION EQUIPMENT														
347000	MISC EQUIPMENT	965,000	216,436							1,182,436			1,182,436		
348000	OTHER TANGIBLE PROPERTY	137,985								137,985			137,985		

TOTAL UTILITY PLANT IN SERVICE \$ 302,939,625 \$ 11,337,592 \$ 554,927 \$ 564,927 \$ 313,722,290 \$ 1,423,719 \$ 50,351 \$ 315,095,657 \$ 13,830,432

NO CPS BALANCE SEE GELL AC 223
 See Coll B/W & B/N 224 to input new depreciation rates

ACCT NO.	ACCOUNT TITLE	Two Months Ended 11/30/08		For the Month Ended 11/30/08		For the Month Ended 10/31/08		For the Month Ended 10/31/07		For the Month Ended 11/30/07	
		Balance at 7/31/07	Additions	Retirements	Balance 11/30/08	Retirements	Balance 10/31/08	Retirements	Balance 10/31/07	Retirements	Balance 11/30/07
301000	ORGANIZATION	0	0	0	0	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0
339100	OTHER PIE INTANGIBLES	0	0	0	0	0	0	0	0	0	0
339600	OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0
303200	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
304100	OTHER LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
305000	SS STRUCTURES & IMPROVEMENTS	2,098,251	0	0	2,098,251	0	0	2,098,251	0	2,098,251	0
306000	LAKE, RIVER, & OTHER INTAKES	1,016,553	0	0	1,016,553	0	0	1,016,553	0	1,016,553	0
307000	WELLS & SPRINGS	561,430	0	0	561,430	0	0	561,430	0	561,430	0
308000	SUPPLY MAINS	5,069,822	0	0	5,069,822	0	0	5,069,822	0	5,069,822	0
309300	PUMPING LAND & LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
309400	PUMPING STRUCTURES & IMPROVEMENTS	81,790	0	0	81,790	0	0	81,790	0	81,790	0
309500	PUMPING STRUCTURES & IMPROVEMENTS	5,239,128	0	0	5,239,128	0	0	5,239,128	0	5,239,128	0
310100	OTHER POWER PROD EQPT	572,454	0	0	572,454	0	0	572,454	0	572,454	0
311200	ELECTRIC PUMPING EQUIPMENT	9,859,778	50,000	5,000	9,859,778	25,666	0	9,859,778	0	9,859,778	0
311300	DISEL PUMPING EQUIPMENT	1,774,442	0	0	1,774,442	0	0	1,774,442	0	1,774,442	0
311400	Pump Equip Hydraulic	63,874	0	0	63,874	0	0	63,874	0	63,874	0
303400	LAND AND LAND RIGHTS	68,164	0	0	68,164	0	0	68,164	0	68,164	0
304300	WT STRUCTURES & IMPROVMT	11,582,127	0	0	11,582,127	0	0	11,582,127	0	11,582,127	0
320100	WATER TREATMENT EQUIPMENT	24,337,095	0	4,000	24,337,095	0	0	24,337,095	0	24,337,095	0
320200	WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0	0
320300	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
303500	T & D LAND & RIGHTS OF WAY	3,944,949	0	0	3,944,949	0	0	3,944,949	0	3,944,949	0
304000	T & D RIGHTS OF WAY	778,833	0	0	778,833	0	0	778,833	0	778,833	0
304100	T & D STRUCTURES & IMP	1,656,901	0	0	1,656,901	0	0	1,656,901	0	1,656,901	0
330100	Dist Res & Standpipes	9,372,103	100,000	0	9,472,103	5,000	0	9,472,103	0	9,472,103	0
331001	Elevated Tanks & Standpipes	153,559,195	4,056,208	236,900	157,453,903	1,401,691	0	158,778,294	77,500	162,372,157	949,953
333000	SERVICES	35,894,448	425,445	45,119	36,266,343	277,464	0	36,564,552	9,255	36,893,278	147,981
334110	METERS - BRONZE CASE	0	0	0	0	0	0	0	0	0	0
334120	METERS - BRONZE CASE	0	0	0	0	0	0	0	0	0	0
334130	METERS - OTHER	1,802,077	469,492	20,099	2,271,568	305,538	0	2,577,107	0	2,882,645	214,491
334200	METER INSTALLATIONS	7,311,771	0	0	7,311,771	0	0	7,311,771	0	7,311,771	0
335000	HYDRANTS	15,273,187	52,055	0	15,325,242	33,949	0	15,359,191	4,123	15,363,981	29,422
33592	STORES, SHOPS & GARAGE LAND	10,485,891	208,178	3,120	10,697,189	8,000	0	10,715,509	1,040	10,817,269	46,800
304600	OFFICE STRUCTURES	4,023,063	0	0	4,023,063	0	0	4,023,063	0	4,023,063	0
304700	STORES, SHOP & GAR STRUCT	983,633	0	0	983,633	0	0	983,633	0	983,633	0
304800	MISC STRUCTURES	1,963,265	0	0	1,963,265	0	0	1,963,265	0	1,963,265	0
340100	OFFICE FURNITURE & EQIP	737,554	18,400	2,000	757,954	12,000	0	769,954	6,400	776,354	6,400
340210	MAINFRAME COMP & PERIPH EQPT	118,037	28,785	0	146,822	19,425	0	166,247	10,360	176,607	10,360
340220	PERSONAL COMP & PERIPH EQPT	1,428,430	0	52,768	1,375,662	8,915	0	1,384,577	12,733	1,397,310	12,733
340230	COMP & PERIPH OTHER	604,950	0	0	604,950	0	0	604,950	0	604,950	0
340300	MAINFRAME SOFTWARE	4,563,654	9,660	0	4,573,314	6,300	0	4,579,614	0	4,579,614	5,460
340320	PERSONAL COMP SOFTWARE	638,669	0	0	638,669	0	0	638,669	0	638,669	0
340330	OTHER OFFICE EQUIPMENT	522,313	0	0	522,313	0	0	522,313	0	522,313	0
341000	TRANS EQUIP - LIGHT TRUCKS	151,294	0	0	151,294	0	0	151,294	0	151,294	0
341200	TRANS EQUIP - HEAVY TRUCKS	1,637,319	0	0	1,637,319	0	0	1,637,319	0	1,637,319	0
341300	TRANS EQUIP - CARS	905,573	0	0	905,573	0	0	905,573	0	905,573	0
341400	OTHER TRANS EQUIPMENT	130,747	0	0	130,747	0	0	130,747	0	130,747	0
342000	STORES EQUIPMENT	35,547	0	0	35,547	0	0	35,547	0	35,547	0
343000	TOOLS, SHOP & GARAGE EQUIP	1,604,918	108,650	9,796	1,723,364	23,250	0	1,746,614	4,650	1,751,264	2,015
344000	LABORATORY EQUIPMENT	878,199	0	0	878,199	0	0	878,199	0	878,199	0
346100	POWER OPERATED EQUIPMENT	1,504,667	0	0	1,504,667	0	0	1,504,667	0	1,504,667	0
346200	COMMUNICATION EQUIPMENT	1,931,285	0	0	1,931,285	0	0	1,931,285	0	1,931,285	0
346300	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0
347000	MISC EQUIPMENT	1,182,286	0	0	1,182,286	0	0	1,182,286	0	1,182,286	0
348000	OTHER TANGIBLE PROPERTY	137,965	0	0	137,965	0	0	137,965	0	137,965	0

TOTAL UTILITY PLANT IN SERVICE \$ 328,307,088 \$ 5,526,673 \$ 261,349 \$ 333,572,612 \$ 2,194,473 \$ 100,469 \$ 335,666,567 \$ 8,184,455 \$ 101,636 \$ 343,749,405 \$ 1,439,011

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - CENTRAL
BASE YEAR: 7/31/2007
TEST YEAR: 11/30/2008

NO. CFS BALANCE SEE CELL AC 223
See Cell BM & BN 224 to input new depreciation rates.

no. CFS balance

ACCT. NO.	ACCOUNT TITLE	December-2007 Retirements	Transfer 1992 CFS Costs	Balance December-2007
301000	ORGANIZATION	0	0	37,347
302000	FRANCHISE/CONSENTS	0	0	70,261
339100	OTHE P/E INTANGIBLES	0	0	0
339600	OTHER P/E COMPREHENSIVE STUDIES	0	0	0
303200	WATER RIGHTS	0	0	0
	LAND AND LAND RIGHTS SS	0	0	322,833
	OTHER SS LAND	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	0	4,363,674
305000	COLL. & IMPOUNDING RESERV.	0	0	1,016,563
306000	LAKE, RIVER, & OTHER INTAKES	0	0	561,436
307000	WELLS & SPRINGS	0	0	0
309000	SUPPLY MAINS	0	0	5,069,822
303300	PUMPING LAND & LAND RIGHTS	0	0	81,790
304200	PUMPING STRUCTURES & IMPROVEMENTS	0	0	5,239,128
	BOILER/PLANT EQUIPMENT	0	0	0
310100	OTHER POWER PROD EQPT	0	0	572,454
311200	ELECTRIC PUMPING EQUIPMENT	0	0	9,895,434
311300	DIESEL PUMPING EQUIPMENT	0	0	1,774,442
317400	Pump Equip Hydraulic	0	0	63,874
	OTHER PUMPING EQUIPMENT	0	0	0
303400	LAND AND LAND RIGHTS	0	0	66,164
304300	WT STRUCTURES & IMPROVMT	0	0	13,503,168
320100	WATER TREATMENT EQUIPMENT	0	0	24,337,095
	WATER TREATMENT SAG	0	0	0
	LAND AND LAND RIGHTS	0	0	0
303500	T & D LAND & RIGHTS OF WAY	0	0	3,944,949
	T & D LAND	0	0	0
	T & D RIGHTS OF WAY	0	0	0
304400	T & D STRUCTURES & IMP	0	0	778,833
330000	DIST RES & STANDPIPES	0	0	1,656,901
330100	Elevated Tanks & Standpipes	0	0	9,487,103
331001	T & D MAINS	46,000	0	163,273,110
333000	SERVICES	11,569	0	36,828,690
	METERS	0	0	0
334110	METERS - BRONZE CASE	0	0	45,064
334120	METERS - PLASTIC CASE	0	0	2,902,015
334130	METERS - OTHER	5,154	0	7,283,426
334200	METER INSTALLATIONS	0	0	15,395,403
335000	HYDRANTS	800	0	10,863,269
33992	STORES/SHOP & GARAGE LAND	0	0	0
304600	OFFICE STRUCTURES	0	0	4,023,063
304700	STORES, SHOP & GAR STRUCT	0	0	993,633
304800	MISC STRUCTURES	0	0	1,563,285
340100	OFFICE FURNITURE & EQUIP	0	0	780,754
340210	MAINFRAME COMP & PERIPH EQPT	0	0	187,967
340220	PERSONAL COMP & PERIPH EQPT	13,530	0	1,354,013
340230	COMP & PERIPH OTHER	0	0	604,950
	COMPI SOFTWARE	0	0	0
340300	MAINFRAME SOFTWARE	0	0	4,576,374
340320	PERSONAL COMP SOFTWARE	0	0	638,669
340330	OTHER SOFTWARE	0	0	522,313
340500	OTHER OFFICE EQUIPMENT	0	0	151,294
341100	TRANS EQUIP - LIGHT TRUCKS	0	0	1,637,319
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	905,573
341300	TRANS EQUIP - CARS	0	0	193,902
341400	OTHER TRANS EQUIP	0	0	130,747
342000	STORES EQUIPMENT	0	0	35,547
343000	TOOLS, SHOP & GARAGE EQUIP	0	0	1,747,143
344000	LABORATORY EQUIPMENT	2,200	0	676,169
345000	POWER OPERATED EQUIPMENT	0	0	1,504,657
346100	COMMUNICATION EQUIPMENT	0	0	1,931,285
346200	COMMUNICATION EQUIPMENT	0	0	0
346000	COMMUNICATION EQUIPMENT	0	0	0
347000	MISC EQUIPMENT	0	0	1,182,286
348000	OTHER TANGIBLE PROPERTY	0	0	137,985

TOTAL UTILITY PLANT IN SERVICE \$ 79,253 \$ 345,108,170

#11

KENTUCKY-AMERICAN WATER COMPANY
 UTILITY PLANT IN SERVICE - TRI-VILLAGE
 BASE YEAR: 7/31/2007
 TEST YEAR: 11/30/2008

See cells BM & BN 233 to input depreciation rate

ACCT. NO.	ACCOUNT TITLE	ACCOUNT ACTIVITY FROM AUG 06 THRU JAN 07			Ret/Adj	Tot Ret	Adj	February-2007		Balance at February-2007
		Additions	Retirements	Ret/Adj				Retirements		
301000	ORGANIZATION									
302000	FRANCHISE/CONSENTS									
339100	OTHER P/E INTANGIBLES	0								
339600	OTHER P/E COMPREHENSIVE STUDIES									
0	WATER RIGHTS									
303200	LAND AND LAND RIGHTS SS	12,389								12,389
0	OTHER SS LAND									
304100	SS STRUCTURES & IMPROVEMENTS	434,430	7,972	0						442,402
305000	COLL & IMPOUNDING RESERV									
306000	LAKE, RIVER, & OTHER INTAKES									
0	WELLS & SPRINGS									
309000	SUPPLY MAINS	0								
303300	PUMPING LAND & LAND RIGHTS	0								
304200	PUMPING STRUCTURES & IMPROVEMENTS									
0	BOILER PLANT EQUIPMENT									
310100	OTHER POWER PROD EQPT									
311200	ELECTRIC PUMPING EQUIPMENT	126,875								126,875
311300	DIESEL PUMPING EQUIPMENT									
311400	Pump Equip Hydraulic									
0	OTHER PUMPING EQUIPMENT									
303400	LAND AND LAND RIGHTS									
304300	WT STRUCTURES & IMPROVMT	137,910	30,200	0						168,110
320100	WATER TREATMENT EQUIPMENT	51,538								51,538
0	WATER TREATMENT - GAC									
0	LAND AND LAND RIGHTS									
303500	T & D LAND & RIGHTS OF WAY	0								
0	T & D LAND									
0	T & D RIGHTS OF WAY									
0	T & D RIGHTS OF WAY									
304400	DIST RES & STANDPIPE LAND									
304100	T & D STRUCTURES & IMP	12,950	9,170	0						22,120
330100	DIST RES & STANDPIPES	858,732								858,732
331000	T & D MAINS	2,550,667								3,083,250
333000	SERVICES	99,800	28,224	0						128,024
0	METERS	87,406								87,406
334110	METERS - BRONZE CASE									
334120	METERS - PLASTIC CASE	252,366								252,366
334130	METERS - OTHER	18,051								18,051
334200	METER INSTALLATIONS	7,381	3,952	0						11,333
335000	HYDRANTS	18,018	0	11,448						6,570
0	STORES SHOP & GARAGE LAND									
304600	OFFICE STRUCTURES		1,919	0						1,919
304700	STORES, SHOP & GAR STRUCT									
304800	MISC STRUCTURES		2,599	0						2,599
340100	OFFICE FURNITURE & EQUIP	4,707								4,707
340210	MAINFRAME COMP & PERIPH EQPT									
340220	PERSONAL COMP & PERIPH EQPT									
340230	COMP & PERIPH OTHER	15,943								15,943
0	COMP SOFTWARE									
340300	MAINFRAME SOFTWARE									
340320	PERSONAL COMP SOFTWARE									
340330	OTHER SOFTWARE	5,907								5,907
340500	OTHER OFFICE EQUIPMENT	23,188								23,188
341100	TRANS EQUIP - LIGHT TRUCKS	9,500								9,500
341200	TRANS EQUIP - HEAVY TRUCKS	5,000	0	5,000						0
341300	TRANS EQUIP - CARS	0	0	0						0
341400	OTHER TRANS EQUIP									
342000	STORES EQUIPMENT	3,472								3,472
343000	TOOLS, SHOP, & GARAGE EQUIP	6,481								6,481
344000	LABORATORY EQUIPMENT									
345000	POWER OPERATED EQUIPMENT	35,704								35,704
345100	COMMUNICATION EQUIPMENT	2,718								2,718
0	COMMUNICATION EQUIPMENT									
0	COMMUNICATION EQUIPMENT									
347000	MISC EQUIPMENT	0	6,051	0						6,051
348000	OTHER TANGIBLE PROPERTY									

TOTAL UTILITY PLANT IN SERVICE
 \$ 4,781,133 \$ 90,087 \$ 16,448 \$ 16,448 \$ 4,854,772 \$ 541,031 \$ 5,395,700
 plus Elk Lake \$ 5,176,784

KENTUCKY-AMERICAN WATER COMPANY
 UTILITY PLANT IN SERVICE - TRI-VILLAGE
 BASE YEAR: 7/31/2007
 TEST YEAR: 11/30/2008

See cells B11 & B12:233 to input depreciation rate

ACCT NO.	ACCOUNT TITLE	Five Months Ended Jul 2007		Two Months Ended		September-2007		October-2007		For the Month Ended	
		Additions	Retirements	Balance at July-2007	Additions	Retirements	Balance September-2007	Additions	Retirements	Balance October-2007	Additions
301000	ORGANIZATION	0	0	0	0	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0
339100	OTHE P/E INTANGIBLES	0	0	0	0	0	0	0	0	0	0
339600	OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0
0	WATER RIGHTS	0	0	0	0	0	0	0	0	0	0
303200	LAND AND LAND RIGHTS SS	0	0	12,389	0	0	12,389	0	0	12,389	0
0	OTHER SS LAND	0	0	0	0	0	0	0	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	0	442,402	0	0	442,402	0	0	442,402	0
305000	COLL. & IMPOUNDING RESERV	0	0	0	0	0	0	0	0	0	0
306000	LAKE, RIVER, & OTHER INTAKES	0	0	0	0	0	0	0	0	0	0
0	WELLS & SPRINGS	0	0	0	0	0	0	0	0	0	0
309000	SUPPLY MAINS	0	0	0	0	0	0	0	0	0	0
303300	PUMPING LAND & LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
304200	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
0	BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0
310100	OTHER POWER PROD EQPT	0	0	0	0	0	0	0	0	0	0
311200	ELECTRIC PUMPING EQUIPMENT	0	0	126,875	0	0	126,875	0	0	126,875	0
311300	DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0
311400	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0
0	OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0
303400	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
304300	WT STRUCTURES & IMPROVMENT	0	0	168,110	0	0	168,110	0	0	168,110	0
320100	WATER TREATMENT EQUIPMENT	0	0	51,538	0	0	51,538	0	0	51,538	0
0	WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0	0
0	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0
303500	T & D LAND & RIGHTS OF WAY	2,521	0	5,042	0	0	5,042	0	0	5,042	0
0	T & D LAND	0	0	0	0	0	0	0	0	0	0
0	T & D RIGHTS OF WAY	0	0	0	0	0	0	0	0	0	0
0	DIST RES. & STANDPIPE LAND	0	0	0	0	0	0	0	0	0	0
304400	T & D STRUCTURES & IMP	0	0	22,120	0	0	22,120	0	0	22,120	0
330100	DIST RES & STANDPIPES	0	0	856,732	0	0	856,732	0	0	856,732	0
331000	T & D MAINS	1,352,124	0	4,435,374	75,882	0	4,511,256	28,000	0	4,539,256	0
333000	SERVICES	12,059	1,138	138,856	8,405	847	146,414	5,481	88	151,808	1,096
0	METERS	0	0	87,406	0	0	87,406	0	0	87,406	0
334110	METERS - BRONZE CASE	0	0	0	0	0	0	0	0	0	0
334120	METERS - PLASTIC CASE	1,291	0	253,657	901	0	254,558	588	0	255,146	118
334130	METERS - OTHER	8,434	76	26,403	5,878	57	32,224	3,834	6	36,052	767
334200	METER INSTALLATIONS	1,082	0	12,415	754	0	13,169	491	0	13,660	98
335000	HYDRANTS	5,927	0	18,424	0	0	18,424	0	0	18,424	0
0	STORES SHOP & GARAGE LAND	0	0	0	0	0	0	0	0	0	0
304600	OFFICE STRUCTURES	0	0	1,919	0	0	1,919	0	0	1,919	0
304700	STORES, SHOP & GAR STRUCT	0	0	0	0	0	0	0	0	0	0
304800	MISC STRUCTURES	0	0	2,599	0	0	2,599	0	0	2,599	0
340100	OFFICE FURNITURE & EQUIP	0	0	4,707	0	0	4,707	0	0	4,707	0
340210	MAINFRAME COMP & PERIPH EQPT	0	0	0	0	0	0	0	0	0	0
340220	PERSONAL COMP & PERIPH EQPT	570,000	26	585,916	0	19	585,897	0	2	585,895	0
340250	COMP & PERIPH OTHER	0	0	0	0	0	0	0	0	0	0
0	COMP SOFTWARE	0	0	0	0	0	0	0	0	0	0
340300	MAINFRAME SOFTWARE	0	0	0	0	0	0	0	0	0	0
340320	PERSONAL COMP SOFTWARE	0	0	0	0	0	0	0	0	0	0
340330	OTHER SOFTWARE	0	0	5,907	0	0	5,907	0	0	5,907	0
340500	OTHER OFFICE EQUIPMENT	0	0	23,188	0	0	23,188	0	0	23,188	0
341100	TRANS EQUIP - LIGHT TRUCKS	0	0	9,500	0	0	9,500	0	0	9,500	0
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	0	0	0	0	0	0	0	0
341300	TRANS EQUIP - CARS	0	0	0	0	0	0	0	0	0	0
341400	OTHER TRANS EQUIP	0	0	3,472	0	0	3,472	0	0	3,472	0
342000	STORES EQUIPMENT	0	0	0	0	0	0	0	0	0	0
343000	TOOLS, SHOP, & GARAGE EQUIP	0	0	6,481	0	0	6,481	0	0	6,481	0
344000	LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0	0	0
345000	POWER OPERATED EQUIPMENT	0	0	35,704	0	0	35,704	0	0	35,704	0
346100	COMMUNICATION EQUIPMENT	0	0	2,718	0	0	2,718	0	0	2,718	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0
347000	MISC EQUIPMENT	0	0	6,051	0	0	6,051	0	0	6,051	0
348000	OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0	0	0
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		1,953,438	1,241	7,347,904	91,820	923	7,438,802	38,394	95	7,477,100	2,079

TOTAL UTILITY PLANT IN SERVICE

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - TRI-VILLAGE
BASE YEAR:
TEST YEAR:

11/30/2008
See cells BM & BN. 233 to input depreciation rate

ACCT.NO.	ACCOUNT TITLE	November-2007 Retirements	Balance November-2007	For the Month Ended ----> Additions	December-2007 Retirements	Transfer 1992 CPS Costs	Balance December-2007
301000	ORGANIZATION	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0	0
303100	OTHE PIE INTANGIBLES	0	0	0	0	0	0
303600	OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0
0	WATER RIGHTS	0	0	0	0	0	0
303200	LAND AND LAND RIGHTS SS	0	12,389	0	0	12,389	0
0	OTHER SS LAND	0	0	0	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	442,402	0	0	442,402	0
305000	COLL & IMPOUNDING RESERV	0	0	0	0	0	0
306000	LAKE, RIVER, & OTHER INTAKES	0	0	0	0	0	0
0	WELLS & SPRINGS	0	0	0	0	0	0
309000	SUPPLY MAINS	0	0	0	0	0	0
309000	PUMPING LAND & LAND RIGHTS	0	0	0	0	0	0
303300	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0
304200	BOILER PLANT EQUIPMENT	0	0	0	0	0	0
0	OTHER POWER PROD EQPT	0	0	0	0	0	0
310100	ELECTRIC PUMPING EQUIPMENT	0	126,875	0	0	126,875	0
311200	DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0
311300	Pump Equip Hydraulic	0	0	0	0	0	0
311400	OTHER PUMPING EQUIPMENT	0	0	0	0	0	0
0	LAND AND LAND RIGHTS	0	0	0	0	0	0
303400	WT STRUCTURES & IMPROVAMNT	0	168,110	0	0	168,110	0
304300	WATER TREATMENT EQUIPMENT	0	51,538	0	0	51,538	0
320100	WATER TREATMENT - GAC	0	0	0	0	0	0
0	LAND AND LAND RIGHTS	0	0	0	0	0	0
303500	T & D LAND & RIGHTS OF WAY	0	5,042	0	0	5,042	0
0	T & D LAND	0	0	0	0	0	0
0	T & D RIGHTS OF WAY	0	0	0	0	0	0
0	DIST RES & STANDPIPE LAND	0	0	0	0	0	0
304400	T & D STRUCTURES & IMP	0	22,120	0	0	22,120	0
330100	DIST RES & STANDPIPES	0	858,732	0	0	858,732	0
331000	T & D MAINS	0	4,539,256	0	0	4,539,256	0
333000	SERVICES	380	152,524	4,750	292	156,982	0
0	METERS	0	87,406	0	0	87,406	0
334110	METERS - BRONZE CASE	0	0	0	0	0	0
334120	METERS - PLASTIC CASE	0	255,264	508	0	255,772	0
334130	METERS - OTHER	25	36,794	3,323	20	40,097	0
334200	METER INSTALLATIONS	0	13,758	426	0	14,184	0
335000	HYDRANTS	0	18,424	0	0	18,424	0
0	STORES SHOP & GARAGE LAND	0	0	0	0	0	0
304600	OFFICE STRUCTURES	0	1,919	0	0	1,919	0
304700	STORES, SHOP & GAR STRUCT	0	0	0	0	0	0
304800	MISC STRUCTURES	0	2,589	0	0	2,589	0
340100	OFFICE FURNITURE & EQUIP	0	4,707	0	0	4,707	0
340210	MAINFRAME COMP & PERIPH EQPT	0	0	0	0	0	0
340220	PERSONAL COMP & PERIPH EQPT	9	585,886	0	7	585,880	0
340230	COMP & PERIPH OTHER	0	0	0	0	0	0
0	COMP SOFTWARE	0	0	0	0	0	0
340300	MAINFRAME SOFTWARE	0	0	0	0	0	0
340320	PERSONAL COMP SOFTWARE	0	0	0	0	0	0
340330	OTHER SOFTWARE	0	5,907	0	0	5,907	0
340500	OTHER OFFICE EQUIPMENT	0	23,188	0	0	23,188	0
341100	TRANS EQUIP - LIGHT TRUCKS	0	9,500	0	0	9,500	0
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	0	0	0	0
341300	TRANS EQUIP - CARS	0	0	0	0	0	0
341400	OTHER TRANS EQUIP	0	3,472	0	0	3,472	0
342000	STORES EQUIPMENT	0	0	0	0	0	0
343000	TOOLS, SHOP, & GARAGE EQUIP	0	6,481	0	0	6,481	0
344000	LABORATORY EQUIPMENT	0	0	0	0	0	0
345000	POWER OPERATED EQUIPMENT	0	35,704	0	0	35,704	0
346100	COMMUNICATION EQUIPMENT	0	2,718	0	0	2,718	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0	0
0	COMMUNICATION EQUIPMENT	0	6,051	0	0	6,051	0
347000	MISC EQUIPMENT	0	0	0	0	0	0
348000	OTHER TANGIBLE PROPERTY	0	0	0	0	0	0
	TOTAL UTILITY PLANT IN SERVICE	414	7,478,766	9,007	318	7,487,455	

11

See Cell BM & BN 235 to input depreciation rate:

ACCT.LNO.	ACCOUNT TITLE	ACCOUNT ACTIVITY FROM AUG 08 THRU JAN 07				Ret/Ret	Adj	February-2007		Balance at February-2007
		Ret/Ret	Ret/Ret	Ret/Ret	Ret/Ret					
301000	ORGANIZATION									
302000	FRANCHISE/CONSENTS									
339100	OTHER P/E INTANGIBLES			3,838						
339600	OTHER P/E COMPREHENSIVE STUDIES									
0	WATER RIGHTS									
303200	LAND AND LAND RIGHTS SS									
0	OTHER SS LAND									
304100	SS STRUCTURES & IMPROVEMENTS									
305000	COLL & IMPOUNDING RESERV									
306000	LAKE, RIVER, & OTHER INTAKES									
0	WELLS & SPRINGS									
309000	SUPPLY MAINS									
303300	PUMPING LAND & LAND RIGHTS									
304200	PUMPING STRUCTURES & IMPROVEMENTS									
0	BOILER PLANT EQUIPMENT									
310100	OTHER POWER PROD EQPT									
311200	ELECTRIC PUMPING EQUIPMENT									
311300	DIESEL PUMPING EQUIPMENT									
311400	Pump Equip Hydraulic									
0	OTHER PUMPING EQUIPMENT									
303400	LAND AND LAND RIGHTS									
304300	WT STRUCTURES & IMPROVMT									
320100	WATER TREATMENT EQUIPMENT									
0	WATER TREATMENT - GAC									
0	LAND AND LAND RIGHTS									
303500	T & D LAND & RIGHTS OF WAY									
0	T & D LAND									
0	T & D RIGHTS OF WAY									
0	DIST RES & STANDPIPE LAND									
304400	T & D STRUCTURES & IMP									
303100	DIST RES & STANDPIPES									
331000	T & D MAINS									
333000	SERVICES									
334100	METERS									
334110	METERS - BRONZE CASE									
334120	METERS - PLASTIC CASE									
334130	METERS - OTHER									
334200	METER INSTALLATIONS									
335000	HYDRANTS									
0	STORES SHOP & GARAGE LAND									
304600	OFFICE STRUCTURES									
304700	STORES, SHOP & GAR STRUCT									
304800	MISC STRUCTURES									
340100	OFFICE FURNITURE & EQUIP									
340210	MAINFRAME COMP & PERIPH EQPT									
340220	PERSONAL COMP & PERIPH EQPT									
340230	COMP & PERIPH OTHER									
0	COMP SOFTWARE									
340300	MAINFRAME SOFTWARE									
340320	PERSONAL COMP SOFTWARE									
340330	OTHER SOFTWARE									
340500	OTHER OFFICE EQUIPMENT									
341100	TRANS EQUIP - LIGHT TRUCKS									
341200	TRANS EQUIP - HEAVY TRUCKS									
341300	TRANS EQUIP - CARS									
341400	OTHER TRANS EQUIP									
342000	STORES EQUIPMENT									
343000	TOOLS, SHOP, & GARAGE EQUIP									
344000	LABORATORY EQUIPMENT									
345000	POWER OPERATED EQUIPMENT									
346100	COMMUNICATION EQUIPMENT									
0	COMMUNICATION EQUIPMENT									
0	COMMUNICATION EQUIPMENT									
347000	MISC EQUIPMENT									
348000	OTHER TANGIBLE PROPERTY									
	TOTAL UTILITY PLANT IN SERVICE									

July-2006 Additions Retirements \$ 325,850 \$ 3,838 \$ 322,012 \$ 3,838 \$ 322,012 \$

KENTUCKY-AMERICAN WATER COMPANY
 UTILITY PLANT IN SERVICE - ELK LAKE
 BASE YEAR: 7/31/2007
 TEST YEAR: 11/30/2008

See Cell BM & BN 245 to input depreciation rate:

ACCT NO.	ACCOUNT TITLE	Five Months Ended Jul 2007		Balance at July 2007	Two Months Ended		September 2007		October 2007		For the Month Ended	
		Additions	Retirements		Ended	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions
301000	ORGANIZATION	0	0	0	0	0	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0	0
339100	OTHER P/E INTANGIBLES	0	0	0	0	0	0	0	0	0	0	0
339600	OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0	0
0	WATER RIGHTS	0	0	0	0	0	0	0	0	0	0	0
303200	LAND AND LAND RIGHTS SS	0	0	0	0	0	0	0	0	0	0	0
0	OTHER SS LAND	0	0	0	0	0	0	0	0	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	0	27,734	0	0	27,734	0	0	27,734	0	0
305000	COLL & IMPOUNDING RESERV	0	0	0	0	0	0	0	0	0	0	0
306000	LAKE, RIVER, & OTHER INTAKES	0	0	0	0	0	0	0	0	0	0	0
0	WELLS & SPRINGS	0	0	0	0	0	0	0	0	0	0	0
308000	SUPPLY MAINS	0	0	14,520	0	0	14,520	0	0	14,520	0	0
303300	PUMPING LAND & LAND RIGHTS	0	0	750	0	0	750	0	0	750	0	0
304200	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
0	BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
310100	OTHER POWER PROD EQPT	0	0	0	0	0	0	0	0	0	0	0
311200	ELECTRIC PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
311300	DIESEL PUMPING EQUIPMENT	0	0	15,100	0	0	15,100	0	0	15,100	0	0
311400	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0
0	OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
303400	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0
304300	WT STRUCTURES & IMPROVMT	0	0	0	0	0	0	0	0	0	0	0
320100	WATER TREATMENT EQUIPMENT	0	0	7,618	0	0	7,618	0	0	7,618	0	0
0	WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0	0	0
0	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0
303500	T & D LAND & RIGHTS OF WAY	0	0	1,250	0	0	1,250	0	0	1,250	0	0
0	T & D LAND	0	0	0	0	0	0	0	0	0	0	0
0	T & D RIGHTS OF WAY	0	0	0	0	0	0	0	0	0	0	0
0	DIST RES & STANDPIPE LAND	0	0	0	0	0	0	0	0	0	0	0
304400	T & D STRUCTURES & IMP	0	0	0	0	0	0	0	0	0	0	0
330100	DIST RES & STANDPIPES	0	0	30,749	0	0	30,749	0	0	30,749	0	0
331000	T & D MAINS	0	0	145,823	0	0	145,823	0	0	145,823	0	0
333000	SERVICES	0	0	0	0	0	0	0	0	0	0	0
384100	METERS	0	0	0	0	0	0	0	0	0	0	0
334110	METERS - BRONZE CASE	0	0	0	0	0	0	0	0	0	0	0
334120	METERS - PLASTIC CASE	0	0	56,623	0	0	56,623	0	0	56,623	0	0
334130	METERS - OTHER	0	0	0	0	0	0	0	0	0	0	0
334200	METER INSTALLATIONS	0	0	0	0	0	0	0	0	0	0	0
335000	HYDRANTS	0	0	13,900	0	0	13,900	0	0	13,900	0	0
0	STORES SHOP & GARAGE LAND	0	0	0	0	0	0	0	0	0	0	0
304600	OFFICE STRUCTURES	0	0	0	0	0	0	0	0	0	0	0
304700	STORES, SHOP & GAR STRUCT	0	0	0	0	0	0	0	0	0	0	0
304800	MISC STRUCTURES	0	0	0	0	0	0	0	0	0	0	0
340100	OFFICE FURNITURE & EQUIP	0	0	0	0	0	0	0	0	0	0	0
340210	MAINFRAME COMP & PERIPH EQPT	0	0	0	0	0	0	0	0	0	0	0
340220	PERSONAL COMP & PERIPH EQPT	0	0	0	0	0	0	0	0	0	0	0
340230	COMP & PERIPH OTHER	0	0	0	0	0	0	0	0	0	0	0
0	COMP SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
340300	MAINFRAME SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
340320	PERSONAL COMP SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
340330	OTHER SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
340500	OTHER OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
341100	TRANS EQUIP - LIGHT TRUCKS	0	0	7,445	0	0	7,445	0	0	7,445	0	0
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	0	0	0	0	0	0	0	0	0
341300	TRANS EQUIP - CARS	0	0	0	0	0	0	0	0	0	0	0
341400	OTHER TRANS EQUIP	0	0	0	0	0	0	0	0	0	0	0
342000	STORES EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
343000	TOOLS, SHOP & GARAGE EQUIP	0	0	0	0	0	0	0	0	0	0	0
344000	LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
345000	POWER OPERATED EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
346100	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
0	MISC EQUIPMENT	0	0	500	0	0	500	0	0	500	0	0
347000	OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0	0	0	0
348000		0	0	0	0	0	0	0	0	0	0	0
	TOTAL UTILITY PLANT IN SERVICE			322,012			322,012			322,012		322,012

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - ELK LAKE
BASE YEAR: 7/31/2007
TEST YEAR: 11/30/2008

See Cell, BM & BN 235 for input, depreciation rate

ACCT. NO.	ACCOUNT TITLE	For the Month		December-2007 Retirements	Transfer, 1992 CPS Costs	Balance December-2007
		Ended	Added			
301000	ORGANIZATION	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0
339100	OTHE PIE INTANGIBLES	0	0	0	0	0
339600	OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0
0	WATER RIGHTS	0	0	0	0	0
303200	LAND AND LAND RIGHTS SS	0	0	0	0	0
0	OTHER SS LAND	0	0	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	27,734	0	0	27,734
305000	COLL & IMPOUNDING RESERV	0	0	0	0	0
306000	LAKE, RIVER, & OTHER INTAKES	0	0	0	0	0
0	WELLS & SPRINGS	0	0	0	0	0
309000	SUPPLY MAINS	0	14,520	0	0	14,520
303300	PUMPING LAND & LAND RIGHTS	0	750	0	0	750
304200	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0	0	0
0	BOILER PLANT EQUIPMENT	0	0	0	0	0
310100	OTHER POWER PROD EQPT	0	0	0	0	0
311200	ELECTRIC PUMPING EQUIPMENT	0	0	0	0	0
311300	DIESEL PUMPING EQUIPMENT	0	15,100	0	0	15,100
311400	Pump Equip Hydraulic	0	0	0	0	0
0	OTHER PUMPING EQUIPMENT	0	0	0	0	0
303400	LAND AND LAND RIGHTS	0	0	0	0	0
304300	WT STRUCTURES & IMPROVAMNT	0	0	0	0	0
320100	WATER TREATMENT EQUIPMENT	0	7,618	0	0	7,618
0	WATER TREATMENT - GAC	0	0	0	0	0
0	LAND AND LAND RIGHTS	0	0	0	0	0
303500	T & D LAND & RIGHTS OF WAY	0	1,250	0	0	1,250
0	T & D LAND	0	0	0	0	0
0	T & D RIGHTS OF WAY	0	0	0	0	0
0	DIST RES & STANDPIPE LAND	0	0	0	0	0
304400	T & D STRUCTURES & IMP	0	0	0	0	0
330100	DIST RES & STANDPIPES	0	30,749	0	0	30,749
331000	T & D MAINS	0	145,823	0	0	145,823
3330000	SERVICES	0	0	0	0	0
334100	METERS	0	0	0	0	0
334110	METERS - BRONZE CASE	0	0	0	0	0
334120	METERS - PLASTIC CASE	0	56,623	0	0	56,623
334130	METERS - OTHER	0	0	0	0	0
334200	METER INSTALLATIONS	0	0	0	0	0
335000	HYDRANTS	0	13,900	0	0	13,900
0	STORES SHOP & GARAGE LAND	0	0	0	0	0
304600	OFFICE STRUCTURES	0	0	0	0	0
304700	STORES, SHOP & GAR STRUCT	0	0	0	0	0
304800	MISC STRUCTURES	0	0	0	0	0
340100	OFFICE FURNITURE & EQUIP	0	0	0	0	0
340210	MAINFRAME COMP & PERIPH EQPT	0	0	0	0	0
340220	PERSONAL COMP & PERIPH EQPT	0	0	0	0	0
340230	COMP & PERIPH OTHER	0	0	0	0	0
0	COMP SOFTWARE	0	0	0	0	0
340300	MAINFRAME SOFTWARE	0	0	0	0	0
340320	PERSONAL COMP SOFTWARE	0	0	0	0	0
340330	OTHER SOFTWARE	0	0	0	0	0
340500	OTHER OFFICE EQUIPMENT	0	0	0	0	0
341100	TRANS EQUIP - LIGHT TRUCKS	0	7,445	0	0	7,445
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	0	0	0
341300	TRANS EQUIP - CARS	0	0	0	0	0
341400	OTHER TRANS EQUIP	0	0	0	0	0
342000	STORES EQUIPMENT	0	0	0	0	0
343000	TOOLS, SHOP, & GARAGE EQUIP	0	0	0	0	0
344000	LABORATORY EQUIPMENT	0	0	0	0	0
345000	POWER OPERATED EQUIPMENT	0	0	0	0	0
346100	COMMUNICATION EQUIPMENT	0	0	0	0	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0
0	COMMUNICATION EQUIPMENT	0	0	0	0	0
347000	MISC EQUIPMENT	0	500	0	0	500
348000	OTHER TANGIBLE PROPERTY	0	0	0	0	0
	TOTAL UTILITY PLANT IN SERVICE	0	322,012	0	0	322,012

#11

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - DWENTON
BASE YEAR: 7/31/2007
TEST YEAR: 11/30/2008

see Cell BW & BN 235 to input depreciation rates

ACCT NO.	ACCOUNT TITLE	July-2006	Retirements	Ret/Adj	Total	Adj	January-2007	February-2007	Balance at February-2007	Five Months Additions
301000	ORGANIZATION									
302000	FRANCHISE/CONSENTS									
339100	OTHER PIPE INSTALLATIONS									
339600	OTHER PIPE COMPREHENSIVE STUDIES									
303200	WATER RIGHTS	20,744								
0	LAND AND LAND RIGHTS SS									
304100	OTHER SS LAND									
305000	SS STRUCTURES & IMPROVEMENTS									
306000	COIL & IMPOUNDING RESERV									
0	LAKE, RIVER & OTHER INTAKES									
309000	WELLS & SPRINGS									
309000	SUPPLY MAINS									
303300	PUMPING LAND & LAND RIGHTS	9,286								
304200	PUMPING STRUCTURES & IMPROVEMENTS									
0	BOILER PLANT EQUIPMENT									
310100	OTHER POWER PROD EQPT									
311200	ELECTRIC PUMPING EQUIPMENT									
311300	DIESEL PUMPING EQUIPMENT									
311400	Pump Equip Hydraulic									
0	OTHER PUMPING EQUIPMENT									
303400	LAND AND LAND RIGHTS									
304300	WATER RIGHTS									
320100	WATER TREATMENT & IMPROVEMENT									
0	WATER TREATMENT - C&C									
0	LAND AND LAND RIGHTS									
303500	T & D LAND & RIGHTS OF WAY	73,655								
0	T & D LAND									
0	T & D RIGHTS OF WAY									
0	DIST RES & STANDPIPE LAND									
304400	T & D STRUCTURES & IMP	21,146								
330100	DIST RES & STANDPIPES	656,245								
331000	T & D MAINS	843,262								
333000	SERVICES	107,368								
0	METERS	3,556								
334110	METERS - BRONZE CASE									
334120	METERS - PLASTIC CASE									
334130	METERS - OTHER									
334200	METER INSTALLATIONS	84,162								
335000	HYDRANTS	3,523								
0	STORES SHOP & GARAGE LAND									
304800	OFFICE STRUCTURES									
304700	STORES SHOP & GAR STRUCT	25,137								
304800	MISC STRUCTURES	71,013								
340100	OFFICE FURNITURE & EQUIP	5,658								
340210	MAINFRAME COMP & PERIPH EQPT									
340220	PERSONAL COMP & PERIPH EQPT	7,528								
340230	COMP & PERIPH OTHER									
0	COMP SOFTWARE									
340300	MAINFRAME SOFTWARE	8,964								
340320	PERSONAL COMP SOFTWARE									
340330	OTHER SOFTWARE									
340500	OTHER OFFICE EQUIPMENT	0								
341100	TRANS EQUIP - LIGHT TRUCKS	56,029								
341200	TRANS EQUIP - HEAVY TRUCKS	0								
341300	TRANS EQUIP - CARS									
341400	OTHER TRANS EQUIP									
342000	STORES EQUIPMENT									
343000	TOOLS, SHOP & GARAGE EQUIP	987								
344000	LABORATORY EQUIPMENT									
345000	POWER OPERATED EQUIPMENT	49,450								
346100	COMMUNICATION EQUIPMENT									
0	COMMUNICATION EQUIPMENT									
0	COMMUNICATION EQUIPMENT									
347000	MISC EQUIPMENT	75,554								
348000	OTHER TANGIBLE PROPERTY	0								
		4,676,932	137,555				4,714,487	125,968	4,840,455	427,913

TOTAL UTILITY PLANT IN SERVICE

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - OMENTON
BASE YEAR: 7/31/2007
TEST YEAR: 11/30/2008

see Cell B10f & BW 235 (6) input identification rates added Jul 2007

ACCT NO.	ORGANIZATION	ACCOUNT TITLE	Retirements	Balance at July 2007	Two Months Ended	Retirements	Balance September 2007	For the Month Ended	Retirements	Balance October 2007	For the Month Ended	Retirements	Balance November 2007	For the Month Ended
			\$	\$	-----	\$	\$	-----	\$	\$	-----	\$	\$	
301600		FRANCHISE/CONSENTS		0	0	0	0	0	0	0	0	0	0	0
302000		OTHER LIFE INTERESTS		0	0	0	0	0	0	0	0	0	0	0
303000		WATER RIGHTS		0	0	0	0	0	0	0	0	0	0	0
303600		LAND AND LAND RIGHTS		415,722	25,000	0	415,722	0	0	440,722	10,000	0	450,722	10,000
303700		OTHER SS LAND RIGHTS SS		0	0	0	0	0	0	0	0	0	0	0
304100		SS STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0	0	0	0
305000		COLL & IMPOUNDING RESERV		0	0	0	0	0	0	0	0	0	0	0
306000		LAKE, RIVER, & OTHER INTAKES		0	0	0	0	0	0	0	0	0	0	0
306500		WELLS & SPRINGS		0	0	0	0	0	0	0	0	0	0	0
306900		SUPPLY MAINS		9,286	0	0	9,286	0	0	9,286	0	0	9,286	0
307300		PUMPING PLANT & LAND RIGHTS		0	0	0	0	0	0	0	0	0	0	0
307400		PUMPING STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0	0	0	0
307500		PUMP PLANT EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
307600		OTHER POWER PROD EQPT		0	0	0	0	0	0	0	0	0	0	0
310000		ELECTRIC PLANT EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
311200		OTHER PLANT EQUIPMENT		39,746	2,205	0	39,746	2,205	0	39,746	441	0	39,746	0
311500		DIESEL PUMPING EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
311400		Pump Equip Hydraulic		0	0	0	0	0	0	0	0	0	0	0
304400		LAND AND LAND RIGHTS		0	0	0	0	0	0	0	0	0	0	0
304300		WT STRUCTURES & IMPROVMT		2,347,985	0	0	2,347,985	0	0	2,347,985	0	0	2,347,985	0
320100		WATER TREATMENT EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
0		WATER TREATMENT - GAC		0	0	0	0	0	0	0	0	0	0	0
0		LAND AND LAND RIGHTS		0	0	0	0	0	0	0	0	0	0	0
0		T & D LAND & RIGHTS OF WAY		73,655	0	0	73,655	0	0	73,655	0	0	73,655	0
0		T & D LAND		0	0	0	0	0	0	0	0	0	0	0
0		T & D RIGHTS OF WAY		0	0	0	0	0	0	0	0	0	0	0
0		DIST RES & STANDPIPE LAND		0	0	0	0	0	0	0	0	0	0	0
304400		T & D STRUCTURES & IMP		25,013	0	0	25,013	0	0	25,013	0	0	25,013	0
330100		DIST RES & STANDPIPES		866,245	0	0	866,245	0	0	866,245	0	0	866,245	0
331000		T & D MAINS		943,262	0	0	943,262	0	0	943,262	0	0	943,262	0
335000		SERVICES		130,152	3,366	2,205	135,532	2,205	0	135,737	441	0	136,178	1,911
0		METERS		3,856	0	0	3,856	0	0	3,856	0	0	3,856	0
334110		METERS - BRONZE CASE		0	0	0	0	0	0	0	0	0	0	0
334120		METERS - PLASTIC CASE		1,071	746	0	1,817	746	0	2,303	98	0	2,401	421
334130		METERS - OTHER		0	0	0	0	0	0	0	0	0	0	0
334200		METER INSTALLATIONS		104,272	82	54	104,394	82	10	104,408	10	0	104,418	47
335000		HYDRANTS		3,523	0	0	3,523	0	0	3,523	0	0	3,523	0
0		STORES SHOP & GARAGE LAND		0	0	0	0	0	0	0	0	0	0	0
304600		OFFICE STRUCTURES		40,000	0	0	40,000	0	0	40,000	0	0	40,000	0
304700		STORES, SHOP & GAR STRUCT		25,137	0	0	25,137	0	0	25,137	0	0	25,137	0
304800		MISC STRUCTURES		90,061	0	0	90,061	0	0	90,061	0	0	90,061	0
340100		OFFICE FURNITURE & EQUIP		5,668	0	0	5,668	0	0	5,668	0	0	5,668	0
340210		MAINFRAME COMP & PERIPH EQPT		1,815	1,265	823	3,680	1,265	0	3,905	165	0	4,070	716
340220		PERSONAL COMP & PERIPH EQPT		12,042	0	0	12,042	0	0	12,042	0	0	12,042	0
340230		COMP & PERIPH OTHER		0	0	0	0	0	0	0	0	0	0	0
0		MAINFRAME SOFTWARE		8,964	0	0	8,964	0	0	8,964	0	0	8,964	0
340300		PERSONAL COMP SOFTWARE		0	0	0	0	0	0	0	0	0	0	0
340320		OTHER SOFTWARE		4,221	0	0	4,221	0	0	4,221	0	0	4,221	0
340500		OTHER OFFICE EQUIPMENT		165,662	0	0	165,662	0	0	165,662	0	0	165,662	0
341100		TRANS EQUIP - LIGHT TRUCKS		0	0	0	0	0	0	0	0	0	0	0
341200		TRANS EQUIP - HEAVY TRUCKS		0	0	0	0	0	0	0	0	0	0	0
341300		TRANS EQUIP - CARS		0	0	0	0	0	0	0	0	0	0	0
341300		OTHER TRANS EQUIP		0	0	0	0	0	0	0	0	0	0	0
342000		STORES EQUIPMENT		4,877	0	0	4,877	0	0	4,877	0	0	4,877	0
343000		TOOLS, SHOP & GARAGE EQUIP		0	0	0	0	0	0	0	0	0	0	0
344000		LABORATORY EQUIPMENT		49,450	0	0	49,450	0	0	49,450	0	0	49,450	0
345000		POWER OPERATED EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
346000		COMMUNICATION EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
346100		COMMUNICATION EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
0		MISC EQUIPMENT		75,564	0	0	75,564	0	0	75,564	0	0	75,564	0
347000		MISC EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
348000		OTHER TANGIBLE PROPERTY		0	0	0	0	0	0	0	0	0	0	0
				5,265,919	5,473	26,270	5,272,392	5,473	10,714	5,300,562	10,714	0	5,311,676	13,094

TOTAL UTILITY PLANT IN SERVICE

KENTUCKY-AMERICAN WATER COMPANY
UTILITY PLANT IN SERVICE - OWENTON
BASE YEAR: 7/31/2007
TEST YEAR: 11/30/2008

ACCT. NO.	ACCOUNT TITLE	December-2007 Retirements	Transfer 1992 CPS Costs	Balance December-2007
		\$	\$	\$
301000	ORGANIZATION	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0
339100	OTHER PIE INTANGIBLES	0	0	0
339600	OTHER PIE COMPREHENSIVE STUDIES	0	0	0
0	WATER RIGHTS	0	0	0
303200	LAND AND LAND RIGHTS SS	0	0	460,722
0	OTHER SS LAND	0	0	0
304100	SS STRUCTURES & IMPROVEMENTS	0	0	0
306000	COLL. & IMPOUNDING RESERV	0	0	0
306000	LAKE, RIVER, & OTHER INTAKES	0	0	0
0	WELLS & SPRINGS	0	0	0
308000	SUPPLY MAINS	0	0	0
303300	PUMPING LAND & LAND RIGHTS	0	0	9,266
304200	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0
0	BOILER PLANT EQUIPMENT	0	0	0
310100	OTHER POWER PROD EQPT	0	0	0
311200	ELECTRIC PUMPING EQUIPMENT	0	0	38,746
311300	DIESEL PUMPING EQUIPMENT	0	0	0
311400	Pump Equip Hydraulic	0	0	0
0	OTHER PUMPING EQUIPMENT	0	0	0
303400	LAND AND LAND RIGHTS	0	0	0
304300	WT STRUCTURES & IMPROVMT	0	0	0
320100	WATER TREATMENT EQUIPMENT	0	0	2,347,865
0	WATER TREATMENT - GAC	0	0	0
0	LAND AND LAND RIGHTS	0	0	0
302500	T & D LAND & RIGHTS OF WAY	0	0	73,655
0	T & D LAND	0	0	0
0	T & D RIGHTS OF WAY	0	0	0
0	DIST RES & STANDPIPE LAND	0	0	0
304400	T & D STRUCTURES & IMP	0	0	25,013
330100	DIST RES & STANDPIPES	0	0	666,245
331000	T & D MAINS	0	0	943,262
333000	SERVICES	0	0	138,088
0	METERS	0	0	3,266
334110	METERS - BRONZE CASE	0	0	0
334120	METERS - PLASTIC CASE	0	0	2,822
334130	METERS - OTHER	0	0	0
334200	METER INSTALLATIONS	0	0	104,463
335000	HYDRANTS	0	0	3,233
0	STORES SHOP & GARAGE LAND	0	0	0
304600	OFFICE STRUCTURES	0	0	40,000
304700	STORES, SHOP & GAR STRUCT	0	0	25,137
304800	MISC STRUCTURES	0	0	90,051
340100	OFFICE FURNITURE & EQUIP	0	0	5,658
340210	MAINFRAME COMP & PERIPH EQPT	0	0	4,785
340220	PERSONAL COMP & PERIPH EQPT	0	0	12,042
340230	COMP & PERIPH OTHER	0	0	0
0	COMP SOFTWARE	0	0	0
340300	MAINFRAME SOFTWARE	0	0	8,964
340320	PERSONAL COMP SOFTWARE	0	0	0
340330	OTHER SOFTWARE	0	0	0
340500	OTHER OFFICE EQUIPMENT	0	0	4,221
341100	TRANS EQUIP - LIGHT TRUCKS	0	0	165,662
341200	TRANS EQUIP - HEAVY TRUCKS	0	0	0
341300	TRANS EQUIP - CARS	0	0	0
341400	OTHER TRANS EQUIP	0	0	0
342000	STORES EQUIPMENT	0	0	0
343000	TOOLS, SHOP, & GARAGE EQUIP	0	0	4,877
344000	LABORATORY EQUIPMENT	0	0	0
345000	POWER OPERATED EQUIPMENT	0	0	49,450
345000	COMMUNICATION EQUIPMENT	0	0	0
345100	COMMUNICATION EQUIPMENT	0	0	0
0	COMMUNICATION EQUIPMENT	0	0	0
0	MISC EQUIPMENT	0	0	75,654
346000	OTHER TANGIBLE PROPERTY	0	0	0
0		0	0	0
0		0	0	0
346900		0	0	0
TOTAL UTILITY PLANT IN SERVICE				5,324,170

#11

Kentucky-American Water Company			
Calculation of CWIP			
Forecasted Test Year:		November-08	
Base Test Year:		LEXINGTON July-07	
Balance	12,710,280	0	8,956,115
Budget Item	CWIP at Jul-07		CWIP at Dec-07
12020080	540,000	0	600,000
12020080	0	0	0
12020080	0	0	0
12020080	0	0	0
12020080	0	0	0
			0
			0
			0
			0
			0
12020081	372,500	0	235,000
12020081	0	0	0
			0
			0
			0
12020082	67,500	0	75,000
	0	0	0
			0
			0
			0
12020083	3,600	0	4,000
	0	0	0
	0	0	0
	0	0	0
			0
12020084	46,800	0	52,000
			0
			0
			0
			0
12020085	52,060	0	57,845
			0
			0
			0
			0
12020086	114,418	0	127,132
	0	0	0
			0
			0
			0
12020087	92,765	0	103,073
12020087	0	0	0
12020087	10,307	0	11,452
			0
			0
			0
12020088	90,558	0	100,620
12020088	0	0	0
12020088	10,062	0	11,180
12020088	0	0	0
			0

Kentucky-American Water Company			
Calculation of CWIP			
Forecasted Test Year:		November-08	
Base Test Year:	LEXINGTON	July-07	
Balance	12,710,280	0	8,956,115
Budget Item	CWIP at Jul-07		CWIP at Dec-07
			0
			0
12020089	11,655		12,950
12020089	0	0	0
12020089	3,780	0	4,200
12020089	0		0
12020089	0		0
			0
			0
			0
12020090	0	0	0
12020090	0	0	0
12020090	0		0
12020090	7,200		8,000
			0
			0
			0
12020091	0	0	0
12020091	0	0	0
12020091	0	0	0
12020091	0	0	0
12020091	0	0	0
			0
			0
			0
12020092	0	0	0
12020092	0	0	0
12020092	13,950	0	15,500
12020092	0	0	0
12020092	0	0	0
			0
			0
			0
12020093	0	0	0
12020093	0	0	0
12020093	0	0	0
12020093	0	0	0
12020093	0	0	0
12020093	20,000	0	6,500
12020093	0	0	0
12020093	0	0	0
			0
12020094	0	0	0
12020094	0	0	0
			0
12020097	81,400		108,900
			0
12020105	0		0
			0
12020201	0		0
			0
			0
12020204	0		0
12020104	0	0	0
			0
12020402	1,192,729		0

Kentucky-American Water Company			
Calculation of CWIP			
Forecasted Test Year:	November-08		
Base Test Year:	LEXINGTON	July-07	
Balance	12,710,280	0	8,956,115
Budget Item	CWIP at Jul-07		CWIP at Dec-07
0	52,541		0
12020402	1,736,333		0
12020402	175,000		875,000
12020402	29,067		119,067
	0		0
12020502	0	0	0
12020502	0	0	0
			0
			0
12020505	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

Kentucky-American Water Company			
Calculation of CWIP			
Forecasted Test Year:	November-08		
Base Test Year:	LEXINGTON	July-07	
Balance	12,710,280	0	8,956,115
Budget Item	CWIP at Jul-07	CWIP at Dec-07	
-	0	0	0
Totals	12,710,280	0	8,956,115

x 50% # 12

Kentucky-American Water Company				
Calculation of CWIP				
Forecasted Test Year:		November-08		
Base Test Year:		Tri Village July-07		
Balance	82,119		6,929	0
Budget Item	CWIP at Jul-07		CWIP at Dec-07	CWIP at 11/30/2008
12020080	0	0	0	0
12020080	0	0	0	0
12020080	0	0	0	0
12020080	0	0	0	0
12020081	0	0	0	0
12020082	0	0	0	0
12020082	0	0	0	0
12020083	0	0	0	0
12020084	0	0	0	0
12020085	1,314	0	1,460	0
12020086	1,975	0	2,194	0
	0	0		
12020087	353	0	391	0
12020087	0	0	0	0
12020087	39	0	44	0
12020088	0	0	0	0
12020088	2,300	0	2,556	0
12020088	256	0	284	0
12020088	0	0	0	0

Kentucky-American Water Company				
Calculation of CWIP				
Forecasted Test Year:		November-08		
Base Test Year:	Tri Village	July-07		
Balance	82,119		6,929	0
Budget Item	CWIP at Jul-07		CWIP at Dec-07	CWIP at 11/30/2008
-				
12020089	0	0	0	0
12020089	0	0	0	0
12020090	0	0	0	0
12020090	0	0	0	0
12020091	0	0	0	0
12020091	0	0	0	0
12020091	0	0	0	0
12020091	0	0	0	0
12020091	0	0	0	0
12020092	0	0	0	0
12020092	0	0	0	0
12020092	0	0	0	0
12020092	0	0	0	0
12020092	0	0	0	0
12020093	0	0	0	0
12020093	0	0	0	0
12020093	0	0	0	0
12020093	0	0	0	0
12020093	0	0	0	0
12020094	0	0	0	0
12020094	0	0	0	0

Kentucky-American Water Company				
Calculation of CWIP				
Forecasted Test Year:		November-08		
Base Test Year:	Tri Village	July-07		
Balance	82,119		6,929	0
<u>Budget Item</u>	CWIP at Jul-07		CWIP at Dec-07	CWIP at 11/30/2008
-				
12300403	75,882	0	0	0
12300403	0	0	0	0
	0	0	0	0
12300604				
Totals	82,119	0	6,929	0

X50%
#12

Kentucky-American Water Company		Page 38 of 54	
Calculation of CWIP			
Forecasted Test Year:		11/30/08	
Base Test Year:	OWENTON WATER	7/31/07	
Balance		2,142	7,380
Budget Item		CWIP at Jul-07	CWIP at Dec-07
12020080		0	0
12020080		0	0
12020080		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020081		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020082		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020083		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020084		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020085		626	695
0		0	0
0		0	0
0		0	0
0		0	0
12020086		697	775
0		0	0
0		0	0
0		0	0
0		0	0
12020087		0	0
12020087		0	0
12020087		0	0
0		0	0
0		0	0
0		0	0
0		0	0
0		0	0
12020088		292	324
12020088		0	0
12020088		32	36
0		0	0
0		0	0

Kentucky-American Water Company		Page 39 of 54	
Calculation of CWIP			
Forecasted Test Year:		11/30/08	
Base Test Year:	OWENTON WATER	7/31/07	
Balance		2,142	7,380
	Budget Item	CWIP at Jul-07	CWIP at Dec-07
	0	0	
	0	0	
	12020089	495	550
	12020089	0	0
	12020089	0	0
	12020089	0	
	12020089	0	
	0	0	
	0	0	
	0	0	
	0	0	
	12020090	0	0
	12020090	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	12020091	0	0
	12020091	0	0
	12020091	0	0
	12020091	0	0
	12020091	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	12020092	0	0
	12020092	0	0
	12020092	0	0
	12020092	0	0
	12020092	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	12020093	0	0
	12020093	0	0
	12020093	0	0
	12020093	0	0
	12020093	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	12020094	0	0
	12020094	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	

Kentucky-American Water Company			
Calculation of CWIP			
Forecasted Test Year:		11/30/08	
Base Test Year:	OWENTON WATER	7/31/07	
Balance		2,142	7,380
	Budget Item	CWIP at Jul-07	CWIP at Dec-07
	-		
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	12320507	0	5,000
	0	0	0
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	0	
	0	2,142	0
	0		7,380
	0		

X 50%
12

KENTUCKY-AMERICAN WATER COMPANY KAW_R_PSCDR2#45_061807
CALCULATION OF AVERAGE RATE BASE ELEMENTS Page 41 of 54
UTILITY PLANT ACQUISITION ADJUSTMENT
TEST YEAR: FOR THE TWELVE MONTHS ENDED
CASE NO: 2007-00143

Dec-2006	(1,087.57)	56,553.24
Jan-2007	(1,087.57)	55,465.67
Feb-2007	(1,087.57)	54,378.10
Mar-2007	(1,087.57)	53,290.53
Apr-2007	(1,087.57)	52,202.96
May-2007	(1,087.57)	51,115.39
Jun-2007	(1,087.57)	50,027.82
Jul-2007	(1,087.57)	48,940.25
Aug-2007	(1,087.57)	47,852.68
Sep-2007	(1,087.57)	46,765.11
Oct-2007	(1,087.57)	45,677.54
Nov-2007	(1,087.57)	44,589.97
Dec-2007	(1,087.57)	43,502.40

13

MATERIALS AND SUPPLIES
24 MONTHS ENDED: January 31, 2007

MONTH	Lexington			Tri Village		
	STOCK E PLANT MATERIALS	STOCK C CHEMICALS		STOCK E PLANT MATERIALS	STOCK C CHEMICALS	
Feb-2005	444,956	140,399				
Mar-2005	378,321	140,399				
Apr-2005	375,489	140,399				
May-2005	346,068	140,399				
Jun-2005	365,943	140,399				
Jul-2005	312,011	140,399				
Aug-2005	304,205	140,399				
Sep-2005	265,231	140,399				
Oct-2005	269,517	140,399				
Nov-2005	344,867	119,641				
Dec-2005	306,289	119,641				
Jan-2006	351,540	119,641				
Feb-2006	335,887	119,641				
Mar-2006	477,962	119,641				
Apr-2006	372,320	119,641				
May-2006	398,964	119,641		19,220		
Jun-2006	392,484	119,641		19,219		
Jul-2006	369,002	119,641		14,794		
Aug-2006	357,986	119,641		25,191		
Sep-2006	379,405	119,641		25,025		
Oct-2006	341,103	119,641		21,542	28,909	
Nov-2006	417,439	134,902		21,314	2,923	
Dec-2006	358,694	132,585		20,829	3,339	
Jan-2007	400,693	154,333				
Average 24 Month Balance	361,099	130,046	\$ 491,145	20,892	11,724	\$ 32,616
						523,761

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - CENTRAL
BASE YEAR: July 31, 2007
TEST YEAR: November 30, 2008
SEE COLUMN BW

	Reserve Balance January-2007	Month of Feb 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance February-2007	Five Months Ended Jul 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance July-2007
301000 ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
302000 FRANCHISE/CONSENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303000 OTHER PIE INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303600 OTHER PIE COMPREHENSIVE STUDIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303900 TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT									
303200 LAND AND LAND RIGHTS - SS	\$ (4,632)	\$ 5,490	\$ -	\$ -	\$ 858	\$ 27,452	\$ -	\$ -	\$ 28,310
304100 STRUCTURES AND IMPROVEMENTS	\$ 314,321	\$ 1,864	\$ -	\$ -	\$ 316,185	\$ 9,318	\$ -	\$ -	\$ 325,503
305000 COLLECTING AND IMPOUNDING RESERVOIRS	\$ 87,262	\$ 1,008	\$ -	\$ -	\$ 88,268	\$ 5,029	\$ -	\$ -	\$ 93,297
0 LAKE, RIVER AND OTHER INTAKES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0 WELLS AND SPRINGS	\$ 886,189	\$ 4,690	\$ 0	\$ 0	\$ 890,879	\$ 23,448	\$ 0	\$ 0	\$ 914,327
305900 SUPPLY MAINS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
303300 LAND AND LAND RIGHTS - PUMPING	\$ 1,508,748	\$ 9,278	\$ 0	\$ 0	\$ 1,518,026	\$ 57,900	\$ 0	\$ 0	\$ 1,575,926
304200 STRUCTURES AND IMPROVEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0 BOILER PLANT EQUIPMENT	\$ 124,834	\$ 1,598	\$ 0	\$ 0	\$ 126,432	\$ 7,991	\$ 0	\$ 0	\$ 134,423
310100 OTHER POWER PRODUCTION EQUIPMENT	\$ 4,884,344	\$ 29,222	\$ 0	\$ 0	\$ 4,913,566	\$ 163,469	\$ 5,000	\$ (400)	\$ 5,071,635
311200 ELECTRIC PUMPING EQUIPMENT	\$ 144,205	\$ 1,659	\$ 0	\$ 0	\$ 146,064	\$ 49,661	\$ 0	\$ 0	\$ 195,725
311300 DIESEL PUMPING EQUIPMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
311400 PUMP EQUIPMENT HYDRAULIC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL SOURCE OF SUPPLY & PUMPING									
	\$ 7,945,271	\$ 55,007	\$ -	\$ -	\$ 8,000,278	\$ 344,268	\$ 5,000	\$ (400)	\$ 8,339,146
WATER TREATMENT PLANT									
303400 LAND AND LAND RIGHTS	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -
304300 STRUCTURES AND IMPROVEMENTS	\$ 1,365,566	\$ 13,121	\$ 250	\$ (25)	\$ 1,398,412	\$ 129,969	\$ 1,000	\$ (100)	\$ 1,527,281
320100 WATER TREATMENT EQUIPMENT	\$ 11,147,265	\$ 80,805	\$ 24,000	\$ (4,800)	\$ 11,198,270	\$ 417,008	\$ 4,000	\$ (800)	\$ 11,611,478
0 WATER TREATMENT - GAC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL WATER TREATMENT									
	\$ 12,532,831	\$ 93,926	\$ 24,250	\$ (4,825)	\$ 12,597,682	\$ 546,977	\$ 5,000	\$ (900)	\$ 13,138,759
TRANSMISSION AND DISTRIBUTION PLANT									
303500 LAND AND LAND RIGHTS	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304400 T&D STRUCTURES & IMP	\$ 315,448	\$ 3,667	\$ 0	\$ 0	\$ 319,115	\$ 18,335	\$ 0	\$ -	\$ 337,450
330100 DISTRIBUTION RESERVOIRS AND STANDPIPES	\$ 1,966,492	\$ 18,770	\$ 0	\$ 0	\$ 2,015,262	\$ 116,328	\$ 0	\$ 0	\$ 2,131,590
331001 TRANSMISSION AND DISTRIBUTION MAINS	\$ 20,095,199	\$ 146,161	\$ 14,100	\$ (864)	\$ 20,229,656	\$ 799,937	\$ 236,900	\$ (9,476)	\$ 20,785,917
333000 SERVICES	\$ 7,325,055	\$ 124,077	\$ 3,471	\$ (5,518)	\$ 7,440,143	\$ 650,354	\$ 45,119	\$ (71,739)	\$ 7,873,639
334130 METERS	\$ 614,635	\$ 18,617	\$ 1,546	\$ 58	\$ 631,784	\$ 137,704	\$ 20,099	\$ 752	\$ 750,121
334200 METER INSTALLATIONS	\$ 3,290,290	\$ 30,838	\$ 0	\$ 0	\$ 3,321,128	\$ 156,441	\$ 0	\$ 0	\$ 3,477,569
335000 HYDRANTS	\$ 2,066,891	\$ 21,946	\$ 240	\$ (86)	\$ 2,088,511	\$ 116,431	\$ 3,120	\$ (1,123)	\$ 2,200,699
TOTAL TRANSMISSION AND DISTRIBUTION									
	\$ 35,705,970	\$ 364,078	\$ 19,357	\$ (6,110)	\$ 36,045,580	\$ 1,995,230	\$ 305,236	\$ (81,586)	\$ 37,653,956
GENERAL PLANT									
304600 OFFICE STRUCTURES AND IMPROVEMENTS	\$ 1,091,606	\$ 11,995	\$ 0	\$ 0	\$ 1,103,601	\$ 60,478	\$ 0	\$ 0	\$ 1,164,079
340100 OFFICE FURNITURE AND EQUIPMENT	\$ 8,262,130	\$ 126,813	\$ 4,179	\$ 410	\$ 8,385,174	\$ 637,719	\$ 54,768	\$ 5,367	\$ 8,973,492
341100 TRANSPORTATION EQUIPMENT	\$ 2,741,865	\$ 31,200	\$ 0	\$ 0	\$ 2,773,065	\$ 196,832	\$ 230,000	\$ 62,813	\$ 2,804,711
342000 STORES EQUIPMENT	\$ 29,728	\$ 115	\$ 0	\$ 0	\$ 29,843	\$ 575	\$ 0	\$ 0	\$ 30,418
343000 TOOLS, SHOP AND GARAGE EQUIPMENT	\$ 577,205	\$ 8,441	\$ 1,965	\$ 0	\$ 583,681	\$ 58,341	\$ 15,545	\$ 0	\$ 628,477
344000 LABORATORY EQUIPMENT	\$ 734,961	\$ 7,681	\$ 600	\$ (18)	\$ 742,024	\$ 42,973	\$ 3,300	\$ (98)	\$ 781,598
345000 POWER OPERATED EQUIPMENT	\$ 611,763	\$ 11,448	\$ 0	\$ 0	\$ 623,211	\$ 57,240	\$ 0	\$ 0	\$ 680,451
345100 COMMUNICATION EQUIPMENT	\$ 551,069	\$ 7,701	\$ 0	\$ 0	\$ 558,770	\$ 36,593	\$ 0	\$ 0	\$ 607,363
347000 MISCELLANEOUS EQUIPMENT	\$ 209,781	\$ 4,639	\$ 0	\$ 0	\$ 214,420	\$ 23,189	\$ 150	\$ 0	\$ 237,459
348000 OTHER TANGIBLE PROPERTY	\$ 283,948	\$ 2,402	\$ 0	\$ 0	\$ 286,350	\$ 12,010	\$ 0	\$ 0	\$ 298,360
BOONSBORO ACQUISITION (WATER ONLY)	\$ 447,969	\$ 0	\$ 0	\$ 0	\$ 447,969	\$ 0	\$ 0	\$ 0	\$ 447,969
TOTAL GENERAL	\$ 15,552,027	\$ 212,435	\$ 6,744	\$ 392	\$ 15,756,110	\$ 1,129,950	\$ 303,763	\$ 68,081	\$ 16,952,377
TOTAL ACCUM. DEPRECIATION RESERVE									
	\$ 71,737,098	\$ 725,444	\$ 50,351	\$ (10,643)	\$ 72,401,648	\$ 4,016,425	\$ 619,001	\$ (14,805)	\$ 75,794,268

	Two Months Ended Depr Exp	Sep 2007 Retirements	Net Salvage/ (COR)	Balance September-2007	For the Month ended Oct 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance October-2007	For the Month ended Nov 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance November-2007
301000 ORGANIZATION												
302000 FRANCHISE/CONSENTS												
303000 OTHER PIE INTANGIBLES												
3039000 OTHER PIE COMPREHENSIVE STUDIES												
3039600 TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT												
303200 LAND AND LAND RIGHTS - SS												
304100 STRUCTURES AND IMPROVEMENTS	10,981	0	0	39,291	5,490	0	0	44,781	38,094	0	0	82,875
305000 COLLECTING AND IMPOUNDING RESERVOIRS	3,727	0	0	329,230	1,864	0	0	331,094	1,864	0	0	332,958
306000 LAKE, RIVER AND OTHER INTAKES	2,012	0	0	95,309	1,006	0	0	96,315	1,006	0	0	97,321
0 WELLS AND SPRINGS												
309000 SUPPLY MAINS	9,379	0	0	923,705	4,690	0	0	928,396	4,690	0	0	933,086
3033000 LAND AND LAND RIGHTS - PUMPING												
304200 STRUCTURES AND IMPROVEMENTS	19,408	0	0	1,595,334	9,704	0	0	1,605,038	9,704	0	0	1,614,742
0 BOILER PLANT EQUIPMENT												
310100 OTHER POWER PRODUCTION EQUIPMENT	3,196	0	0	137,619	1,598	0	0	139,217	1,598	0	0	140,815
311200 ELECTRIC PUMPING EQUIPMENT	60,235	0	0	5,131,870	30,261	0	0	5,162,131	29,904	0	0	5,192,035
311300 DIESEL PUMPING EQUIPMENT	6,415	0	0	202,140	3,207	0	0	205,347	3,207	0	0	208,554
311400 PUMP EQUIPMENT HYDRAULIC	0	0	0	0	0	0	0	0	0	0	0	0
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 115,353	\$ -	\$ -	\$ 8,454,469	\$ 57,820	\$ -	\$ -	\$ 8,512,319	\$ 90,067	\$ -	\$ -	\$ 8,602,386
TOTAL SOURCE OF SUPPLY & PUMPING												
WATER TREATMENT PLANT												
303400 LAND AND LAND RIGHTS												
304300 STRUCTURES AND IMPROVEMENTS	30,395	0	0	1,557,676	15,197	0	0	1,572,873	30,917	0	0	1,603,790
320100 WATER TREATMENT EQUIPMENT	162,696	0	0	11,774,178	81,349	0	0	11,855,525	81,349	0	0	11,936,874
0 WATER TREATMENT - GAC												
	\$ 193,093	\$ -	\$ -	\$ 13,331,852	\$ 96,546	\$ -	\$ -	\$ 13,428,398	\$ 112,266	\$ -	\$ -	\$ 13,540,664
TOTAL WATER TREATMENT												
TRANSMISSION AND DISTRIBUTION PLANT												
303500 LAND AND LAND RIGHTS												
304400 T&D STRUCTURES & IMP.	7,334	0	0	344,764	3,667	0	0	348,431	3,667	0	0	352,118
330100 DISTRIBUTION RESERVOIRS AND STANDPIPES	39,770	0	0	2,171,360	19,632	0	0	2,190,992	19,642	0	0	2,210,634
331001 TRANSMISSION AND DISTRIBUTION MAINS	312,284	161,500	(6,460)	20,927,241	196,171	77,500	(3,100)	21,002,812	189,747	72,470	(2,899)	21,097,190
333000 SERVICES	256,067	33,550	(53,344)	8,142,813	130,475	9,255	(14,716)	8,249,316	128,910	9,255	(14,716)	8,354,255
334130 METERS	47,726	14,945	559	783,460	26,990	4,123	154	806,482	23,826	4,123	154	826,339
334200 METER INSTALLATIONS	62,285	0	0	3,539,854	31,312	0	0	3,571,166	31,078	0	0	3,602,244
335000 HYDRANTS	44,186	2,320	(935)	2,241,730	22,809	240	(69)	2,264,213	22,438	1,040	(374)	2,285,237
	\$ 769,652	\$ 212,315	\$ (60,080)	\$ 38,151,242	\$ 391,056	\$ 91,118	\$ (17,748)	\$ 38,433,432	\$ 399,308	\$ 86,888	\$ (17,835)	\$ 38,728,017
TOTAL TRANSMISSION AND DISTRIBUTION												
GENERAL PLANT												
304600 OFFICE STRUCTURES AND IMPROVEMENTS	23,931	0	0	1,188,010	11,966	0	0	1,199,976	11,966	0	0	1,211,942
340100 OFFICE FURNITURE AND EQUIPMENT	253,849	39,238	3,845	9,191,947	127,847	8,915	874	9,311,753	126,726	12,733	1,248	9,425,994
341100 TRANSPORTATION EQUIPMENT	65,102	0	0	2,869,813	32,551	0	0	2,902,364	32,551	0	0	2,934,915
342000 STORES EQUIPMENT	230	0	0	30,648	115	0	0	30,763	115	0	0	30,878
343000 TOOLS, SHOP AND GARAGE EQUIPMENT	20,180	9,795	0	636,882	7,781	465	0	644,178	9,280	2,015	0	653,423
344000 LABORATORY EQUIPMENT	15,697	0	0	797,295	7,848	0	0	805,143	7,848	0	0	812,991
345000 POWER OPERATED EQUIPMENT	22,896	0	0	703,347	11,448	0	0	714,795	11,448	0	0	726,243
346100 COMMUNICATION EQUIPMENT	15,405	0	0	622,765	7,703	0	0	630,471	7,703	0	0	638,174
347000 MISCELLANEOUS EQUIPMENT	9,278	0	0	246,737	4,639	0	0	251,376	4,639	0	0	256,015
348000 OTHER TANGIBLE PROPERTY	4,804	0	0	303,164	2,402	0	0	305,566	2,402	0	0	307,968
BOONESBORO ACQUISITION (WATER ONLY)	0	0	0	447,969	0	0	0	447,969	0	0	0	447,969
	\$ 431,372	\$ 49,033	\$ 3,845	\$ 17,038,581	\$ 216,300	\$ 9,980	\$ 874	\$ 17,246,355	\$ 214,658	\$ 14,748	\$ 1,248	\$ 17,461,961
	\$ 1,509,470	\$ 261,349	\$ (56,235)	\$ 76,979,164	\$ 781,722	\$ 100,499	\$ (16,874)	\$ 77,820,504	\$ 816,299	\$ 101,636	\$ (16,587)	\$ 78,731,862
TOTAL ACCUM. DEPRECIATION RESERVE												

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT- CENTRAL
BASE YEAR: July 31, 2007
TEST YEAR: November 30, 2008

SEE COLUMN BW

	Depr Exp	Retirements	Net Salvage/ (COR)	Balance December-2007
301000 ORGANIZATION	\$ -	\$ -	\$ -	\$ -
302000 FRANCHISE/CONSENTS	0	0	0	0
339100 OTHER PIE INTANGIBLES	0	0	0	0
339600 OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT				
303200 LAND AND LAND RIGHTS - SS	\$ -	\$ -	\$ -	\$ -
304100 STRUCTURES AND IMPROVEMENTS	8,239	0	0	91,114
305000 COLLECTING AND IMPOUNDING RESERVOIRS	1,415	0	0	334,373
306000 LAKE, RIVER AND OTHER INTAKES	1,179	0	0	98,500
0 WELLS AND SPRINGS	0	0	0	0
309000 SUPPLY MAINS	8,154	0	0	941,240
303300 LAND AND LAND RIGHTS - PUMPING	0	0	0	0
304200 STRUCTURES AND IMPROVEMENTS	8,407	0	0	1,623,149
0 BOILER PLANT EQUIPMENT	0	0	0	0
310100 OTHER POWER PRODUCTION EQUIPMENT	1,622	0	0	142,437
311200 ELECTRIC PUMPING EQUIPMENT	20,797	0	0	5,212,832
311300 DIESEL PUMPING EQUIPMENT	2,728	0	0	211,282
311400 PUMP EQUIPMENT HYDRAULIC	121	0	0	121
TOTAL SOURCE OF SUPPLY & PUMPING	\$ 52,862	\$ -	\$ -	\$ 8,685,048
WATER TREATMENT PLANT				
303400 LAND AND LAND RIGHTS	0	\$ -	\$ -	\$ -
304300 STRUCTURES AND IMPROVEMENTS	18,254	0	0	1,622,044
320100 WATER TREATMENT EQUIPMENT	46,630	0	0	11,983,504
0 WATER TREATMENT - GAC	0	0	0	0
TOTAL WATER TREATMENT	\$ 64,884	\$ -	\$ -	\$ 13,605,548
TRANSMISSION AND DISTRIBUTION PLANT				
303500 LAND AND LAND RIGHTS	\$ -	\$ -	\$ -	\$ -
304400 T&D STRUCTURES & IMP.	3,005	0	0	355,123
330100 DISTRIBUTION RESERVOIRS AND STANDPIPES	20,722	0	0	2,231,386
331001 SERVICES	226,752	46,000	(1,840)	21,276,102
333000 TRANSMISSION AND DISTRIBUTION MAINS	101,522	11,569	(18,385)	8,425,813
334130 METERS	24,423	5,154	193	845,801
334200 METER INSTALLATIONS	39,496	0	0	3,641,710
335000 HYDRANTS	15,486	800	(288)	2,289,615
TOTAL TRANSMISSION AND DISTRIBUTION	\$ 431,356	\$ 63,523	\$ (20,330)	\$ 39,075,521
GENERAL PLANT				
304600 OFFICE STRUCTURES AND IMPROVEMENTS	14,520	0	0	1,226,462
340100 OFFICE FURNITURE AND EQUIPMENT	97,492	13,530	1,326	9,512,281
341100 TRANSPORTATION EQUIPMENT	18,718	0	0	2,963,633
342000 STORES EQUIPMENT	193	0	0	31,071
343000 TOOLS, SHOP AND GARAGE EQUIPMENT	8,895	2,200	0	660,118
344000 LABORATORY EQUIPMENT	5,783	0	0	818,774
345000 POWER OPERATED EQUIPMENT	5,868	0	0	732,111
346100 MISCELLANEOUS EQUIPMENT	11,113	0	0	649,287
347000 OTHER TANGIBLE PROPERTY	5,526	0	0	261,541
348000 BOONESBORO ACQUISITION (WATER ONLY)	690	0	0	308,668
TOTAL GENERAL	\$ 168,798	\$ 15,730	\$ 1,326	\$ 447,969
TOTAL ACCUM. DEPRECIATION RESERVE	\$ 717,700	\$ 79,253	\$ (19,004)	\$ 78,936,023

15
11

13.0805%
 Reserve
 Balance

July-07
 November-08

	January-2007		Month of Feb 2007		Balance February-2007		Five Months Ended Jul 2007		Balance July-2007		Two Months Et	
	Balance	Depr Exp	Retirements	Depr Exp	Retirements	Balance	Depr Exp	Retirements	Balance	Depr Exp	Net Salvage/ (COR)	Depr Exp
ORGANIZATION	0	0	0	0	0	0	0	0	0	0	0	0
FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0	0	0
OTHE P/E INTANGIBLES	0	0	0	0	0	0	0	0	0	0	0	0
OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY AND PUMPING PLANT												
LAND AND LAND RIGHTS - SS	57,868	1,158	0	0	0	59,026	5,786	0	64,814	0	0	2,315
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0	0	0	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0	0	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0	0	0	0	0	0	0	0
SUPPLY MAINS	0	0	0	0	0	0	0	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	16,596	392	0	0	0	16,988	1,961	0	18,949	0	0	765
DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	74,464	1,550	0	0	0	76,014	7,749	0	83,763	0	0	3,100
WATER TREATMENT PLANT												
LAND AND LAND RIGHTS	21,980	251	0	0	0	22,241	1,254	0	23,495	0	0	502
STRUCTURES AND IMPROVEMENTS	6,741	173	0	0	6,914	865	0	7,779	0	0	346	
WATER TREATMENT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WATER TREATMENT	28,731	424	0	0	29,155	2,119	0	31,274	0	0	848	
TRANSMISSION AND DISTRIBUTION PLANT												
LAND AND LAND RIGHTS	2,893	104	0	0	2,997	521	0	3,518	0	0	206	
T&D STRUCTURES & IMP.	112,326	1,874	0	0	113,900	7,872	0	121,772	0	0	3,149	
DISTRIBUTION RESERVOIRS AND STANDPIPE	333,640	3,032	0	0	336,672	31,206	0	367,878	0	0	6,642	
TRANSMISSION AND DISTRIBUTION MAINS	16,746	451	88	0	17,110	2,819	1,139	18,790	0	0	1,052	
SERVICES	46,805	1,252	6	0	48,051	6,580	76	54,558	3	0	2,585	
METERS	1,462	23	0	0	1,505	140	0	1,645	0	0	45	
METER INSTALLATIONS	859	27	0	0	886	242	0	1,128	0	0	40	
HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	
TOTAL TRANSMISSION AND DISTRIBUTION	514,753	6,463	94	0	521,122	49,380	1,215	569,290	3	0	13,721	
GENERAL PLANT												
STORES SHOP & GARAGE LAND	591	12	0	0	603	56	0	659	0	0	22	
STRUCTURES AND IMPROVEMENTS	6,507	476	2	0	6,981	100,211	26	107,168	2	0	2,602	
OFFICE FURNITURE AND EQUIPMENT	1,697	154	0	0	1,851	769	0	2,620	0	0	0	
TRANSPORTATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
STORES EQUIPMENT	843	38	0	0	886	192	0	1,078	0	0	0	
TOOLS, SHOP AND GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
LABORATORY EQUIPMENT	4,670	272	0	0	4,942	1,368	0	6,300	0	0	0	
POWER OPERATION EQUIPMENT	356	11	0	0	367	54	0	421	0	0	0	
COMMUNICATION EQUIPMENT	792	22	0	0	814	108	0	922	0	0	0	
MISCELLANEOUS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
OTHER TANGIBLE PROPERTY	834,073	0	0	0	834,073	0	0	834,073	0	0	0	
ACQUISITION	848,533	955	2	0	850,516	102,748	26	953,240	2	0	0	
TOTAL GENERAL	1,467,481	9,422	95	0	1,476,807	181,996	1,241	1,637,566	5	0	21,289	
TOTAL ACCUM. DEPRECIATION RESERVE												

July-07
 November-08

	ended Sep 2007	Net	Balance	For the Month ended Oct 2007	Net	Balance	For the Month ended Nov 2007	Net
	Retirements	Salvage/	September-2007	Depr Exp	Retirements	October-2007	Depr Exp	Salvage/
		(COR)						(COR)
ORGANIZATION	0	0	0	0	0	0	0	0
FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0
OTHE PIE INTANGIBLES	0	0	0	0	0	0	0	0
OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY AND PUMPING PLANT								
LAND AND LAND RIGHTS - SS	0	0	67,129	1,158	0	66,287	1,158	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0	0	0	0
SUPPLY MAINS	0	0	0	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	0	0	19,734	392	0	20,126	392	0
DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	0	0	86,863	1,550	0	88,413	1,550	0
WATER TREATMENT PLANT								
LAND AND LAND RIGHTS	0	0	23,987	251	0	24,248	251	0
STRUCTURES AND IMPROVEMENTS	0	0	8,125	173	0	8,298	173	0
WATER TREATMENT EQUIPMENT	0	0	0	0	0	0	0	0
WATER TREATMENT - GAC	0	0	0	0	0	0	0	0
TOTAL WATER TREATMENT	0	0	32,112	424	0	32,546	424	0
TRANSMISSION AND DISTRIBUTION PLANT								
LAND AND LAND RIGHTS	0	0	3,726	104	0	3,630	104	0
T&D STRUCTURES & IMP	0	0	124,921	1,574	0	126,495	1,574	0
DISTRIBUTION RESERVOIRS AND STANDPIPES	0	0	374,520	3,348	0	377,868	3,224	0
TRANSMISSION AND DISTRIBUTION MAINS	847	0	18,995	578	88	19,485	507	380
SERVICES	57	2	57,088	1,319	6	58,401	1,286	25
METERS	0	0	1,680	28	0	1,718	24	0
METER INSTALLATIONS	0	0	1,168	20	0	1,188	20	0
HYDRANTS	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION AND DISTRIBUTION	904	2	582,110	6,971	94	588,987	6,739	405
GENERAL PLANT								
STORES SHOP & GARAGE LAND	0	0	681	12	0	693	12	0
STRUCTURES AND IMPROVEMENTS	19	2	108,754	1,300	2	111,052	1,300	9
OFFICE FURNITURE AND EQUIPMENT	0	0	2,927	154	0	3,081	154	0
TRANSPORTATION EQUIPMENT	0	0	0	0	0	0	0	0
STORES EQUIPMENT	0	0	0	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	0	0	1,155	38	0	1,193	38	0
LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0
POWER OPERATED EQUIPMENT	0	0	6,843	272	0	7,115	272	0
COMMUNICATION EQUIPMENT	0	0	443	11	0	454	11	0
MISCELLANEOUS EQUIPMENT	0	0	965	22	0	987	22	0
OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0
ACQUISITION	0	0	834,073	0	0	834,073	0	0
TOTAL GENERAL	19	2	956,839	1,809	2	958,646	1,809	9
TOTAL ACCUM. DEPRECIATION RESERVE	923	4	1,657,934	10,754	95	1,668,593	10,522	414

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - TRI-VILLAGE
BASE YEAR:
TEST YEAR:

q

July-07
November-08

	Balance November-2007	For the Month ended Dec 2007 Depr Exp	Retirements	Net Salvage/ (GOR)	Balance December-2007
ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -
FRANCHISE/CONSENTS	0	0	0	0	0
OTHER PIE INTANGIBLES	0	0	0	0	0
OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT					
LAND AND LAND RIGHTS - SS					
STRUCTURES AND IMPROVEMENTS	69,445	1,128	0	0	70,573
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0
SUPPLY MAINS	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	20,518	273	0	0	20,791
DIESEL PUMPING EQUIPMENT	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	\$ 69,963	\$ 1,401	\$ -	\$ -	\$ 91,364
WATER TREATMENT PLANT					
LAND AND LAND RIGHTS					
STRUCTURES AND IMPROVEMENTS	24,499	275	0	0	24,774
WATER TREATMENT EQUIPMENT	8,471	98	0	0	8,570
WATER TREATMENT - GAC	0	0	0	0	0
TOTAL WATER TREATMENT	\$ 32,970	\$ 374	\$ -	\$ -	\$ 33,344
TRANSMISSION AND DISTRIBUTION PLANT					
LAND AND LAND RIGHTS					
T&D STRUCTURES & IMP	3,934	85	0	0	4,019
DISTRIBUTION RESERVOIRS AND STANDPIPES	128,089	1,860	0	0	129,949
TRANSMISSION AND DISTRIBUTION MAINS	381,092	4,844	0	0	385,936
SERVICES	19,613	460	292	0	19,781
METERS	59,663	954	20	1	60,598
METER INSTALLATIONS	1,742	37	0	0	1,779
HYDRANTS	1,208	14	0	0	1,222
TOTAL TRANSMISSION AND DISTRIBUTION	\$ 595,322	\$ 7,854	\$ 312	\$ 1	\$ 602,866
GENERAL PLANT					
STORES SHOP & GARAGE LAND					
STRUCTURES AND IMPROVEMENTS	705	12	0	0	717
OFFICE FURNITURE AND EQUIPMENT	112,344	6,580	7	1	118,918
TRANSPORTATION EQUIPMENT	3,235	83	0	0	3,318
STORES EQUIPMENT	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	1,231	35	0	0	1,266
LABORATORY EQUIPMENT	0	0	0	0	0
POWER OPERATED EQUIPMENT	7,387	139	0	0	7,526
COMMUNICATION EQUIPMENT	465	16	0	0	481
MISCELLANEOUS EQUIPMENT	1,009	25	0	0	1,034
OTHER TANGIBLE PROPERTY	0	0	0	0	0
ACQUISITION	834,073	0	0	0	834,073
TOTAL GENERAL	\$ 960,448	\$ 6,890	\$ 7	\$ 1	\$ 967,332
TOTAL ACCUM. DEPRECIATION RESERVE	\$ 1,678,703	\$ 16,519	\$ 318	\$ 2	\$ 1,694,906

#15

July-07
 November-08
 Reserve
 Balance
 January-2007
 13.0805%
 Balance
 July-2007
 Two Months El
 7

	January-2007	Month of Feb 2007 Depr Exp	Retirements	Net Salvage/ (COR)	February-2007 Balance	Five Months Ended Jul 2007 Depr Exp	Retirements	Net Salvage/ (COR)	July-2007 Balance	Two Months El 7
ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0
OTHE P/E INTANGIBLES	0	0	0	0	0	0	0	0	0	0
OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT										
LAND AND LAND RIGHTS - SS										
303200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304100	3,628	73	0	0	3,701	363	0	0	4,064	145
305000	0	0	0	0	0	0	0	0	0	0
306000	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
308000	1,889	13	0	0	1,912	67	0	0	1,979	27
303300	0	0	0	0	0	0	0	0	0	0
304200	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
310100	0	0	0	0	0	0	0	0	0	0
311200	1,975	47	0	0	2,022	233	0	0	2,255	93
311300	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
3541	0	0	0	0	0	0	0	0	0	0
3711	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	\$ 7,503	\$ 133	\$ -	\$ -	\$ 7,636	\$ 663	\$ -	\$ -	\$ 8,299	\$ 265
WATER TREATMENT PLANT										
LAND AND LAND RIGHTS										
303400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304300	0	0	0	0	0	0	0	0	0	0
320100	996	26	0	0	1,022	128	0	0	1,150	51
0	0	0	0	0	0	0	0	0	0	0
TOTAL WATER TREATMENT	\$ 996	\$ 26	\$ -	\$ -	\$ 1,022	\$ 128	\$ -	\$ -	\$ 1,150	\$ 51
TRANSMISSION AND DISTRIBUTION PLANT										
LAND AND LAND RIGHTS										
303500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304400	0	0	0	0	0	0	0	0	0	0
330100	4,022	56	0	0	4,078	282	0	0	4,360	113
331001	19,074	143	0	0	19,217	717	0	0	19,934	287
333000	0	0	0	0	0	0	0	0	0	0
334130	7,407	235	0	0	7,642	1,173	0	0	8,815	469
334200	0	0	0	0	0	0	0	0	0	0
335000	1,818	30	0	0	1,848	149	0	0	1,997	60
TOTAL TRANSMISSION AND DISTRIBUTION	\$ 32,321	\$ 464	\$ -	\$ -	\$ 32,785	\$ 2,321	\$ -	\$ -	\$ 35,106	\$ 923
GENERAL PLANT										
STORES SHOP & GARAGE LAND										
304600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
340100	0	0	0	0	0	0	0	0	0	0
341100	0	0	0	0	0	0	0	0	0	0
342000	974	88	0	0	1,062	439	0	0	1,501	77
343000	0	0	0	0	0	0	0	0	0	0
344000	0	0	0	0	0	0	0	0	0	0
345000	0	0	0	0	0	0	0	0	0	0
346100	0	0	0	0	0	0	0	0	0	0
347000	0	0	0	0	0	0	0	0	0	0
348000	65	9	0	0	74	44	0	0	118	17
TOTAL GENERAL	\$ 1,039	\$ 97	\$ -	\$ -	\$ 1,136	\$ 483	\$ -	\$ -	\$ 1,619	\$ 196
TOTAL ACCUM. DEPRECIATION RESERVE	\$ 41,860	\$ 720	\$ -	\$ -	\$ 42,580	\$ 3,595	\$ -	\$ -	\$ 46,175	\$ 1,439

July-07
 November-08

	ended Sep 2007	Net	Balance	For the Month ended Oct 2007	Net	Balance	For the Month ended Nov 2007	Net
	Retirements	Salvage/	September-2007	Depr/Exp	Salvage/	October-2007	Depr/Exp	Salvage/
	Retirements	(COR)		Retirements	(COR)		Retirements	(COR)
ORGANIZATION	0	0	0	0	0	0	0	0
FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0
OTHER PIE INTANGIBLES	0	0	0	0	0	0	0	0
OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY AND PUMPING PLANT								
LAND AND LAND RIGHTS - SS	0	0	4,209	73	0	4,282	73	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0	0	0
WELLS AND SPRINGS	0	0	2,008	13	0	2,019	13	0
SUPPLY MAINS	0	0	0	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	0	0	2,348	47	0	2,395	47	0
DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	0	0	8,564	133	0	8,697	133	0
WATER TREATMENT PLANT								
LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	1,201	26	0	1,227	26	0
WATER TREATMENT EQUIPMENT	0	0	0	0	0	0	0	0
WATER TREATMENT - GAC	0	0	0	0	0	0	0	0
TOTAL WATER TREATMENT	0	0	1,201	26	0	1,227	26	0
TRANSMISSION AND DISTRIBUTION PLANT								
LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0
T&D STRUCTURES & IMP.	0	0	4,473	56	0	4,529	56	0
DISTRIBUTION RESERVOIRS AND STANDPIPE	0	0	20,221	143	0	20,364	143	0
TRANSMISSION AND DISTRIBUTION MAINS	0	0	0	0	0	0	0	0
SERVICES	0	0	9,284	235	0	9,519	235	0
METERS	0	0	0	0	0	0	0	0
METER INSTALLATIONS	0	0	2,057	30	0	2,087	30	0
HYDRANTS	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION AND DISTRIBUTION	0	0	36,035	464	0	36,499	464	0
GENERAL PLANT								
STORES SHOP & GARAGE LAND	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
OFFICE FURNITURE AND EQUIPMENT	0	0	1,677	88	0	1,765	88	0
TRANSPORTATION EQUIPMENT	0	0	0	0	0	0	0	0
STORES EQUIPMENT	0	0	0	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	0	0	0	0	0	0	0	0
LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0
POWER OPERATED EQUIPMENT	0	0	0	0	0	0	0	0
COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
MISCELLANEOUS EQUIPMENT	0	0	135	9	0	144	9	0
OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0
TOTAL GENERAL	0	0	1,812	97	0	1,909	97	0
TOTAL ACCUM. DEPRECIATION RESERVE	0	0	47,613	720	0	48,333	720	0

KENTUCKY-AMERICAN WATER COMPANY
 ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - ELK LAKE
 TEST YEAR: July-07
 November-08

#15

	Balance November-2007	For the Month ended Dec 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance December-2007
ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -
FRANCHISE/CONSENTS	0	0	0	0	0
OTHE PIE INTANGIBLES	0	0	0	0	0
OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT					
LAND AND LAND RIGHTS - SS					
STRUCTURES AND IMPROVEMENTS	4,355	71	0	0	4,426
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0
SUPPLY MAINS	2,032	23	0	0	2,055
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	2,442	32	0	0	2,474
DIESEL PUMPING EQUIPMENT	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0
COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	\$ 8,830	\$ 126	\$ -	\$ -	\$ 8,956
WATER TREATMENT PLANT					
LAND AND LAND RIGHTS	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	1,253	15	0	0	1,268
WATER TREATMENT EQUIPMENT	0	0	0	0	0
WATER TREATMENT - GAC	0	0	0	0	0
TOTAL WATER TREATMENT	\$ 1,253	\$ 15	\$ -	\$ -	\$ 1,268
TRANSMISSION AND DISTRIBUTION PLANT					
LAND AND LAND RIGHTS	0	0	0	0	0
T&D STRUCTURES & IMP	4,586	59	0	0	4,644
DISTRIBUTION RESERVOIRS AND STANDPIPES	20,507	207	0	0	20,714
TRANSMISSION AND DISTRIBUTION MAINS	0	0	0	0	0
SERVICES	0	0	0	0	0
METERS	9,754	140	0	0	9,894
METER INSTALLATIONS	0	0	0	0	0
HYDRANTS	2,117	21	0	0	2,138
TOTAL TRANSMISSION AND DISTRIBUTION	\$ 36,963	\$ 427	\$ -	\$ -	\$ 37,390
GENERAL PLANT					
STORES SHOP & GARAGE LAND	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0
OFFICE FURNITURE AND EQUIPMENT	0	0	0	0	0
TRANSPORTATION EQUIPMENT	1,853	50	0	0	1,903
STORES EQUIPMENT	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	0	0	0	0	0
LABORATORY EQUIPMENT	0	0	0	0	0
POWER OPERATED EQUIPMENT	0	0	0	0	0
COMMUNICATION EQUIPMENT	0	0	0	0	0
MISCELLANEOUS EQUIPMENT	0	0	0	0	0
OTHER TANGIBLE PROPERTY	153	3	0	0	156
TOTAL GENERAL	\$ 2,006	\$ 53	\$ -	\$ -	\$ 2,059
TOTAL ACCUM. DEPRECIATION RESERVE	\$ 48,053	\$ 621	\$ -	\$ -	\$ 49,674

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - OWMENTON
BASE YEAR:
TEST YEAR:

July-07
November-08

	Reserve Balance January-2007	Month of Feb 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance February-2007	Five Months Ended Jul 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance July-2007
ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0
OTHER PIE INTANGIBLES	0	0	0	0	0	0	0	0	0
OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT									
LAND AND LAND RIGHTS - SS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0	0
COLLECTING AND POUNDING RESERVOIRS	0	0	0	0	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0	0	0	0	0
SUPPLY MAINS	0	0	0	0	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	0	61	0	61	830	0	0	891	891
DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0
COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	\$ -	\$ 61	\$ -	\$ 61	\$ 830	\$ -	\$ -	\$ -	\$ 891
WATER TREATMENT PLANT									
LAND AND LAND RIGHTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	482,183	7,781	0	0	489,964	40,415	0	0	530,379
WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0
TOTAL WATER TREATMENT	\$ 482,183	\$ 7,781	\$ -	\$ -	\$ 489,964	\$ 40,415	\$ -	\$ -	\$ 530,379
TRANSMISSION AND DISTRIBUTION PLANT									
LAND AND LAND RIGHTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T&D STRUCTURES & IMP.	1,540	118	0	0	1,658	589	0	0	2,247
DISTRIBUTION RESERVOIRS AND STANDPIPE	242,121	1,258	0	0	243,379	6,291	0	0	249,670
TRANSMISSION AND DISTRIBUTION MAINS	587,906	928	0	0	588,834	4,538	0	0	603,472
SERVICES	8,493	442	0	0	8,935	2,487	0	0	11,392
METERS	(7,770)	15	0	0	(7,755)	140	0	0	(7,615)
METER INSTALLATIONS	10,415	212	0	0	10,627	1,082	0	0	11,689
HYDRANTS	1,458	8	0	0	1,464	38	0	0	1,502
TOTAL TRANSMISSION AND DISTRIBUTION	\$ 654,161	\$ 2,981	\$ -	\$ -	\$ 657,142	\$ 15,215	\$ -	\$ -	\$ 672,357
GENERAL PLANT									
STORES SHOP & GARAGE LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	37,757	333	0	0	38,090	2,501	0	0	40,591
OFFICE FURNITURE AND EQUIPMENT	52,809	288	0	0	53,108	1,780	0	0	54,888
TRANSPORTATION EQUIPMENT	86,954	1,486	0	0	88,440	14,458	0	0	102,898
STORES EQUIPMENT	0	0	0	0	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	597	29	0	0	626	144	0	0	770
LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0	0
POWER OPERATED EQUIPMENT	54,827	376	0	0	55,003	1,881	0	0	56,884
COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0
MISCELLANEOUS EQUIPMENT	91,951	297	0	0	92,248	1,483	0	0	93,731
OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0	0
TOTAL GENERAL	\$ 324,695	\$ 2,820	\$ -	\$ -	\$ 327,515	\$ 22,247	\$ -	\$ -	\$ 349,762
TOTAL ACCUM. DEPRECIATION RESERVE	\$ 1,861,039	\$ 13,643	\$ -	\$ -	\$ 1,874,682	\$ 76,707	\$ -	\$ -	\$ 1,753,389

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - OWENTON
July-07
November-08
BASE YEAR:
TEST YEAR:

	Two Months Ended Sep 2007	Balance	For the Month ended Oct 2007	Net	Balance	For the Month	Net	For the Month
	Retirements	September-2007	Retirements	Salvage/ (COR)	October-2007	Depr Exp	Salvage/ (COR)	Depr Exp
301000 ORGANIZATION	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
302000 FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0
339100 OTHER PIE INTANGIBLES	0	0	0	0	0	0	0	0
339600 OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0
TOTAL INTANGIBLES	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
SOURCE OF SUPPLY AND PUMPING PLANT								
303200 LAND AND LAND RIGHTS - SS	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
304100 STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
305000 COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0	0	0	0
306000 LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0	0	0
0 WELLS AND OTHER SPRINGS	0	0	0	0	0	0	0	0
309000 SUPPLY MAINS	0	0	0	0	0	0	0	0
303300 LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0	0	0
304200 STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
0 BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0
310100 OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0
311200 DIESEL PUMPING EQUIPMENT	62	953	31	0	984	0	0	31
311300 OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
0 OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0
3541 COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0	0	0	0
3711 ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	62 \$	953 \$	31 \$	- \$	984 \$	- \$	- \$	31 \$
WATER TREATMENT PLANT								
303400 LAND AND LAND RIGHTS	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
304300 STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0	0	0
320100 WATER TREATMENT EQUIPMENT	15,866	546,045	7,833	0	553,878	7,833	0	7,833
0 WATER TREATMENT - GAC	0	0	0	0	0	0	0	0
TOTAL WATER TREATMENT	15,866 \$	546,045 \$	7,833 \$	- \$	553,878 \$	7,833 \$	- \$	7,833 \$
TRANSMISSION AND DISTRIBUTION PLANT								
303500 LAND AND LAND RIGHTS	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
304400 T&D STRUCTURES & IMP	236	2,483	116	0	2,601	116	0	116
330100 DISTRIBUTION RESERVOIRS AND STANDPIPE	2,516	252,186	1,268	0	253,444	1,268	0	1,268
331001 TRANSMISSION AND DISTRIBUTION MAINS	1,865	605,327	928	0	606,255	928	0	928
333000 SERVICES	951	12,343	485	0	12,838	485	0	485
334130 METERS	50	(7,565)	29	0	(7,536)	29	0	22
334200 METER INSTALLATIONS	424	12,113	212	0	12,325	212	0	212
335000 HYDRANTS	15	1,517	8	0	1,525	8	0	8
TOTAL TRANSMISSION AND DISTRIBUTION	6,047 \$	878,404 \$	3,048 \$	- \$	881,452 \$	3,048 \$	- \$	3,048 \$
GENERAL PLANT								
0 STORES SHOP & GARAGE LAND	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
304600 STRUCTURES AND IMPROVEMENTS	720	41,311	361	0	41,672	361	0	361
340100 OFFICE FURNITURE AND EQUIPMENT	692	55,560	360	0	55,940	360	0	334
341100 TRANSPORTATION EQUIPMENT	3,441	106,338	1,720	0	108,058	1,720	0	1,720
342000 STORES EQUIPMENT	0	0	0	0	0	0	0	0
343000 TOOLS, SHOP AND GARAGE EQUIPMENT	58	828	29	0	857	29	0	29
343000 LABORATORY EQUIPMENT	0	0	0	0	0	0	0	0
345000 POWER OPERATED EQUIPMENT	752	57,636	376	0	58,012	376	0	376
346100 COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
347000 MISCELLANEOUS EQUIPMENT	593	94,324	297	0	94,621	297	0	297
348000 OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0
TOTAL GENERAL	6,256 \$	356,018 \$	3,143 \$	- \$	359,161 \$	3,143 \$	- \$	3,143 \$
TOTAL ACCUM. DEPRECIATION RESERVE	28,031 \$	1,781,420 \$	14,055 \$	- \$	1,795,475 \$	14,055 \$	- \$	13,995 \$

215

KENTUCKY-AMERICAN WATER COMPANY
ACCUM. DEPRECIATION RES. BY PRIMARY ACCOUNT - OWENTON
BASE YEAR:
TEST YEAR:

q

July-07
November-08

	ended Nov 2007 Retirements	Balance November-2007	For the Month ended Dec 2007 Depr Exp	Retirements	Net Salvage/ (COR)	Balance December-2007
ORGANIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FRANCHISE/CONSENTS	0	0	0	0	0	0
OTHER PIE INTANGIBLES	0	0	0	0	0	0
OTHER PIE COMPREHENSIVE STUDIES	0	0	0	0	0	0
TOTAL INTANGIBLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOURCE OF SUPPLY AND PUMPING PLANT						
LAND AND LAND RIGHTS - SS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0
COLLECTING AND IMPOUNDING RESERVOIRS	0	0	0	0	0	0
LAKE, RIVER AND OTHER INTAKES	0	0	0	0	0	0
WELLS AND SPRINGS	0	0	0	0	0	0
SUPPLY MAINS	0	0	0	0	0	0
LAND AND LAND RIGHTS - PUMPING	0	0	0	0	0	0
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0
BOILER PLANT EQUIPMENT	0	0	0	0	0	0
OTHER POWER PRODUCTION EQUIPMENT	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT	0	1,015	21	0	0	1,036
DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0
OTHER PUMPING EQUIPMENT	0	0	0	0	0	0
COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0	0
ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0	0
TOTAL SOURCE OF SUPPLY & PUMPING	\$ -	\$ 1,015	\$ 21	\$ -	\$ -	\$ 1,036
WATER TREATMENT PLANT						
LAND AND LAND RIGHTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	0	0	0	0	0	0
WATER TREATMENT EQUIPMENT	0	561,711	4,490	0	0	566,201
WATER TREATMENT - GAC	0	0	0	0	0	0
TOTAL WATER TREATMENT	\$ -	\$ 561,711	\$ 4,490	\$ -	\$ -	\$ 566,201
TRANSMISSION AND DISTRIBUTION PLANT						
LAND AND LAND RIGHTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T&D STRUCTURES & IMP.	0	2,719	97	0	0	2,816
DISTRIBUTION RESERVOIRS AND STANDPIPE	0	254,702	1,327	0	0	256,029
TRANSMISSION AND DISTRIBUTION MAINS	0	607,183	1,336	0	0	608,519
SERVICES	0	13,306	394	0	0	13,700
METERS	0	(7,514)	17	0	0	(7,497)
METER INSTALLATIONS	0	12,537	267	0	0	12,804
HYDRANTS	0	1,533	5	0	0	1,538
TOTAL TRANSMISSION AND DISTRIBUTION	\$ -	\$ 884,465	\$ 3,443	\$ -	\$ -	\$ 887,909
GENERAL PLANT						
STORES SHOP & GARAGE LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STRUCTURES AND IMPROVEMENTS	0	42,033	414	0	0	42,447
OFFICE FURNITURE AND EQUIPMENT	0	56,274	363	0	0	56,637
TRANSPORTATION EQUIPMENT	0	108,779	984	0	0	110,763
STORES EQUIPMENT	0	0	0	0	0	0
TOOLS, SHOP AND GARAGE EQUIPMENT	0	686	26	0	0	712
LABORATORY EQUIPMENT	0	0	0	0	0	0
POWER OPERATED EQUIPMENT	0	56,388	193	0	0	56,581
COMMUNICATION EQUIPMENT	0	0	0	0	0	0
MISCELLANEOUS EQUIPMENT	0	94,918	353	0	0	95,271
OTHER TANGIBLE PROPERTY	0	0	0	0	0	0
TOTAL GENERAL	\$ -	\$ 362,278	\$ 2,333	\$ -	\$ -	\$ 364,611
TOTAL ACCUM. DEPRECIATION RESERVE	\$ -	\$ 1,809,470	\$ 10,287	\$ -	\$ -	\$ 1,819,757

TOTAL ACCUM. DEPRECIATION RESERVE

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 46 of 80

Witness: Michael A. Miller/Sheila Miller

46. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P 1-1, page 3 of 79. Identify and list the cost of removal (Negative Salvage Value) included in "UPIS" of \$352,771,606.

Response:

There is no cost of removal included in UPIS of \$352,771,606.

For electronic version, refer to KAW_R_PSCDR2#46_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 47 of 80

Witness: Michael A. Miller/Sheila Miler

47. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 9. The 10-year average ratio of actual to budgeted capital construction ("slippage factors") is 120.46 percent for the Recurring Capital Expenditure Projects 80 – 97 and 88.076 percent for the Investment Projects. Recalculate Kentucky-American's forecasted revenue requirement, rate base, and cost-of-service study as follows:
- a. Using the slippage factor of 120.46, adjust all monthly Recurring Capital Expenditure Projects 80 – 97 expenditures beginning August 2006 through the end of the forecasted period.
 - b. Using the slippage factor of 88.076, adjust all monthly Investment Project expenditures beginning August 2006 through the end of the forecasted period.
 - c. Provide all documents, state assumptions, and show all calculations used to determine the effect of the slippage factors to each forecasted element of revenue requirement, rate base, and cost-of-service study.

Response:

Due to the June 14, 2007, revision to this request, a response has not yet been prepared. A response will be filed as soon as possible.

For electronic version, refer to KAW_R_AGDR#47_061807.pdf.

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 48 of 80

Witness:

48. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 9. For the calendar years 1997 through 1999 the amounts for the Investment Projects in this proceeding differ from the amounts that Kentucky-American provided in Case No. 2004-00103.¹ Reconcile each of the items listed in the table below:

	<u>CN 2007-00143</u>	<u>CN 2004-00103</u>
1997 Actual Cost	\$ 12,089,915	\$ 6,554,322
1998 Actual Cost	\$ 13,778,106	\$ 7,678,749
1999 Actual Cost	\$ 8,443,796	\$ 3,348,134
1997 Budget Cost	\$ 13,200,039	\$ 7,518,600
1998 Budget Cost	\$ 17,737,027	\$ 11,607,727
1999 Budget Cost	\$ 9,534,202	\$ 4,775,768

Response:

This question has been withdrawn by the Commission Staff.

¹ Case No. 2004-00103, Kentucky-American's Response to Commission Staff's First Information Request, Item 10 (Ky.PSC filed May 20, 2004).

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 49 of 80

Witness: Linda C. Bridwell

49. Provide for each investment project that Kentucky-American started or completed during the period from 1997 through 2006:
- a. The number of Investment Projects that Kentucky-American completed ahead of schedule.
 - b. The number of Investment Projects that that Kentucky-American completed on schedule.
 - c. The number of Investment Projects that that Kentucky-American completed behind schedule.

Response:

Year	Total No. of IPs Completed	IPs Completed Ahead of Schedule	IPs Completed On Schedule	IPs Completed Behind Schedule
1997	9	0	0	9
1998	7	3	1	3
1999	9	0	0	9
2000	7	3	1	3
2001	7	0	1	6
2002	7	0	2	5
2003	4	1	0	3
2004	4	1	0	3
2005	4	0	1	3
2006	4	1	1	2

The same criteria were used for Investment Project Completion that were used in previous cases.

For electronic version, refer to KAW_R_PSCDR2#49_061807.pdf

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 50 of 80

Witness: Linda C. Bridwell

50. a. List each construction project that Kentucky-American will commence or complete during the forecast period for which Kentucky-American, as of the date of this Request, has not obtained all necessary governmental permits, licenses, or other approvals.
- b. For each project:
- (1) List all required governmental permits, licenses, and other approvals.
 - (2) List all governmental permits, licenses, and other approvals that Kentucky-American has not obtained as of the date of this Request.
 - (3) State the date on which Kentucky-American applied or expects to apply for each required governmental permit, license, or other approval.

Response:

Please see attached file.

For the electronic version see KAW_R_PSCDR2#50_061807.pdf

**Kentucky American Water
Case Number 2007-00143**

IP NO.	DESCRIPTION	STATUS	PERMITS	PERMIT STATUS	EXPECTED TO APPLY
12020507	Owenton Acquisition Water	Underway in phases; portions to be complete in forecasted period	DOW Approval	Not applied	Design Completed
12020702	Major Highway Relocations	Underway in phases; portions to be complete in forecasted period	KYTC Road Cut	Not applied	2 weeks prior to each construction
12020613	Clays Mill Road Relocation – Phase II	To begin and complete in forecasted period	DOW Approval KYTC Road Cut	Not applied	30 days prior to each construction 2 weeks prior to construction
12020501	Ground Storage Tank – 3.0 MG	To begin but not be completed in forecasted period	DOW Approval	Not applied	30 days prior to construction Design completed
12020201	Leestown Road Main Improvements	May be completed in forecasted period depending on KTC	PSC Certificate KYTC Road Cut	Not applied	After DOW Approval 2 weeks prior to construction
12020607	New WTP on Pool 3 Kentucky River	Underway; will not be completed in forecasted period	DOW Approval DOW Preliminary Engineering Approval DOW Withdrawal Permit	Not applied Received	30 days prior to construction 1/24/07
			DOW Plan Approval – Treatment Plant	Received	1/10/07
			DOW Plan Approval – Booster Station	Received	5/7/07
			DOW Plan Approval – Transmission Line	Applied	3/5/07
			KPDES for Dewatering	Received	3/17/07
			KPDES for Construction No. 1	Received	5/18/07
			US Army Corps 404 Permit	Applied	3/26/07
			DOW 401 permit	Applied	3/15/07
			KYTC Encroachment Permit – District 6	Applied	4/2/07
			KYTC Encroachment Permit – District 5	Received	4/12/07
			KYTC Encroachment Permit – District 7	Applied	3/6/07
			KYTC Driveway Access – District 6	Applied	3/6/07
			KYTC Driveway Access – District 5	Received	5/6/07
			DWM Beneficial Reuse for Residuals	Received	3/8/07
			Franklin County Building Permit	Not Applied	Summer 2007
			Owen County Health Department (Septic Tank Permit)	Not Applied	60 days prior to construction
			PSC Certificate	Not Applied	60 days prior to construction
120207XX	North Broadway Replacement	To begin and be completed in forecasted period	KYTC Road Cut Permit DOW Approval	Applied Not Applied Not Applied	2 weeks prior to construction 30 days prior to construction

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

**COMMISSION STAFF'S SECOND SET
OF INFORMATION REQUESTS**

Item 51 of 80

Witness: Michael A. Miller

51. Provide a comparison of Kentucky-American's forecasted rate base, capital structure, and income statement from Case No. 2004-00103 with its actual results. Provide a detailed explanation for each variance.

Response:

See attached schedule.

For electronic version, refer to KAW_R_PSCDR2#51_061807.pdf

Kentucky-American Water Company
Attachment to Question PSC2-#51

	Per Order in Case 2004-00103	At December 2005 (a)	Deduct:			At December 2005 (a)
			Boonesboro Sewer	Owenton Water Sewer	Eik Lake & Tri-Village	
Utility Plant in Service	287,853,455	303,733,315	46,535	4,435,173	3,390,913	295,860,384
Utility Plant Acquisition Adj.	77,217	338,465				69,604
Accumulated Depreciation	(69,156,464)	(76,211,748)	50,478	1,512,911	1,277,248	(73,371,111)
Accumulated Amortization	(7,674)	(7,674)				(7,674)
Net Utility Plant in Service	218,766,534	227,852,358	(3,643)	2,922,262	2,113,665	228,551,213
CWIP	5,529,656	11,416,885		192,158		11,224,827
Source of Supply	1,711,459	1,711,459				1,711,459
Working Capital Allowance	462,149	425,930				425,930
Other Working Capital Allowance	(33,064,060)	(35,681,810)				(32,687,022)
CIAC	(15,359,373)	(16,448,419)		2,586,323	408,465	(16,448,419)
Customer Advances	(24,626,942)	(31,555,778)				(31,555,778)
Deferred FIT	(117,518)	(117,178)				(117,178)
Deferred ITC	2,453,717	1,761,136				1,761,136
Deferred Maintenance	2,051,828	1,761,926				1,761,926
Deferred Debits	(1,544,944)	(3,660,317)				(3,660,317)
Other Rate Base Elements						
Total	156,262,506	157,446,292	(3,643)	143,781	1,705,200	154,947,777

	Per Auditor	ITC	Timing of payables
Short-Term Debt	5,894,582	3.70%	9,308,000
Long-Term Debt	81,944,180	51.39%	77,728,659
Preferred Stock	6,028,514	3.78%	6,025,485
Equity	65,593,875	41.13%	64,308,856
Total	159,461,151	100.00%	157,371,000

	Per Auditor	ITC	Weather & customer demand.
Revenues	47,657,629	43,781	50,317,562
O&M Expense	(20,907,707)	(48,934)	(29,525,179)
Depreciation	(7,743,193)	(7,534,619)	(7,608,101)
General Taxes	(2,689,777)	(561)	(2,752,818)
Income Taxes	(4,199,608)	(1,864,645)	(1,864,645)
Utility Operating Income	12,110,344	(8,055)	8,566,819
Short-Term Interest Expense	(5,078,531)	(5,387,499)	(5,387,499)
Long-Term Interest Expense	(156,263)	(453,161)	(536,778)
Preferred Dividends			
Net Income	6,422,389	(8,055)	2,642,542

Note 1: Write off deferrals for call center \$518,817, share services \$477,004, security \$2,852,814 ---- total \$3,848,635

Write off STEP project - \$473,256

Write off Business Change project - \$1,111,275

Condemnation expenses - \$1,000,582

Increases in fuel & power fuel adjustment rates - \$540,277

Regulatory Expense above level approved in rate case - \$69,724

Uncollectible expense above 3 Yr. avg. used in rate case - \$208,000

Increase in management fees including additional employees at Call Center & cost for filling vacancies present at time of rate case.