

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 218 of 312

Witness: Michael Miller/John J. Spanos

218. Please provide a calculation of the current depreciation rates in electronic format (Excel) with all formulae intact. Show all parameters used, and provide a source for those rates and underlying parameters. If the rates and parameters are not the same as approved in the most recent prior case, please explain why not. Also, if there are any differences in the account numbers used, please provide reconciliation.

Response:

The Company does not possess an electronic copy of the 1995 Study.

For electronic version, refer to KAW_R_AGDR1#218_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 219 of 312

Witness: John J. Spanos

219. Identify and explain all changes between the current study and the most recent prior study.

Response:

Please see the response to AGDR1#220.

For electronic version, refer to KAW_R_AGDR1#219_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 220 of 312

Witness: Michael Miller

220. Please explain any changes in procedures, methods or techniques used to calculate the existing depreciation rates and those used to calculate the rates proposed in Mr. Spanos's Depreciation Study.

Response:

There are no differences in the procedures, methods or techniques used to calculate the existing depreciation rates and those used to calculate the proposed rates by Mr. Spanos, with the exception of general plant amortization.

Amortization of certain General Plant accounts has been widely used by all utilities across the country, consistently accepted by the Kentucky Public Service Commission and described on pages II-28 through II-30 of the Depreciation Study.

For electronic version, refer to KAW_R_AGDR1#220_061807.pdf

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

ATTORNEY GENERAL'S REQUEST FOR INFORMATION

Item 221 of 312

Witness: John J. Spanos

221. Provide a table summarizing separately by account the depreciation expense changes caused by life changes, net salvage changes, and other changes. Provide additional explanations of the "other changes."

Response:

The attached schedule sets forth the changes in depreciation expense caused by life changes, net salvage changes and other changes. The calculation representing service life changes in the attached spreadsheet sets forth one life estimate per account, as a few accounts in the last study had multiple estimates. It must be noted that the book reserve in the depreciation study had been allocated based on the proposed life and net salvage parameters and not reallocated for each of the calculation changes in this table to avoid added confusion.

The attached schedule sets forth the proposed life estimates which produce a reduction in depreciation expense of \$732,361, the proposed net salvage estimates which produce an increase of \$325,077 of depreciation expense and other changes which produce an increase of \$103,856 of depreciation expense. Based on these calculations the net change in depreciation expense for the proposed estimates is a reduction of \$303,428.

The reasons for other changes are due to plant activity, reserve ratios and surviving balances.

For electronic version, refer to KAW_R_AGDR1#221_061807.pdf

KENTUCKY AMERICAN WATER COMPANY

CHANGES IN DEPRECIATION EXPENSE RELATED TO SERVICE LIFE, NET SALVAGE AND OTHER FACTORS

DEPRECIABLE GROUP	ORIGINAL COST AT DECEMBER 31, 2006	PROPOSED ACCRUAL AMOUNT	CHANGES IN EXPENSE DUE TO		
			LIFE	NET SALVAGE	OTHER
<u>STRUCTURES & IMPROVEMENTS</u>					
304.10 SOURCE OF SUPPLY	2,568,387.51	78,544	(13,589)	4,022	716
304.20 POWER & PUMPING STRUCTURES	4,800,062.05	96,524	(12,145)	10,653	1,441
304.30 WATER TREATMENT	8,962,557.44	175,941	26,249	18,164	(3,109)
304.40 TRANSMISSION & DISTRIBUTION	825,967.62	38,221	(6,762)	0	0
304.60 OFFICE BUILDINGS	3,991,281.60	83,641	24,714	5,387	(1,657)
304.70 STORE, SHOP & GARAGE STRUCTURES	1,018,770.93	24,654	(3,124)	0	0
304.80 MISCELLANEOUS STRUCTURES	1,563,838.35	68,419	3,048	0	0
TOTAL ACCOUNT 304	23,730,865.50	565,944	18,391	38,226	(2,609)
<u>COLLECTING AND IMPOUNDING RESERVOIRS</u>					
305.00 LAKE, RIVER AND OTHER INTAKES	1,016,553.24	16,954	7,549	1	(1)
306.00 SUPPLY MAINS	561,429.96	14,154	5,741	0	0
309.00 OTHER POWER GENERATION EQUIPMENT	5,084,342.14	98,337	49,764	6,687	(3,590)
310.10	572,453.97	19,491	(390)	0	0
<u>PUMPING EQUIPMENT</u>					
311.20 ELECTRIC	9,600,980.00	247,396	(256,489)	21,480	20,330
311.30 DIESEL	724,441.60	18,953	(5,451)	1,705	396
311.40 HYDRAULIC	61,582.39	1,424	(988)	190	131
TOTAL ACCOUNT 311	10,387,003.99	267,773	(262,928)	23,375	20,857
<u>PURIFICATION SYSTEM - EQUIPMENT</u>					
320.10 DISTRIBUTION RESERVOIRS AND STANDPIPES	26,461,236.62	611,570	(223,782)	(36,650)	(12,436)
330.10 MAINS & ACCESSORIES	11,813,469.44	273,730	(41,774)	52,948	5,079
331.00 SERVICES	151,503,649.02	2,579,371	584,959	425,982	(100,424)
333.00	35,325,950.03	1,171,751	(118,369)	(250,943)	(26,665)
<u>METERS</u>					
334.10 METERS	90,962.25	2,558	(3,202)	657	823
334.11 BRONZE CASE	45,063.51	1,326	107	396	(53)
334.12 PLASTIC CASE	1,444,409.44	42,804	4,194	5,003	(526)
334.13 OTHER	6,870,500.64	195,846	(267,626)	52,758	71,315
TOTAL ACCOUNT 334.1	8,450,935.84	242,534	(266,527)	58,814	71,559
<u>METER INSTALLATIONS</u>					
334.20 METER INSTALLATIONS	15,249,739.68	467,522	211,991	(257,356)	120,629
335.00 FIRE HYDRANTS	10,147,784.89	179,209	(55,781)	(19,291)	(5,914)
339.10 OTHER SOURCE OF SUPPLY PLANT	3,838.00	1,080	0	0	0

KENTUCKY AMERICAN WATER COMPANY

CHANGES IN DEPRECIATION EXPENSE RELATED TO SERVICE LIFE, NET SALVAGE AND OTHER FACTORS

DEPRECIABLE GROUP	ORIGINAL COST AT DECEMBER 31, 2006	PROPOSED ACCRUAL AMOUNT	CHANGES IN EXPENSE DUE TO		
			LIFE	NET SALVAGE	OTHER
<u>OFFICE FURNITURE & EQUIPMENT</u>					
340.10 FURNITURE	701,103.19	73,102	54,907	7,634	(6,251)
340.21 MAINFRAME	50,239.84	4,766	(1,226)	1,898	1,961
340.22 PERSONAL COMPUTERS	1,509,960.66	216,117	(30,249)	144,731	44,562
340.23 PERIPHERAL-OTHER	497,999.21	126,448	91,675	80,194	(58,764)
340.30 COMPUTER SOFTWARE	4,551,309.57	470,325	(417,454)	5	(5)
340.32 COMPUTER SOFTWARE-PERSONAL	638,669.14	0	0	0	0
340.33 COMPUTER SOFTWARE-OTHER	528,219.88	139,362	75,598	1	(1)
340.50 OTHER	178,703.11	17,466	7,928	1,751	(823)
TOTAL ACCOUNT 340	8,656,204.60	1,047,586	(218,821)	236,214	(19,321)
<u>TRANSPORTATION EQUIPMENT</u>					
341.10 LIGHT DUTY TRUCKS	1,718,376.55	139,251	(193,707)	34,134	41,992
341.20 HEAVY DUTY TRUCKS	783,375.60	56,191	(87,254)	12,221	17,025
341.30 AUTOS	180,201.94	24,469	(5,075)	6,295	782
341.40 OTHER	135,681.17	8,827	(6,209)	0	0
TOTAL ACCOUNT 341	2,817,635.26	228,738	(292,245)	52,650	59,799
<u>STORES EQUIPMENT</u>					
342.00 STORES EQUIPMENT	35,546.95	2,314	1,346	0	0
343.00 TOOLS, SHOP AND GARAGE EQUIPMENT	1,421,289.04	91,405	(7,835)	0	0
344.00 LABORATORY EQUIPMENT	843,098.99	67,924	(13,858)	(4,155)	(531)
345.00 POWER OPERATED EQUIPMENT	1,589,810.84	74,460	(102,830)	(1,425)	(2,556)
346.10 COMMUNICATION EQUIPMENT - NON-TELEPHONE	1,931,144.48	133,505	(10,978)	0	0
347.00 MISCELLANEOUS EQUIPMENT	1,262,276.87	70,817	13,396	0	0
348.00 OTHER TANGIBLE PROPERTY	138,484.58	8,306	(9,380)	0	0
TOTAL DEPRECIABLE PLANT	319,004,743.93	8,234,475	(732,361)	325,077	103,856

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 222 of 312

Witness: John J. Spanos

222. Please provide the current depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

Response:

The data is not available to accurately calculate the three components of the current depreciation rates established as of December 31, 1994.

For electronic version, refer to KAW_R_AGDR1#222_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 223 of 312

Witness: Michael Miller

223. Provide any and all internal studies and correspondence concerning the Company's implementation of FASB Statement No. 143 and FIN 47.

Response:

There are no studies. Please see the response to AGDR1#228.

For electronic version, refer to KAW_R_AGDR1#223_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 224 of 312

Witness: Michael A. Miller

224. Provide complete copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement No. 143 and FIN 47:
- a. External auditors and other public accounting firms.
 - b. Consultants
 - c. External counsel
 - d. Federal and State regulatory agencies
 - e. Internal Revenue Service

Response:

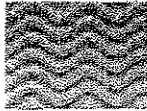
See attached correspondence with External Auditor and Consultants.

For electronic version, refer to KAW_R_AGDR1#224_061807.pdf

800 W. Hershey Park Drive
Hershey, PA 17033

T 717-531-3221
F 717-531-3235

----- Forwarded by Chuck A Gilbert/PAWC/AWWSC on 01/18/2005 06:02 PM -----



Walter Gauss
01/18/2005 03:50 PM

To: Christopher C Buls/PAWC/AWWSC@AWW, Chuck A
Gilbert/PAWC/AWWSC@AWW, Mike
Miller/WVAWC/AWWSC@AWW, Tom
Bailey/WVAWC/AWWSC@AWW
cc: Edward J Keiffer/ADMIN/CORP/AWWSC@AWW, Tom
McKitrick/ADMIN/CORP/AWWSC@AWW, Rod
Nevirauskas/SHARVCS/AWWSC@AWW, Gary
Akmentins/SHARVCS/AWWSC@AWW, Robert D
Sievers/ADMIN/CORP/AWWSC@AWW, Thomas C
Spitz/SHARVCS/AWWSC@AWW
Subject: Net Negative Salvage - Southeast Region

Dear All:

2004 US GAAP Audited Financial Statements will require the reclassification of net negative salvage out of depreciation expense to operation and maintenance expense and the reclassification of net negative salvage out of accumulated depreciation to a regulatory liability or asset account. This is in accordance with SFAS 143 "Accounting for Asset Retirement Obligations" as well as SEC guidance.

Please review this analysis carefully. The impact of this disclosure and account reclassification may influence future rates cases as net negative salvage previously embedded within accumulated depreciation will now be subject to examination.

For 2003, net negative salvage included in depreciation was estimated using each company's most recent depreciation study. Net negative salvage included in depreciation was calculated using the percentage factor of net negative salvage as a percent of total gross utility plant in service and net salvage.

For 2004 the same methodology is used, however rather than applying a composite net negative salvage percentage, net negative salvage was calculated on an individual asset class level (schedule attached).

It is proposed that net negative salvage included in accumulated depreciation be estimated in the same way. First the average percentage net increase in accumulated depreciation attributable to net negative salvage over the past 6 years is calculated. This average net negative salvage percentage of accumulated depreciation is then multiplied by the net increase in accumulated depreciation for the period starting when companies began accounting for NNS in depreciation rates and ending 12/31/04.

Proposed SFAS 143, 2004 audited financial statement adjustments:

Kentucky

Operation and Maintenance expense	\$1,058,788	
Depreciation Expense		\$1,058,788
Accumulated Depreciation	\$6,212,492	
Regulatory Liability NNS		\$6,212,492

Tennessee

Operation and Maintenance expense	\$356,712	
Depreciation Expense		\$356,712
Accumulated Depreciation	\$1,842,781	
Regulatory Liability NNS		\$1,842,781

Virginia

Operation and Maintenance expense	\$253,964	
Depreciation Expense		\$253,964
Accumulated Depreciation	\$173,576	
Regulatory Liability NNS		\$173,576

West Virginia

Operation and Maintenance expense	\$2,065,405	
Depreciation Expense		\$2,065,405
Regulatory Asset NNS	\$5,893,470	
Accumulated Depreciation		\$5,893,470

The attached schedule contains the detailed calculations used to arrive at these entries. I have also attached a PDF file (information received from your staff) containing the asset class net negative salvage factors from the depreciation study used for the computations.

Mike Miller provided the approximate date that Tennessee and Virginia started including net negative salvage as part of depreciation. West Virginia's 1999 rate case included information that net negative salvage commenced in July 2000. For Kentucky I used a 1/1/1990 start date as this was a reasonable assumption based upon information from other American Water companies and information from Tom McKittrick.

Maryland was not included as it was determined last year that net negative salvage was not included in its depreciation rates.

Pennsylvania was not included as net negative salvage in accumulated depreciation was already reclassified to a regulatory asset account as of 12/31/2003 and the net negative salvage component of depreciation was reclassified to operations and maintenance expense quarterly, in statements sent to security holders during 2004.

For 2005 it may be advisable to record these adjustments on a detailed level through recurring journal entries each month. Gary Akmentins is looking at the feasibility of this approach and has set a target date of March 2005 to automate this process.

Please let me know if you have any questions and if you are in agreement with my calculations by Tuesday 01/25/05. If you know of any other way in which to estimate the amount of net negative salvage included in accumulated depreciation I would appreciate your suggestions.

Walter Gauss



Southeastern 2004 NNS.xls



Tennessee NNS by asset class.pdf



Virginia 1986 NNS by asset class.pdf



Kentucky NNS by asset class.pdf



West Virginia NNS by asset class.pdf

FIN 47, Accounting for Conditional Asset Retirement Obligations

Browse Location: United States\Financial Accounting Standards Board (FASB)\FASB New Releases
Publish Date: 04 April, 2005

FASB New Releases

FIN 47, Accounting for Conditional Asset Retirement Obligations

Financial Accounting Series

FASB Interpretation No. 47

**Accounting for Conditional Asset Retirement Obligations
an interpretation of FASB Statement No. 143**

March 2005

Financial Accounting Standards Board
of the Financial Accounting Foundation
401 MERRITT 7, PO BOX 5116, NORWALK, CONNECTICUT 06856-5116

For additional copies of this Interpretation and information on applicable prices and discount rates contact:

Order Department
Financial Accounting Standards Board 401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Please ask for our Product Code No. 147.

Copyright © 2005 by Financial Accounting Standards Board. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the Financial Accounting Standards Board.

Summary

This Interpretation clarifies that the term *conditional asset retirement obligation* as used in FASB Statement No. 143, Accounting for Asset Retirement Obligations, refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Thus, the timing and (or) method of settlement may be conditional on a future event. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the conditional asset retirement obligation should be recognized when incurred--generally upon acquisition, construction, or development and (or) through the normal operation of the asset. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. Statement 143 acknowledges that in some cases, sufficient information may not be available to reasonably estimate the fair value of an asset retirement obligation. This Interpretation also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

Reason for Issuing This Interpretation

Diverse accounting practices have developed with respect to the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and (or) method of settlement of the obligation are conditional on a future event. For example, some entities recognize the fair value of the obligation prior to the retirement of the asset with the uncertainty about the timing and (or) method of settlement incorporated into the liability's fair value. Other entities recognize the fair value of the obligation only when it is probable the asset will be retired as of a specified date using a specified method or when the asset is actually retired. This Interpretation clarifies that an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. Questions also arose about when sufficient information may not be available to make a reasonable estimate of the fair value of an asset retirement obligation. This Interpretation clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

How This Interpretation Will Improve Financial Reporting

Application of this Interpretation will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets.

How the Conclusions in This Interpretation Relate to the Conceptual Framework

FASB Concepts Statement No. 6, *Elements of Financial Statements*, states that "liabilities are probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events." The Board concluded that asset retirement obligations within the scope of Statement 143 that meet the definition of a liability in Concepts Statement 6 should be recognized as a liability at fair value if fair value can be reasonably estimated. The Board believes that when an existing law, regulation, or contract requires an entity to perform an asset retirement activity, an unambiguous requirement to perform the retirement activity exists, even if that activity can be deferred indefinitely. At some point, deferral is no longer possible, because no tangible asset will last forever (except land). Therefore, the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. The use of an expected value technique to measure the fair value of the liability reflects any uncertainty about the amount and timing of future cash outflows. The clarification of when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation should improve the relevance, reliability, and comparability of the amounts recognized in the financial statements.

The Effective Date of This Interpretation

This Interpretation is effective no later than the end of fiscal years ending after December 15, 2005 (December 31, 2005, for calendar-year enterprises). Retrospective application for interim financial information is permitted but is not required. Early adoption of this Interpretation is encouraged.

FASB Interpretation No. 47

Accounting for Conditional Asset Retirement Obligations an interpretation of FASB Statement No. 143

March 2005

CONTENTS	Paragraph Numbers
Introduction	1
Interpretation	2--7
Effective Date and Transition	8--11
Appendix A: Illustrative Examples	A1--A13
Appendix B: Background Information and Basis for Conclusions	B1--B33

FASB Interpretation No. 47

Accounting for Conditional Asset Retirement Obligations an interpretation of FASB Statement No. 143

March 2005

INTRODUCTION

1. Paragraph 3 of FASB Statement No. 143, Accounting for Asset Retirement Obligations, states, "An entity shall recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made."¹ Diverse accounting practices have developed with respect to the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and (or) method of settlement are conditional on a future event. For example, some entities recognize the fair value of the obligation prior to the retirement of the asset with the uncertainty about the timing and (or) method of settlement incorporated into the liability's fair value. Other entities recognize the fair value of the obligation only when it is probable the asset will be retired as of a specified date using a specified method or when the asset is actually retired. Questions also arose about when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

INTERPRETATION

2. Statement 143 applies to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and (or) the normal operation of a long-lived asset, except as explained in paragraph 17 of that Statement for certain obligations of lessees. The term *retirement*² encompasses sale, abandonment, recycling, or disposal in some other manner.

3. The term *conditional asset retirement obligation* as used in paragraph A23 of Statement 143 refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Thus, the timing and (or) method of settlement may be conditional on a future event. Accordingly, an entity shall recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Statement 143 requires an entity to recognize the fair value of a legal obligation to perform asset retirement activities when the obligation is incurred—generally upon acquisition, construction, or development and (or) through the normal operation of the asset.

4. An entity shall identify all its asset retirement obligations. If an entity has sufficient information to reasonably estimate the fair value of an asset retirement obligation, it must recognize a liability at the time the liability is incurred. An asset retirement obligation would be reasonably estimable if (a) it is evident that the fair value of the obligation is embodied in the acquisition price of the asset,³ (b) an active market exists for the transfer of the obligation, or (c) sufficient information exists to apply an expected present value technique.⁴

An expected present value technique incorporates uncertainty about the timing and method of settlement into the fair value measurement. However, in some cases, sufficient information about the timing and (or) method of settlement may not be available to reasonably estimate fair value. Examples 1 and 2 in Appendix A illustrate the application of this Interpretation when an entity has sufficient information to reasonably estimate the fair value of an asset retirement obligation at the time the obligation is incurred.

5. An entity would have sufficient information to apply an expected present value technique and therefore an asset retirement obligation would be reasonably estimable if either of the following conditions exists:

- a. The settlement date and method of settlement for the obligation have been specified by others. For example, the law, regulation, or contract that gives rise to the legal obligation specifies the settlement date and method of settlement. In

disposal of the treated poles, the cost to remove the poles is not included in the asset retirement obligation. However, if there was a legal requirement to remove the treated poles, the cost of removal would be included.

Example 2

A6. An entity recently purchased several kilns lined with a special type of brick. As of the date of purchase, the kilns had not yet been used in any smelting processes. The kilns have a long useful life, but the bricks are replaced periodically. Because the bricks become contaminated with hazardous chemicals while the kiln is operated, a state law requires that when the bricks are removed, they must be disposed of at a special hazardous waste site. The entity has the information to estimate a range of potential settlement dates, the method of settlement, and the probabilities associated with the potential settlement dates based on its past practice of replacing the bricks to maintain the efficient operation of the kiln. Therefore, at the date the bricks become contaminated because of the operation of the kiln, the entity is able to estimate the fair value of the liability for the required disposal procedures using an expected present value technique.

A7. Although performance of the asset retirement activity is conditional on removing the bricks from the kiln, existing legislation creates a duty or responsibility for the entity to dispose of the bricks at a special hazardous waste site, and the obligating event occurs when the entity contaminates the bricks. As of the purchase date, the kilns have not yet been used in any smelting processes, and the bricks have not yet been contaminated. Therefore, at the date of purchase, no obligation exists because the bricks have not been contaminated and could be disposed of without performing any special disposal activities.

A8. The fair value of the asset retirement obligation should be recognized once the kilns have been placed into operation and the bricks are contaminated. Although the entity may decide not to remove the bricks from the kiln and thereby defer settlement of the obligation, the ability to defer settlement does not relieve the entity of the obligation. The contaminated bricks will eventually need to be removed and disposed of at a special hazardous waste site, because a kiln will not last forever. Therefore, the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing of settlement. An asset retirement obligation should be recognized once the kilns have been placed into operation and the bricks are contaminated because the entity has sufficient information to estimate the fair value of the asset retirement obligation. The asset retirement obligation is the requirement to dispose of the contaminated bricks at a special hazardous waste site. The cost to remove the bricks is not part of the obligation and should be accounted for as a maintenance or replacement activity.

Example 3

A9. An entity acquires a factory that contains asbestos. After the acquisition date, regulations are put in place that require the entity to handle and dispose of this type of asbestos in a special manner if the factory undergoes major renovations or is demolished. Otherwise, the entity is not required to remove the asbestos from the factory. The entity has several options to retire the factory in the future including demolishing, selling, or abandoning it. The entity believes it does not have sufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified by others and information is not available to apply an expected present value technique. For example, there are no plans or expectation of plans to undertake a major renovation that would require removal of the asbestos or demolition of the factory. The factory is expected to be maintained by repairs and maintenance activities that would not involve the removal of the asbestos. Also, the need for major renovations caused by technology changes, operational changes, or other factors has not been identified.

A10. Although the timing of the performance of the asset retirement activity is conditional on the factory undergoing major renovations or being demolished, existing regulations create a duty or responsibility for the entity to remove and dispose of asbestos in a special manner, and the obligating event occurs when the regulations are put in place. Therefore, an asset retirement obligation should be recognized when regulations are put in place if the entity can reasonably estimate the fair value of the liability. In this example, the entity believes that there is an indeterminate settlement date for the asset retirement obligation because the range of time over which the entity may settle the obligation is unknown or cannot be estimated. Therefore, the entity cannot reasonably estimate the fair value of the liability. Accordingly, the entity would not recognize a liability for the asset retirement obligation when regulations are put in place, but it should disclose (a) a description of the obligation, (b) the fact that a liability has not been recognized because the fair value cannot be reasonably estimated, and (c) the reasons why fair value cannot be reasonably estimated. The company would recognize a liability in the period in which sufficient information is available to reasonably estimate its fair value.

Example 4

A11. An entity acquires a factory that contains asbestos. At the acquisition date, regulations are in place that require the entity to handle and dispose of this type of asbestos in a special manner if the factory undergoes major renovations or is demolished. Otherwise, the entity is not required to remove the asbestos from the factory. The entity has several options to retire the factory in the future including demolishing, selling, or abandoning it. At the acquisition date, it is not evident that the fair value of the obligation is embodied in the acquisition price of the factory because both the seller and the buyer of the factory believed the obligation had an indeterminate settlement date, an active market does not exist for the transfer of the obligation, and sufficient information does not exist to apply an expected present value technique. Ten years after the acquisition date, the entity obtains additional information based on changes in demand for the products manufactured at that factory. At that time, the entity has the information to estimate a range of potential settlement dates, the potential methods of settlement, and the probabilities associated with the potential settlement dates and potential methods of settlement. Therefore, at that time the entity is able to estimate the fair value of the liability for the special handling of the asbestos using an expected present value technique.

A12. Although timing of the performance of the asset retirement activity is conditional on the factory undergoing major renovations or being demolished, existing regulations create a duty or responsibility for the entity to remove and dispose of asbestos in a special manner, and the obligating event occurs when the entity acquires the factory.¹¹ Although the entity may decide to abandon the factory and thereby defer settlement of the obligation for the foreseeable future, the ability to defer settlement does not relieve the entity of the obligation. The asbestos will eventually need to be removed and disposed of in a special manner, because no building will last forever. Additionally, the ability of the entity to sell the factory does not relieve the entity of its present duty or responsibility to settle the obligation. The sale of the asset would transfer the obligation to another entity and that transfer would affect the selling price. Therefore, the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and method of settlement.

A13. In this example, an asset retirement obligation is not recognized when the entity acquires the factory because the entity does not have sufficient information to estimate the fair value of the obligation. The entity would disclose (a) a description of the obligation, (b) the fact that a liability has not been recognized because the fair value cannot be reasonably estimated, and (c) the reasons why fair value cannot be reasonably estimated. An asset retirement obligation would be recognized by this entity 10 years after the acquisition date because that is when the entity has sufficient information to estimate the fair value of the asset retirement obligation.

¹¹ In this example, regulations are in place at the date of acquisition that require the entity to handle and dispose of the asbestos in a special manner. Therefore, the obligating event is the acquisition of the factory. If regulations were enacted after the date of acquisition, the obligating event would be the enactment of the regulations. Refer to Example 3.

Appendix B

BACKGROUND INFORMATION AND BASIS FOR CONCLUSIONS

CONTENTS	Paragraph Numbers
Introduction	B1
Background	B2--B5
Objective of This Interpretation	B6
Scope	B7--B8
Recognition of a Liability for a Conditional Asset Retirement Obligation	B9--B27
Characteristics of a Liability	B9--B14
Uncertainty and the Fair Value Measurement Objective	B15--B27
Uncertainty about the Timing and Method of Settlement	B19--B27
Effective Date and Transition	B28--B31

Benefits and Costs

B32--B33

Appendix B

BACKGROUND INFORMATION AND BASIS FOR CONCLUSIONS

Introduction

B1. This appendix summarizes considerations that Board members deemed significant in reaching the conclusions in this Interpretation. It includes reasons for accepting certain approaches and rejecting others. Individual Board members gave greater weight to some factors than to others.

Background

B2. Diverse accounting practices have developed with respect to the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. Some entities recognize the fair value of the obligation prior to the retirement of the asset with the uncertainty about the timing and (or) method of settlement incorporated into the liability's fair value. Other entities recognize the fair value of the obligation only when it is probable the asset will be retired as of a specified date using a specified method or when the asset is actually retired.

B3. The FASB staff issued a proposed FASB Staff Position (FSP) FAS 143-x, "Applicability of FASB Statement No. 143, Accounting for Asset Retirement Obligations, to Legislative Requirements on Property Owners to Remove and Dispose of Asbestos or Asbestos-Containing Materials," in July 2003. That proposed FSP concluded:

- a. The enactment or existence of asbestos legislation creates a duty or responsibility to remove and dispose of asbestos.
- b. If such legislation already exists, the obligating event is the acquisition (or construction) of the asset, or if the asset is owned when that legislation is enacted, then the enactment of the legislation is the obligating event.
- c. An entity should recognize a liability for this obligation when the obligating event occurs.

B4. The FASB staff evaluated the comment letters received on that proposed FSP. Because of the diverse views expressed and constituents' concerns that there is a broader issue underlying the issue addressed in the proposed FSP, the FASB staff withdrew that proposed FSP. The FASB staff confirmed the diversity in practice with a questionnaire to selected constituents. Because of the diversity in practice and constituents' concern about the broader nature of this issue, the Board added a project to its agenda to address the issue of whether Statement 143 requires an entity to recognize a liability for a legal obligation to perform asset retirement activities when the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity and, if so, the timing of that recognition.

B5. On June 17, 2004, the Board issued an Exposure Draft, *Accounting for Conditional Asset Retirement Obligations*. The Board received 34 comment letters on the Exposure Draft. The Board considered all comments and concerns raised by respondents and constituents during its redeliberations of the issues addressed by the Exposure Draft in a public meeting in August 2004. This Interpretation reflects the results of those deliberations. The Board received comments requesting that the Board reconsider Statement 143 in its entirety. At a public meeting in January 2005, the Board decided not to reconsider Statement 143. The Board decided to provide additional guidance for evaluating whether sufficient information is available to reasonably estimate the fair value of an asset retirement obligation.

Objective of This Interpretation

B6. The objective of this Interpretation is to clarify that the term *conditional asset retirement obligation* as used in Statement 143 refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. In this situation, the obligation to perform

the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Accordingly, an entity should recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the fair value of the liability can be reasonably estimated. This Interpretation also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

Scope

B7. Statement 143 applies to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and (or) the normal operation of a long-lived asset, except as explained in paragraph 17 of Statement 143. As used in Statement 143, a legal obligation is an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel. As discussed in paragraphs A2--A5 of Statement 143, whether a legal obligation exists will usually be unambiguous. However, questions arose about whether a liability should be recognized when a legal obligation exists but the timing and (or) method of settlement are conditional on future events. Based on diversity in practice and the broad nature of this issue, the Board decided that this Interpretation should apply to all entities that have legal obligations to perform asset retirement activities in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity.

B8. During the redeliberations of this Interpretation, questions also arose about when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. Paragraph A20 of Statement 143 states that "it is expected that uncertainties about the amount and timing of future cash flows can be accommodated by using the expected cash flow technique and therefore will not prevent the determination of a reasonable estimate of fair value." Some constituents believe paragraph A20 contradicts paragraph 3 of Statement 143, which states that "if a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability shall be recognized when a reasonable estimate of fair value can be made." As a result, the Board decided that this Interpretation should clarify that uncertainties about the amount and timing of future cash flows can be accommodated by using the expected cash flow technique when sufficient information exists. The Board decided to provide additional guidance in this Interpretation for evaluating whether sufficient information is available to reasonably estimate the fair value of an asset retirement obligation.

Recognition of a Liability for a Conditional Asset Retirement Obligation

Characteristics of a Liability

B9. FASB Concepts Statement No. 6, Elements of Financial Statements, defines *liabilities* as "probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events." *Probable* is used with its usual general meaning, rather than in a specific accounting or technical sense (such as that in FASB Statement No. 5, Accounting for Contingencies), and refers to that which can reasonably be expected or believed on the basis of available evidence or logic but is neither certain nor proved. Its inclusion in the definition is intended to acknowledge that business and other economic activities occur in an environment characterized by uncertainty. The Board concluded that all asset retirement obligations within the scope of Statement 143 that meet the definition of a liability in Concepts Statement 6 should be recognized as liabilities if the fair value of the liabilities can be reasonably estimated.

B10. Concepts Statement 6 states that a liability has three essential characteristics. The first characteristic of a liability is that an entity has a present duty or responsibility to one or more other entities that entails settlement by probable future transfer or use of assets at a specified or determinable date, on occurrence of a specified event, or on demand. A duty or responsibility becomes a present duty or responsibility when an obligating event occurs that leaves the entity little or no discretion to avoid a future transfer or use of assets. A present duty or responsibility does not mean that the obligation must be satisfied immediately. Rather, if events or circumstances have occurred that give an entity little or no discretion to avoid a future transfer or use of assets, that entity has a present duty or responsibility. If an entity is required by current laws, regulations, or contracts to settle an asset retirement obligation upon retirement of the asset, that requirement imposes a present duty.

B11. The second characteristic of a liability is that the duty or responsibility obligates a particular entity, leaving it little or no discretion to avoid the future sacrifice. The ability of an entity to indefinitely defer settlement of an asset retirement obligation does not provide the entity discretion to avoid the future sacrifice, nor does it relieve the entity of the obligation. Implicit in this conclusion is the belief that no tangible asset will last forever (except land) and, accordingly, the asset retirement activities will eventually be performed. Furthermore, the ability of an entity to sell the asset prior to its disposal does not relieve the entity of its present duty or responsibility to settle the obligation. In paragraph B47 of Statement 143, the Board noted that "if the asset for which there is an associated asset retirement obligation were to be sold, the price a buyer would consent to pay for that

asset would reflect an estimate of the fair value of the asset retirement obligation. Because that asset retirement obligation meets the definition of a liability, however, the Board believes that reporting it as a liability with a corresponding increase in the carrying amount of the asset for the asset retirement costs, which has the same net effect as incorporating the fair value of the costs to settle the liability in the valuation of the asset, is more representationally faithful and in concert with Concepts Statement 6."

B12. The third characteristic of a liability is that the event obligating the entity has already occurred. The definition of a liability distinguishes between present obligations and future obligations. Only present obligations are liabilities under the definition, and they are liabilities of a particular entity as a result of the occurrence of transactions or other events affecting the entity. Identifying the obligating event may be difficult in situations that involve a series of transactions or other events affecting the entity. For example, in the case of an asset retirement obligation, a law or an entity's promise may create a duty or responsibility, but that law or promise in and of itself may not be the obligating event that results in an entity having little or no discretion to avoid a future transfer or use of assets. Statement 143 states that the obligating event is the acquisition, construction, or development and (or) the normal operation of the long-lived asset when a law or promise exists that creates a duty or responsibility relating to the retirement of the asset. At this point, the obligation cannot be realistically avoided if the asset is operated for its intended use. The obligating event does not depend on the ultimate retirement of the asset.

B13. A number of respondents to the Exposure Draft questioned the view that conditional asset retirement obligations require "probable future sacrifices of economic benefits." Although Concepts Statement 6 does not use the Statement 5 definition of probable in its definition of a liability (as discussed in paragraph 5 of Statement 143), these respondents suggested that a Statement 5 definition be used for evaluating when an asset retirement obligation should be recognized. The Board considered this issue in both its deliberations and its redeliberations of Statement 143 and decided not to use the Statement 5 definition for the same reasons discussed in paragraph B17 of this Interpretation. In addition, in developing Statement 143, the Board decided that incorporating uncertainty in the measurement attribute (fair value) results in higher quality financial reporting than incorporating uncertainty into the timing of the recognition of the asset retirement obligation, if sufficient information exists to develop a reasonable estimate of fair value.

B14. Other respondents suggested that the obligating event, and therefore the recognition of a conditional asset retirement obligation, occurs when a decision or event provides more certainty about the timing and method of settlement of the obligation. In deliberating Statement 143, the Board considered the following alternatives for the obligating event: (a) the existence of law or an entity's promise to do something, (b) the creation of the situation that the law or promise relates to (for example, contamination or acquisition of the asset), and (c) events that would trigger the settlement of the obligation (for example, demolition). The Board decided that the existence of a law or promise, combined with the creation of the situation that the law or promise relates to, provides the obligating event as described in paragraph B31 of Statement 143. Thus, if sufficient information exists, any uncertainty about the timing of the event that would trigger the settlement of the obligation should affect the measurement of the liability rather than the timing of recognition of the obligation. Although the timing and (or) method of settlement of the asset retirement obligation may depend on events that will occur after the obligating event has occurred, an obligation still exists. Therefore, conditional asset retirement obligations are within the scope of Statement 143 as discussed in paragraphs A17 and A18 of Statement 143, and a liability must be recognized before the event that requires performance occurs. This Interpretation clarifies that point.

Uncertainty and the Fair Value Measurement Objective

B15. This Interpretation is consistent with the fair value measurement objective of Statement 143. During the deliberations of Statement 143, the Board concluded that the initial measurement objective for an asset retirement obligation is fair value. The Board acknowledged that liability recognition under a fair value measurement objective differs from recognition under Statement 5, which requires an entity to consider uncertainty in its determination of whether to recognize a liability. In contrast, Statement 143 requires an entity to consider uncertainty in its fair value measurement of the liability when sufficient information exists to develop a reasonable estimate. Because of the Board's decision that the initial measurement objective is fair value and, therefore, uncertainty is considered in the measurement of the liability, the guidance in Statement 5 is not applicable.

B16. To assist in understanding the differences between the fair value approach and the Statement 5 approach, the Board provided the following explanation in paragraph B36 of Statement 143:

The objective of recognizing the fair value of an asset retirement obligation will result in recognition of some asset retirement obligations for which the likelihood of future settlement, although more than zero, is less than probable from a Statement 5 perspective. A third party would charge a price to assume an uncertain liability even though the likelihood of a future sacrifice is less than probable.... Thus, this Statement does not retain the criterion... that a future transfer of

assets associated with the obligation is probable for recognition purposes. [Footnote reference omitted.]

B17. Additionally, the Board specifically addressed conditional obligations in paragraph A17 of the implementation guidance for Statement 143 and concluded, consistent with the fair value measurement objective, that an entity should recognize a liability for a legal obligation to perform asset retirement activities in which the timing and (or) method of settlement are conditional on a future event. The implementation guidance for Statement 143 also provides an example in which a third party has the right to require an entity to perform asset retirement activities; however, uncertainty exists as to whether the third party will require performance. Some have interpreted that example to mean that the Board intended for conditional obligations to be recognized only when a third party could require performance, not when the timing and method of settlement are at least partly under the control of the entity. However, the Board concluded that although the timing and method of settlement of the retirement obligation may depend on future events that may or may not be within the control of the entity, a legal obligation to stand ready to perform retirement activities still exists. The entity should consider the uncertainty about the timing and method of settlement in the measurement of the liability, consistent with a fair value measurement objective, regardless of whether the event that will trigger the settlement is partially or wholly under the control of the entity.

B18. A number of respondents questioned why the Board believes that financial reporting is improved by incorporating uncertainty in measurement by recording the liability initially at fair value, rather than by using as the recognition trigger a high probability that a transfer or use of assets will occur, combined with the ability to measure the ultimate settlement amount of the retirement obligation. Fair value is not an estimate of the ultimate settlement amount or the present value of an estimate of the ultimate settlement amount. Paragraph 7 of Statement 143 states that "the fair value of a liability for an asset retirement obligation is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction." Fair value reflects uncertainty, as of the initial recognition date, about the timing, method, and ultimate amount of the asset retirement settlement. A single best estimate of the settlement outcome, or the bottom of a range of possible ultimate settlement outcomes as required by Statement 5 and FASB Interpretation No. 14, Reasonable Estimation of the Amount of a Loss, does not reflect that uncertainty. Using a higher level of certainty as to the ultimate settlement amount as a trigger for recognition in the balance sheet (and consequently in the income statement) would delay recognition of the asset retirement obligation, and thereby reduce the information content of the financial statements. Uncertainty about the timing and method of settling the existing obligation is information that should be reflected in the amounts recognized in the financial statements. In developing Statement 143, the Board concluded that not recognizing the liability and providing the Statement 5 disclosures for a contingent loss is not an adequate substitute for recognizing the fair value of the obligation.

Uncertainty about the Timing and Method of Settlement

B19. Some respondents to the Exposure Draft of Statement 143 questioned whether asset retirement obligations with indeterminate settlement dates or asset retirement obligations with multiple methods of settlement are within the scope of the Statement. In developing Statement 143, the Board decided that uncertainty about the timing and (or) method of settlement does not change the fact that an entity has a legal obligation. The Board acknowledged in paragraph A16 of Statement 143 that measurement of an existing obligation might not be possible if insufficient information exists about the timing and method of settlement of that obligation. However, information about the timing and method of settlement of an asset retirement obligation will become available as time goes by. The Board decided that an entity should measure and recognize the fair value of an asset retirement obligation when enough information is available to develop assumptions about the potential timing and amounts of cash flows.

B20. Some respondents to the Exposure Draft of the Interpretation requested specific criteria for determining when it would not be possible to reasonably estimate the fair value of an asset retirement obligation. The Board decided to provide general guidelines rather than specific criteria because the determination of whether a reasonable estimate can be made is a matter of judgment. Additionally, each situation is unique and providing specific criteria would not encompass all possible situations. The Board discussed situations that might lead to a conclusion that sufficient information does not exist to estimate the fair value of an asset retirement obligation.

B21. The Board believes that an entity would have sufficient information to apply a present value technique if the timing and method of settlement are specified by others. In these situations, the only uncertainty is whether performance will be required. As explained in paragraphs A17 and A18 of Statement 143, uncertainty about whether performance will be required does not defer the recognition of an asset retirement obligation because a legal obligation to stand ready to perform the retirement activities still exists, and that uncertainty does not prevent the determination of a reasonable estimate of fair value.

B22. For situations where the timing and method of settlement are not specified by others, the Board decided that an asset

retirement obligation would be reasonably estimable if information is available to estimate the settlement date or the range of potential settlement dates, the method of settlement or potential methods of settlement, and the probabilities associated with the potential settlement dates and methods of settlement. Judgment is involved in determining whether uncertainties about the timing and method of settlement would prevent an entity from reasonably estimating the fair value of an asset retirement obligation. The Board believes that uncertainty about future methods of settlement that have yet to be developed should not prevent an entity from reasonably estimating fair value because methods may change as time goes by. The Board does not believe it is appropriate to delay recognition until all potential methods of settlement are known. This Interpretation provides examples of information (some of which are based on entity-specific assumptions) that is expected to provide a basis for forming expectations about the potential settlement dates, potential methods of settlement, and associated probabilities. The Board believes that entity-specific assumptions may be used in the absence of information that a marketplace participant would use about the timing and method of settlement of the asset retirement obligation as long as no contrary data indicates that marketplace participants would use different assumptions. If such data exist, the entity must adjust its assumptions to incorporate that market information.

B23. The Board also discussed whether sufficient information might not be available to estimate a range of potential cash flows associated with the potential methods of settlement that are currently available to the entity. The Board concluded that an entity would generally have the ability to estimate a range of potential cash flows based on the current costs to perform the asset retirement activities under different methods of settlement that are currently available to the entity.

B24. Some respondents to FSP FAS 143-x questioned whether an obligation to perform asset retirement activities is within the scope of Statement 143 if an entity has alternatives to retiring the asset without settling the obligation. This Interpretation reiterates the conclusions reached during the deliberations of Statement 143:

...an unambiguous requirement that gives rise to an asset retirement obligation coupled with a low likelihood of required performance still requires recognition of a liability. Uncertainty about the conditional outcome of the obligation is incorporated into the measurement of the fair value of that liability, not the recognition decision. [Statement 143, paragraph A24]

The Board believes that if a current law, regulation, or contract requires an entity to perform an asset retirement activity when an asset is dismantled or demolished, there is an unambiguous requirement to perform the retirement activity even if that activity can be indefinitely deferred. At some time deferral will no longer be possible, because no tangible asset will last forever (except land). Therefore, the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement.

B25. If an entity entered into a contract to pay another entity to assume the asset retirement obligation, there would be little dispute that the contract provides the measurement of the obligation that should be reported in the financial statements, even if the cash payment to the other entity had not been made at the reporting date. Also, the amount demanded by the other entity would incorporate uncertainty about the timing, method, and ultimate amount of the settlement. Statement 143 requires that the asset retirement obligation be recognized and measured in the financial statements using the perspective of participants currently negotiating such a hypothetical contract.

B26. A number of respondents stated that an entity should recognize a liability for a legal obligation when it can reasonably estimate the fair value of the asset retirement obligation and that fair value cannot be reasonably estimated unless it is probable the entity will have to perform the asset retirement activities as of a specific time. The Board believes that an inability to reasonably estimate the fair value of the liability is a measurement issue rather than a recognition issue. When there is an unambiguous requirement to perform asset retirement activities upon the removal of a long-lived asset from service, an asset retirement obligation exists.

B27. As stated in paragraph B19 of Statement 143, the Board decided that asset retirement obligations with indeterminate settlement dates should be included within the scope of Statement 143. Uncertainty about the timing of the settlement date does not change the fact that an entity has a legal obligation. The Board acknowledged that although there is an obligation, measurement of that obligation might not be possible if insufficient information exists about the timing of settlement. However, information about the timing of the settlement of a retirement obligation will become available as time goes by. The Board decided that an entity should measure and recognize the fair value of an obligation when information is available to develop various assumptions about the potential timing of cash flows.

Effective Date and Transition

B28. The Board decided that this Interpretation should be effective no later than the end of fiscal years ending after December 15, 2005 (December 31, 2005, for calendar-year enterprises). The Board considered four alternatives for the effective date of this Interpretation. The three other alternatives were for financial statements issued for fiscal years

(a) ending after December 15, 2004,

(b) beginning after December 15, 2004, and

(c) beginning after December 15, 2005. During its deliberations of the effective date requirements, the Board weighed the need to provide entities with sufficient time to make the necessary measurements with the need to provide investors, creditors, and others with information that is relevant to the assessment of the effects of asset retirement obligations.

B29. Some respondents expressed concern over the effective date requirements in the Exposure Draft. Specifically, they stated that retrospective application promotes inconsistent treatment of interim financial information. The Board agreed with those respondents and decided to permit, but not require, retrospective application of interim financial information during any period of adoption. Early adoption of the Interpretation is encouraged.

B30. While deliberating the transition provisions for Statement 143, the Board reasoned that although some entities may have access to data and assumptions related to measurements that are already being made (for example, under the provisions of FASB Statement No. 19, Financial Accounting and Reporting by Oil and Gas Producing Companies), they may not have access to sufficient information to retroactively apply the fair value measurement approach required by Statement 143. Furthermore, while deliberating the transition provisions for this Interpretation, the Board acknowledged that some entities that are required to apply the provisions of Statement 143 have not been accounting for conditional asset retirement obligations. The Board concluded that it would be costly and difficult, if not impossible, to reconstruct historical data and assumptions without incorporating the benefit of hindsight.

B31. The Board decided that the provisions for recognition of transition amounts of this Interpretation should be consistent with the recognition provisions of Statement 143. While deliberating the transition provisions for Statement 143, the Board discussed whether a cumulative-effect approach and retrospective application provide equally useful financial statement information. The Board acknowledged that retrospective application would provide more useful information because prior-period balance sheet amounts and prior-period income statement amounts would be restated to reflect the provisions of Statement 143. However, during the deliberations of Statement 143, some rate-regulated entities expressed concern that if retrospective application resulted in recognition of additional expenses in prior periods, those expenses might not be recovered in current or future rates. The Board decided for this Interpretation that a cumulative-effect approach would provide sufficient information if, in addition to disclosing the pro forma income statement amounts, an entity also disclosed on a pro forma basis, for the beginning of the earliest year presented and for the ends of all years presented, the balance sheet amounts for the liability for asset retirement obligations as if this Interpretation had been applied during all periods affected.

Benefits and Costs

B32. The mission of the FASB is to establish and improve standards of financial accounting and reporting for the guidance and education of the public, including preparers, auditors, and users of financial information. In fulfilling that mission, the Board endeavors to determine that a standard will fill a significant need and that the costs imposed to apply that standard, as compared with other alternatives, are justified in relation to the overall benefits of the resulting information. Although the costs to implement a new standard may not be borne evenly, investors and creditors—both present and potential—and other users of financial information benefit from improvements in financial reporting, thereby facilitating the functioning of markets for capital and credit and the efficient allocation of resources in the economy.

B33. The Board's assessment of the benefits and costs of clarifying Statement 143 was based on discussions with preparers and auditors of financial statements and on consideration of the needs of users for more consistent application of that Statement. The Board acknowledges that this Interpretation may increase the costs of applying Statement 143. The expected benefit of this Interpretation is improved financial reporting resulting from a more consistent application of Statement 143 to conditional asset retirement obligations. Financial statements of different entities will be more comparable because all asset retirement obligations that are within the scope of this Interpretation and their related asset retirement costs will be recognized using a clearer threshold. Asset retirement obligations in which the timing and (or) method of settlement are conditional on a

future event that may or may not be within the control of the entity will be recognized as liabilities when they are incurred if the fair value of the liabilities can be reasonably estimated. Application of this Interpretation will result in (a) more consistent recognition of liabilities for asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 225 of 312

Witness: Michael Miller

225. Regarding FASB Statement No. 143 and FIN 47, on a plant account-by-plant account basis, please identify any and all “legal obligations” associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, use the definition of a “legal obligation” provided in FASB Statement No. 143: “an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel.”

Response:

None.

For electronic version, refer to KAW_R_AGDR1#225_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 226 of 312

Witness: Michael Miller

226. For any asset retirement obligations identified above, provide the “fair value” of the obligation. For the purposes of the question, fair value means “the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction.” Provide all assumptions and calculations underlying these amounts.

Response:

See response to AGDR1#225.

For electronic version, refer to KAW_R_AGDR1#226_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 227 of 312

Witness: Michael Miller

227. Provide complete copies of all Board of Director's minutes and internal management meeting minutes during the past five years in which any or all of the following subjects were discussed: the Company's depreciation rates; retirement unit costs; SFAS No. 143; and FIN 47.

Response:

None.

For electronic version, refer to KAW_R_AGDR1#227_061807.pdf

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

ATTORNEY GENERAL'S REQUEST FOR INFORMATION

Item 228 of 312

Witness: Michael A. Miller

228. Please provide the accounting entries (debits and credits) used to implement SFAS No. 143 and FIN 47, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

Response:

Please refer to electronic file named KAW_R_AGDR1#228_061807.xls

For electronic version of this document, refer to KAW_R_AGDR1#228_061807.pdf

Kentucky-American Water Company
Data Request #228, 229, 231.
Prepared by: G Akmentins 6.13.07

Regulatory Liability for Net Negative Salvage

Entry	Debit	Credit	Balance
Initial Entry at Adoption-2003			256250
Accumulated Depreciation A/C 108105	\$5,509,300		
Reg Liability A/C 256250		\$5,509,300	(\$5,509,300) Balance 2003
		See Workpaper 2003 2004 cell F21	
Reclassify Negative Salvage in Accum Depr-2004			
Accumulated Depreciation A/C 108105	\$ 1,058,788.00		
Reg Liability A/C 256250		\$ 1,058,788.00	
		See Workpaper 2003 2004 cell F8	
Record Removal and Salvage Cost-2004			
Reg Liability A/C 256250	\$ 355,596.00		
Accumulated Depreciation A/C 108105		\$ 355,596.00	(\$6,212,492) Balance 2004
		See Workpaper 2003 2004 cell F10	
Reclassify Negative Salvage in Accum Depr-2005			
Accumulated Depreciation A/C 108105	\$ 1,127,579.95		
Reg Liability A/C 256250		\$ 1,127,579.95	
		See Workpaper 2005 Reclass NNS cell Q29	
Record Removal and Salvage Cost-2005			
Reg Liability A/C 256250	\$ 779,090.79		
Accumulated Depreciation A/C 108105		\$ 779,090.79	(\$6,560,981) Balance 2005
		See Pivot Table on Removal Reclass	
Reclassify Negative Salvage in Accum Depr-2006			
Accumulated Depreciation A/C 108105	\$ 1,226,518.68		
Reg Liability A/C 256250		\$ 1,226,518.68	
		See Workpaper 2006 Reclass NNS cell Q29	
Record Removal and Salvage Cost-2006			
Reg Liability A/C 256250	\$ 190,492.48		
Accumulated Depreciation A/C 108105		\$ 190,492.48	(\$7,597,007) Balance 2006
		See Pivot Table on Removal Reclass	

2005	Sub	Percent	Asset	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total	Total	Total	
				Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	ARO Expense	
	304200	-9.09%	30099236	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	8592.68	103,010.34	\$ (9,363.64)
	304300	-9.09%	30099591	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	12290.51	147,861.90	\$ (13,440.65)
	309000	-4.76%	30099890	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	4701.14	56,413.68	\$ (2,686.29)
	311200	-7.41%	30099593	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	29342.02	354,155.51	\$ (26,242.82)
	311300	-7.41%	30099594	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	1525.3	18,303.60	\$ (1,356.30)
	320100	-16.67%	30099596	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	81035.92	979,985.65	\$ (163,363.61)
	330100	-9.09%	30099598	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	10941.14	135,068.72	\$ (12,277.75)
	331001	-3.85%	30100714	129343.88	129343.88	129864.93	130301.64	130498.11	130902.54	131790.89	132131.43	132783.37	133316.82	133836.82	134369.82	134902.82	135435.82	1,583,123.52	\$ (60,950.26)
	331100	-3.85%	30099600	1881.4	1881.4	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	1881.41	28,635.37	\$ (1,102.46)
	331200	-3.85%	30099601	775.37	775.37	775.39	775.39	775.39	775.39	775.39	775.39	775.39	775.39	775.39	775.39	775.39	775.39	11,798.40	\$ (454.24)
	331300	-3.85%	30099602	4.76	4.76	4.77	4.77	4.77	4.77	4.77	4.77	4.77	4.77	4.77	4.77	4.77	4.77	73.60	\$ (2.83)
	333000	-61.39%	30099238	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	106830.69	1,307,346.02	\$ (802,579.72)
	334110	13.79%	30099604	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	316.19	\$ 43.60
	334130	13.79%	30099605	10956.22	11035.41	11035.41	10940.32	11005.88	11087.53	11228.89	11235.95	11327.98	11334.15	11468.33	11617.77	11819.84	12024.84	134,273.84	\$ 18,516.36
	334200	-34.64%	30099607	27276.21	27304.76	27304.76	27304.76	27469.30	27548.95	27652.95	27778.40	27886.26	28066.66	28291.30	28546.66	28823.13	29123.13	334,119.84	\$ (115,738.94)
	335000	-26.47%	30099608	18484.47	18561.97	18561.97	18440.65	18740.65	18915.45	19186.63	19258.99	19455.71	19624.55	19799.49	19983.03	20166.99	20350.99	229,280.95	\$ (60,690.67)
	340100	2.91%	30099611	2290.71	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	2291.08	27,822.13	\$ 809.62
	340210	14.53%	30099612	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	4,115.16	\$ 597.93
	340220	14.53%	30099613	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	17714.13	226,031.15	\$ 32,842.33
	340230	14.53%	30099614	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	3863.14	47,251.30	\$ 6,865.61
	340500	2.91%	30099618	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	950.15	11,632.84	\$ 338.52
	341100	23.08%	30099619	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	15502.03	187,845.83	\$ 43,354.82
	341200	20.00%	30099620	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	6343.63	83,110.72	\$ 16,622.14
	341300	18.70%	30099621	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	2748.43	32,981.16	\$ 6,167.48
	343000	-2.91%	30099624	4630.42	4630.42	4647.73	4647.73	4647.73	4664.19	4663.81	4696.97	4704.69	4744.59	4752.90	4761.10	4769.41	4777.72	56,201.87	\$ (1,636.47)
	344000	19.35%	30099625	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	7946.81	93,779.74	\$ 18,146.38
				\$505,331.89	\$506,176.48	\$506,451.83	\$515,444.98	\$510,171.58	\$511,657.17	\$513,818.20	\$514,543.44	\$518,302.38	\$522,350.08	\$527,407.57	\$532,407.57	\$537,882.93	\$542,882.93	\$6,194,538.53	\$ (1,127,579.95)

2006	Sub	Percent	Asset	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total	Total	ARO	Expense		
				Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Expense		
	304200	-9.09%	30099236	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	8,601.01	
	304300	-9.09%	30099591	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	12,651.04	
	309000	-4.76%	30099690	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	4,701.14	
	311200	-7.41%	30099593	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	29,588.00	
	311300	-7.41%	30099594	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	1,525.30	
	320100	-16.67%	30099596	84,984.03	85,001.33	85,035.94	85,011.87	84,978.85	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	84,977.13	
	330100	-9.09%	30099598	12,824.99	17,430.56	18,284.04	17,892.87	18,512.34	18,514.96	18,522.86	18,542.15	18,874.50	18,874.50	18,874.50	18,874.50	18,874.50	18,874.50	18,874.50	18,874.50	18,874.50	
	331001	-3.85%	30100714	137,348.73	137,482.20	138,333.49	139,569.25	140,137.71	141,660.54	142,961.65	143,224.95	143,862.21	144,680.66	144,680.66	145,055.18	146,489.50	1,700,836.07	1,700,836.07	1,700,836.07	1,700,836.07	
	331200	-3.85%	30099601	1,881.40	1,953.84	1,956.62	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74	1,956.74
	331300	-3.85%	30099602	4,76	4,95	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	4,96	
	333000	-61.39%	30099238	114,926.87	115,064.35	115,599.97	116,122.02	117,390.89	118,211.91	118,802.22	119,720.01	121,231.51	121,953.75	122,796.84	123,613.54	1,425,433.88	1,425,433.88	1,425,433.88	1,425,433.88	1,425,433.88	
	334110	13.79%	30099604	23.18	23.18	23.18	23.18	23.18	23.18	23.18	23.07	17.59	13.86	6.12	6.12	38.29	244.13	244.13	244.13	244.13	
	334130	13.79%	30099606	11,610.66	11,615.45	11,936.50	11,924.49	11,911.36	11,907.62	12,131.37	12,147.42	12,346.27	12,389.72	12,389.72	12,436.38	14,046.06	146,403.32	146,403.32	146,403.32	146,403.32	
	334200	-34.64%	30099607	29,006.39	29,037.46	29,305.63	29,329.34	29,538.50	29,733.88	29,805.28	30,160.62	30,455.74	30,584.77	30,584.77	30,783.38	30,919.70	358,760.69	358,760.69	358,760.69	358,760.69	
	335000	-26.47%	30099608	20,026.10	20,110.51	20,223.31	20,302.52	20,439.58	20,842.05	21,065.48	21,098.62	21,385.03	21,527.02	21,527.02	21,619.55	21,746.60	250,386.37	250,386.37	250,386.37	250,386.37	
	340100	2.91%	30099611	2,412.69	2,417.09	2,417.09	2,417.09	2,417.09	2,417.09	2,417.09	2,417.09	2,423.93	2,424.22	2,424.22	2,424.22	2,424.22	29,036.48	29,036.48	29,036.48	29,036.48	
	340210	14.53%	30099612	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	342.93	4,271.91	4,271.91	4,271.91	4,271.91		
	340220	14.53%	30099613	20,704.31	20,704.31	20,704.31	20,704.31	20,754.69	20,754.69	20,754.69	20,936.13	20,942.33	20,942.33	20,942.33	20,942.33	21,065.86	249,910.29	249,910.29	249,910.29		
	340230	14.53%	30099614	3,990.80	3,997.92	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,729.93	4,792.14	55,643.45	55,643.45	55,643.45		
	340500	2.91%	30099618	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,008.27	1,007.40	1,045.29	12,134.51	12,134.51	12,134.51		
	341100	23.08%	30099619	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	16,197.25	20,795.71	198,965.46	198,965.46	198,965.46		
	341200	20.00%	30099620	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,053.32	8,000.88	8,663.00	97,144.64	97,144.64	97,144.64		
	341300	18.70%	30099621	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	2,748.43	3,044.20	33,276.93	33,276.93	33,276.93		
	343000	-2.91%	30099624	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	4,752.90	8,395.00	70,035.54	70,035.54	70,035.54		
	344000	19.35%	30099625	7,651.10	7,651.10	7,651.10	7,651.10	7,651.10	7,651.10	7,651.10	7,682.35	7,682.35	7,683.18	7,683.18	7,683.18	7,683.18	92,004.02	92,004.02	92,004.02		
				538,340.81	543,469.08	547,182.06	549,242.93	552,020.09	555,082.19	557,869.75	559,920.55	565,009.80	566,827.02	568,827.02	568,827.02	622,697.23	6,725,813.73	6,725,813.73	6,725,813.73	6,725,813.73	

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
	12 120105.675110.26	\$ 780.17	30099236	April-05	304200	Struct & Imp P
	12 120105.675110.26	\$ 1,117.22	30099591	April-05	304300	Struct & Imp WT
	12 120105.675110.26	\$ 223.77	30099690	April-05	309000	Supply Mains
	12 120105.675110.26	\$ 2,189.01	30099593	April-05	311200	Pump Equip Electric
	12 120105.675110.26	\$ 113.02	30099594	April-05	311300	Pump Equip Diesel
	12 120105.675110.26	\$ 13,508.69	30099596	April-05	320100	WT Equip Non-Media
	12 120105.675110.26	\$ 994.55	30099598	April-05	330100	Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,016.61	30100714	April-05	331001	TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 277.23	30099600	April-05	331100	TD Mains 4in & Less
	12 120105.675110.26	\$ 114.26	30099601	April-05	331200	TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.74	30099602	April-05	331300	TD Mains 10in to 16in
	12 120105.675110.26	\$ 65,569.90	30099238	April-05	333000	Services
	12 120105.675110.26	\$ (3.82)	30099604	April-05	334110	Meters Bronze Case
	12 120105.675110.26	\$ (1,508.67)	30099606	April-05	334130	Meters Other
	12 120105.675110.26	\$ 9,515.37	30099607	April-05	334200	Meter Installations
	12 120105.675110.26	\$ 4,960.65	30099608	April-05	335000	Hydrants
	12 120105.675110.26	\$ (66.67)	30099611	April-05	340100	Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)	30099612	April-05	340210	Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,573.86)	30099613	April-05	340220	Comp & Periph Personal
	12 120105.675110.26	\$ (561.31)	30099614	April-05	340230	Comp & Periph Other
	12 120105.675110.26	\$ (27.65)	30099618	April-05	340500	Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)	30099619	April-05	341100	Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,268.73)	30099620	April-05	341200	Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)	30099621	April-05	341300	Trans Equip Autos
	12 120105.675110.26	\$ 135.27	30099624	April-05	343000	Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,537.71)	30099625	April-05	344000	Laboratory Equipment
	12 120105.675110.26	\$ 780.17	30099236	May-05	304200	Struct & Imp P
	12 120105.675110.26	\$ 1,117.22	30099591	May-05	304300	Struct & Imp WT
	12 120105.675110.26	\$ 223.77	30099690	May-05	309000	Supply Mains
	12 120105.675110.26	\$ 2,189.01	30099593	May-05	311200	Pump Equip Electric
	12 120105.675110.26	\$ 113.02	30099594	May-05	311300	Pump Equip Diesel
	12 120105.675110.26	\$ 13,508.69	30099596	May-05	320100	WT Equip Non-Media
	12 120105.675110.26	\$ 994.55	30099598	May-05	330100	Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,024.18	30100714	May-05	331001	TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 83.11	30099600	May-05	331100	TD Mains 4in & Less
	12 120105.675110.26	\$ 34.25	30099601	May-05	331200	TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.21	30099602	May-05	331300	TD Mains 10in to 16in
	12 120105.675110.26	\$ 65,860.68	30099238	May-05	333000	Services
	12 120105.675110.26	\$ (3.82)	30099604	May-05	334110	Meters Bronze Case
	12 120105.675110.26	\$ (1,517.71)	30099606	May-05	334130	Meters Other
	12 120105.675110.26	\$ 9,542.96	30099607	May-05	334200	Meter Installations
	12 120105.675110.26	\$ 4,970.57	30099608	May-05	335000	Hydrants
	12 120105.675110.26	\$ (66.67)	30099611	May-05	340100	Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)	30099612	May-05	340210	Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,720.27)	30099613	May-05	340220	Comp & Periph Personal
	12 120105.675110.26	\$ (561.31)	30099614	May-05	340230	Comp & Periph Other
	12 120105.675110.26	\$ (27.65)	30099618	May-05	340500	Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)	30099619	May-05	341100	Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,268.73)	30099620	May-05	341200	Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)	30099621	May-05	341300	Trans Equip Autos
	12 120105.675110.26	\$ 135.27	30099624	May-05	343000	Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,537.71)	30099625	May-05	344000	Laboratory Equipment
	12 120105.675110.26	\$ 780.17	30099236	June-05	304200	Struct & Imp P
	12 120105.675110.26	\$ 1,117.22	30099591	June-05	304300	Struct & Imp WT
	12 120105.675110.26	\$ 223.77	30099690	June-05	309000	Supply Mains
	12 120105.675110.26	\$ 2,190.16	30099593	June-05	311200	Pump Equip Electric
	12 120105.675110.26	\$ 113.02	30099594	June-05	311300	Pump Equip Diesel
	12 120105.675110.26	\$ 13,508.69	30099596	June-05	320100	WT Equip Non-Media
	12 120105.675110.26	\$ 994.55	30099598	June-05	330100	Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,039.75	30100714	June-05	331001	TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.63	30099600	June-05	331100	TD Mains 4in & Less
	12 120105.675110.26	\$ 31.17	30099601	June-05	331200	TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19	30099602	June-05	331300	TD Mains 10in to 16in
	12 120105.675110.26	\$ 66,333.63	30099238	June-05	333000	Services
	12 120105.675110.26	\$ (3.82)	30099604	June-05	334110	Meters Bronze Case

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
	12 120105.675110.26	\$ (1,528.97)		30099606	June-05	334130 Meters Other
	12 120105.675110.26	\$ 9,578.98		30099607	June-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,006.92		30099608	June-05	335000 Hydrants
	12 120105.675110.26	\$ (66.67)		30099611	June-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	June-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,720.62)		30099613	June-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	June-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (28.32)		30099618	June-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)		30099619	June-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,284.38)		30099620	June-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	June-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 135.73		30099624	June-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,537.71)		30099625	June-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 780.17		30099236	July-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,116.67		30099591	July-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	July-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,190.96		30099593	July-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	July-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 13,508.69		30099596	July-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 994.55		30099598	July-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,073.95		30100714	July-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.35		30099600	July-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 31.05		30099601	July-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19		30099602	July-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 66,852.00		30099238	July-05	333000 Services
	12 120105.675110.26	\$ (3.82)		30099604	July-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,548.46)		30099606	July-05	334130 Meters Other
	12 120105.675110.26	\$ 9,622.44		30099607	July-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,078.67		30099608	July-05	335000 Hydrants
	12 120105.675110.26	\$ (66.67)		30099611	July-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	July-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,720.62)		30099613	July-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	July-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (28.32)		30099618	July-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)		30099619	July-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,284.38)		30099620	July-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	July-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 135.72		30099624	July-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,517.70)		30099625	July-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 780.17		30099236	August-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,116.67		30099591	August-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	August-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,190.96		30099593	August-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	August-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 13,508.69		30099596	August-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 994.55		30099598	August-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,073.95		30100714	August-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.35		30099600	August-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 31.05		30099601	August-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19		30099602	August-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 66,852.00		30099238	August-05	333000 Services
	12 120105.675110.26	\$ (3.82)		30099604	August-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,548.46)		30099606	August-05	334130 Meters Other
	12 120105.675110.26	\$ 9,622.44		30099607	August-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,078.67		30099608	August-05	335000 Hydrants
	12 120105.675110.26	\$ (66.67)		30099611	August-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	August-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,720.62)		30099613	August-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	August-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (28.32)		30099618	August-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)		30099619	August-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,284.38)		30099620	August-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	August-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 135.72		30099624	August-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,517.70)		30099625	August-05	344000 Laboratory Equipment

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
	12 120105.675110.26	\$ 780.17		30099236	September-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,117.13		30099591	September-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	September-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,191.82		30099593	September-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	September-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 13,496.10		30099596	September-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 994.55		30099598	September-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,112.16		30100714	September-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.34		30099600	September-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 31.05		30099601	September-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19		30099602	September-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 67,714.82		30099238	September-05	333000 Services
	12 120105.675110.26	\$ (3.40)		30099604	September-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,562.13)		30099606	September-05	334130 Meters Other
	12 120105.675110.26	\$ 9,729.22		30099607	September-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,149.93		30099608	September-05	335000 Hydrants
	12 120105.675110.26	\$ (67.93)		30099611	September-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	September-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,725.75)		30099613	September-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	September-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (28.32)		30099618	September-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)		30099619	September-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,593.39)		30099620	September-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	September-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 136.91		30099624	September-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,480.49)		30099625	September-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 780.17		30099236	October-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,118.36		30099591	October-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	October-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,192.47		30099593	October-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	October-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 13,504.05		30099596	October-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 994.55		30099598	October-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,132.70		30100714	October-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.33		30099600	October-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 31.05		30099601	October-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19		30099602	October-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 68,487.75		30099238	October-05	333000 Services
	12 120105.675110.26	\$ (3.20)		30099604	October-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,562.98)		30099606	October-05	334130 Meters Other
	12 120105.675110.26	\$ 9,800.11		30099607	October-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,194.62		30099608	October-05	335000 Hydrants
	12 120105.675110.26	\$ (67.93)		30099611	October-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	October-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,969.95)		30099613	October-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	October-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (28.32)		30099618	October-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,577.87)		30099619	October-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,610.67)		30099620	October-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	October-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 138.07		30099624	October-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,480.49)		30099625	October-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 780.17		30099236	November-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,118.36		30099591	November-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	November-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,192.47		30099593	November-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	November-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 14,135.26		30099596	November-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 1,166.13		30099598	November-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,206.73		30100714	November-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 75.33		30099600	November-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 31.05		30099601	November-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.19		30099602	November-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 69,005.45		30099238	November-05	333000 Services
	12 120105.675110.26	\$ (3.20)		30099604	November-05	334110 Meters Bronze Case

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
	12 120105.675110.26	\$ (1,581.48)		30099606	November-05	334130 Meters Other
	12 120105.675110.26	\$ 9,888.56		30099607	November-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,222.40		30099608	November-05	335000 Hydrants
	12 120105.675110.26	\$ (70.21)		30099611	November-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	November-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,983.02)		30099613	November-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	November-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (29.34)		30099618	November-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,788.07)		30099619	November-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,610.67)		30099620	November-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	November-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 138.31		30099624	November-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,480.49)		30099625	November-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 781.82		30099236	December-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 1,150.16		30099591	December-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 223.77		30099690	December-05	309000 Supply Mains
	12 120105.675110.26	\$ 2,192.47		30099593	December-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 113.02		30099594	December-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 14,166.82		30099596	December-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 1,166.13		30099598	December-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 5,277.78		30100714	December-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 72.51		30099600	December-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 29.76		30099601	December-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.18		30099602	December-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 70,448.42		30099238	December-05	333000 Services
	12 120105.675110.26	\$ (3.20)		30099604	December-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,602.09)		30099606	December-05	334130 Meters Other
	12 120105.675110.26	\$ 10,036.29		30099607	December-05	334200 Meter Installations
	12 120105.675110.26	\$ 5,289.51		30099608	December-05	335000 Hydrants
	12 120105.675110.26	\$ (70.21)		30099611	December-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (49.83)		30099612	December-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (2,983.02)		30099613	December-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (579.86)		30099614	December-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (29.34)		30099618	December-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (3,788.07)		30099619	December-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (1,610.66)		30099620	December-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (513.96)		30099621	December-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 138.31		30099624	December-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ (1,480.49)		30099625	December-05	344000 Laboratory Equipment
	12 120105.675110.26	\$ 585.12		30099236	Mar-05	304200 Struct & Imp P
	12 120105.675110.26	\$ 837.91		30099591	Mar-05	304300 Struct & Imp WT
	12 120105.675110.26	\$ 167.83		30099690	Mar-05	309000 Supply Mains
	12 120105.675110.26	\$ 1,634.38		30099593	Mar-05	311200 Pump Equip Electric
	12 120105.675110.26	\$ 84.77		30099594	Mar-05	311300 Pump Equip Diesel
	12 120105.675110.26	\$ 10,131.51		30099596	Mar-05	320100 WT Equip Non-Media
	12 120105.675110.26	\$ 745.91		30099598	Mar-05	330100 Elevated Tanks & Standpipes
	12 120105.675110.26	\$ 3,750.35		30100714	Mar-05	331001 TD Mains Not Classified by Siz
	12 120105.675110.26	\$ 54.33		30099600	Mar-05	331100 TD Mains 4in & Less
	12 120105.675110.26	\$ 22.39		30099601	Mar-05	331200 TD Mains 6in to 8in
	12 120105.675110.26	\$ 0.14		30099602	Mar-05	331300 TD Mains 10in to 16in
	12 120105.675110.26	\$ 48,860.83		30099238	Mar-05	333000 Services
	12 120105.675110.26	\$ (2.88)		30099604	Mar-05	334110 Meters Bronze Case
	12 120105.675110.26	\$ (1,137.39)		30099606	Mar-05	334130 Meters Other
	12 120105.675110.26	\$ 7,099.41		30099607	Mar-05	334200 Meter Installations
	12 120105.675110.26	\$ 3,688.34		30099608	Mar-05	335000 Hydrants
	12 120105.675110.26	\$ (50.00)		30099611	Mar-05	340100 Office Furniture & Equip
	12 120105.675110.26	\$ (37.37)		30099612	Mar-05	340210 Comp & Periph Mainframe
	12 120105.675110.26	\$ (1,930.40)		30099613	Mar-05	340220 Comp & Periph Personal
	12 120105.675110.26	\$ (420.99)		30099614	Mar-05	340230 Comp & Periph Other
	12 120105.675110.26	\$ (20.74)		30099618	Mar-05	340500 Other Office Equipment
	12 120105.675110.26	\$ (2,683.40)		30099619	Mar-05	341100 Trans Equip Lt Duty Trks
	12 120105.675110.26	\$ (951.54)		30099620	Mar-05	341200 Trans Equip Hvy Duty Trks
	12 120105.675110.26	\$ (385.47)		30099621	Mar-05	341300 Trans Equip Autos
	12 120105.675110.26	\$ 101.43		30099624	Mar-05	343000 Tools,Shop,Garage Equip
	12 120105.675110.26	\$ 2,513.73		30099591	Mar-05	304300 Struct & Imp WT

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
12	120105.675110.26	\$ 503.49	30099690	Mar-05	309000	Supply Mains
12	120105.675110.26	\$ 4,903.14	30099593	Mar-05	311200	Pump Equip Electric
12	120105.675110.26	\$ 254.31	30099594	Mar-05	311300	Pump Equip Diesel
12	120105.675110.26	\$ 30,394.53	30099596	Mar-05	320100	WT Equip Non-Media
12	120105.675110.26	\$ 2,237.73	30099598	Mar-05	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 11,251.05	30100714	Mar-05	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 162.99	30099600	Mar-05	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 67.17	30099601	Mar-05	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.42	30099602	Mar-05	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 146,582.49	30099238	Mar-05	333000	Services
12	120105.675110.26	\$ (8.64)	30099604	Mar-05	334110	Meters Bronze Case
12	120105.675110.26	\$ (3,412.17)	30099606	Mar-05	334130	Meters Other
12	120105.675110.26	\$ 21,298.23	30099607	Mar-05	334200	Meter Installations
12	120105.675110.26	\$ 11,065.02	30099608	Mar-05	335000	Hydrants
12	120105.675110.26	\$ (150.00)	30099611	Mar-05	340100	Office Furniture & Equip
12	120105.675110.26	\$ (112.11)	30099612	Mar-05	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (5,791.20)	30099613	Mar-05	340220	Comp & Periph Personal
12	120105.675110.26	\$ (1,262.97)	30099614	Mar-05	340230	Comp & Periph Other
12	120105.675110.26	\$ (62.22)	30099618	Mar-05	340500	Other Office Equipment
12	120105.675110.26	\$ (8,050.20)	30099619	Mar-05	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (2,854.62)	30099620	Mar-05	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (1,156.41)	30099621	Mar-05	341300	Trans Equip Autos
12	120105.675110.26	\$ 304.29	30099624	Mar-05	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (3,459.84)	30099625	Mar-05	344000	Laboratory Equipment
		\$ 1,126,977.87				

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
12	120105.675110.26	\$ 781.82	30099236	January-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.98	30099591	January-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	January-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	January-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	January-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,166.84	30099596	January-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,165.79	30099598	January-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,287.93	30100714	January-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 72.43	30099600	January-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 29.85	30099601	January-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.18	30099602	January-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 70,553.61	30099238	January-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	January-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,601.11)	30099606	January-06	334130	Meters Other
12	120105.675110.26	\$ 10,047.81	30099607	January-06	334200	Meter Installations
12	120105.675110.26	\$ 5,300.91	30099608	January-06	335000	Hydrants
12	120105.675110.26	\$ (70.21)	30099611	January-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	January-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,008.34)	30099613	January-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (579.86)	30099614	January-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	January-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	January-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	January-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	January-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 138.31	30099624	January-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	January-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	February-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.98	30099591	February-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	February-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	February-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	February-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,169.72	30099596	February-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,584.44	30099598	February-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,293.06	30100714	February-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.22	30099600	February-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.00	30099601	February-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	February-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 70,638.00	30099238	February-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	February-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,601.77)	30099606	February-06	334130	Meters Other
12	120105.675110.26	\$ 10,058.58	30099607	February-06	334200	Meter Installations
12	120105.675110.26	\$ 5,323.25	30099608	February-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	February-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	February-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,008.34)	30099613	February-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (580.90)	30099614	February-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	February-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	February-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	February-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	February-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 138.31	30099624	February-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	February-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	March-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.98	30099591	March-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	March-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	March-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	March-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,175.49	30099596	March-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,662.02	30099598	March-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,325.84	30100714	March-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	March-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	March-06	331200	TD Mains 6in to 8in

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB-DESCRIP
12	120105.675110.26	\$ 0.19	30099602	March-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 70,966.82	30099238	March-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	March-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,646.04)	30099606	March-06	334130	Meters Other
12	120105.675110.26	\$ 10,151.47	30099607	March-06	334200	Meter Installations
12	120105.675110.26	\$ 5,353.11	30099608	March-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	March-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	March-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,008.34)	30099613	March-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (687.26)	30099614	March-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	March-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	March-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	March-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	March-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 138.31	30099624	March-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	March-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	April-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.96	30099591	April-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	April-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	April-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	April-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,171.50	30099596	April-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,626.46	30099598	April-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,374.57	30100714	April-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	April-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	April-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	April-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 71,287.31	30099238	April-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	April-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,644.39)	30099606	April-06	334130	Meters Other
12	120105.675110.26	\$ 10,159.68	30099607	April-06	334200	Meter Installations
12	120105.675110.26	\$ 5,374.08	30099608	April-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	April-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	April-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,008.34)	30099613	April-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (687.26)	30099614	April-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	April-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	April-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	April-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	April-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 155.69	30099624	April-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	April-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	May-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.96	30099591	May-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	May-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	May-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	May-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.97	30099596	May-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,682.77	30099598	May-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,395.30	30100714	May-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	May-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	May-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	May-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 72,066.27	30099238	May-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	May-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,642.58)	30099606	May-06	334130	Meters Other
12	120105.675110.26	\$ 10,232.14	30099607	May-06	334200	Meter Installations
12	120105.675110.26	\$ 5,410.36	30099608	May-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	May-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	May-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,015.66)	30099613	May-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (687.26)	30099614	May-06	340230	Comp & Periph Other

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
12	120105.675110.26	\$ (29.34)	30099618	May-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	May-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	May-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	May-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 155.69	30099624	May-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	May-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	June-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,149.96	30099591	June-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	June-06	309000	Supply Mains
12	120105.675110.26	\$ 2,192.47	30099593	June-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	June-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.69	30099596	June-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,683.01	30099598	June-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,453.93	30100714	June-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	June-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	June-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	June-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 72,570.29	30099238	June-06	333000	Services
12	120105.675110.26	\$ (3.20)	30099604	June-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,642.06)	30099606	June-06	334130	Meters Other
12	120105.675110.26	\$ 10,299.82	30099607	June-06	334200	Meter Installations
12	120105.675110.26	\$ 5,516.89	30099608	June-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	June-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	June-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,015.66)	30099613	June-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.25)	30099614	June-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	June-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	June-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	June-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	June-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 157.88	30099624	June-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,480.49)	30099625	June-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	July-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,169.35	30099591	July-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	July-06	309000	Supply Mains
12	120105.675110.26	\$ 2,194.34	30099593	July-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 113.02	30099594	July-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.69	30099596	July-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,683.73	30099598	July-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,504.02	30100714	July-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	July-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	July-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	July-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 72,932.68	30099238	July-06	333000	Services
12	120105.675110.26	\$ (3.18)	30099604	July-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,672.92)	30099606	July-06	334130	Meters Other
12	120105.675110.26	\$ 10,359.19	30099607	July-06	334200	Meter Installations
12	120105.675110.26	\$ 5,576.03	30099608	July-06	335000	Hydrants
12	120105.675110.26	\$ (70.34)	30099611	July-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	July-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,015.66)	30099613	July-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.25)	30099614	July-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	July-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	July-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	July-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	July-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 157.88	30099624	July-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,486.53)	30099625	July-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 781.83	30099236	August-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,172.35	30099591	August-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	August-06	309000	Supply Mains
12	120105.675110.26	\$ 2,194.34	30099593	August-06	311200	Pump Equip Electric

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
12	120105.675110.26	\$ 135.76	30099594	August-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.69	30099596	August-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,685.48	30099598	August-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,514.16	30100714	August-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	August-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	August-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	August-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 73,496.11	30099238	August-06	333000	Services
12	120105.675110.26	\$ (2.43)	30099604	August-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,675.13)	30099606	August-06	334130	Meters Other
12	120105.675110.26	\$ 10,447.64	30099607	August-06	334200	Meter Installations
12	120105.675110.26	\$ 5,584.80	30099608	August-06	335000	Hydrants
12	120105.675110.26	\$ (70.54)	30099611	August-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	August-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,042.02)	30099613	August-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.25)	30099614	August-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	August-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	August-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	August-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	August-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 158.56	30099624	August-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,486.53)	30099625	August-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 833.98	30099236	September-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,173.14	30099591	September-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	September-06	309000	Supply Mains
12	120105.675110.26	\$ 2,194.39	30099593	September-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 136.36	30099594	September-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.75	30099596	September-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,715.69	30099598	September-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,538.70	30100714	September-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	September-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.05	30099601	September-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.19	30099602	September-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 74,424.02	30099238	September-06	333000	Services
12	120105.675110.26	\$ (1.91)	30099604	September-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,702.55)	30099606	September-06	334130	Meters Other
12	120105.675110.26	\$ 10,549.87	30099607	September-06	334200	Meter Installations
12	120105.675110.26	\$ 5,660.62	30099608	September-06	335000	Hydrants
12	120105.675110.26	\$ (70.54)	30099611	September-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	September-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,042.92)	30099613	September-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.47)	30099614	September-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.34)	30099618	September-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	September-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,610.66)	30099620	September-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	September-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 194.38	30099624	September-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,486.70)	30099625	September-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 838.78	30099236	October-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,170.02	30099591	October-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	October-06	309000	Supply Mains
12	120105.675110.26	\$ 2,194.05	30099593	October-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 136.36	30099594	October-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,165.75	30099596	October-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,715.69	30099598	October-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,570.21	30100714	October-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	October-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.25	30099601	October-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.34	30099602	October-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 74,867.41	30099238	October-06	333000	Services
12	120105.675110.26	\$ (0.84)	30099604	October-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,708.54)	30099606	October-06	334130	Meters Other

Kentucky American Water Company

Company	Account	Amount	Asset	Month	SUB	SUB DESCRIP
12	120105.675110.26	\$ 10,594.56	30099607	October-06	334200	Meter Installations
12	120105.675110.26	\$ 5,698.20	30099608	October-06	335000	Hydrants
12	120105.675110.26	\$ (70.54)	30099611	October-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	October-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,042.92)	30099613	October-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.47)	30099614	October-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.32)	30099618	October-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	October-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,600.18)	30099620	October-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	October-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 194.38	30099624	October-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,486.70)	30099625	October-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 838.78	30099236	November-06	304200	Struct & Imp P
12	120105.675110.26	\$ 1,176.61	30099591	November-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	November-06	309000	Supply Mains
12	120105.675110.26	\$ 2,194.05	30099593	November-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 136.36	30099594	November-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 14,128.82	30099596	November-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 1,677.90	30099598	November-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,584.62	30100714	November-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	November-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.08	30099601	November-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.21	30099602	November-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 75,384.98	30099238	November-06	333000	Services
12	120105.675110.26	\$ (0.84)	30099604	November-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,714.98)	30099606	November-06	334130	Meters Other
12	120105.675110.26	\$ 10,663.36	30099607	November-06	334200	Meter Installations
12	120105.675110.26	\$ 5,722.69	30099608	November-06	335000	Hydrants
12	120105.675110.26	\$ (70.54)	30099611	November-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (49.83)	30099612	November-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,042.92)	30099613	November-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (694.47)	30099614	November-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (29.32)	30099618	November-06	340500	Other Office Equipment
12	120105.675110.26	\$ (3,738.33)	30099619	November-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,600.18)	30099620	November-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (513.96)	30099621	November-06	341300	Trans Equip Autos
12	120105.675110.26	\$ 204.35	30099624	November-06	343000	Tools,Shop,Garage Equip
12	120105.675110.26	\$ (1,486.70)	30099625	November-06	344000	Laboratory Equipment
12	120105.675110.26	\$ 1,028.30	30099236	December-06	304200	Struct & Imp P
12	120105.675110.26	\$ 2,352.88	30099591	December-06	304300	Struct & Imp WT
12	120105.675110.26	\$ 223.77	30099690	December-06	309000	Supply Mains
12	120105.675110.26	\$ 2,199.35	30099593	December-06	311200	Pump Equip Electric
12	120105.675110.26	\$ 136.36	30099594	December-06	311300	Pump Equip Diesel
12	120105.675110.26	\$ 15,174.95	30099596	December-06	320100	WT Equip Non-Media
12	120105.675110.26	\$ 3,655.55	30099598	December-06	330100	Elevated Tanks & Standpipes
12	120105.675110.26	\$ 5,639.85	30100714	December-06	331001	TD Mains Not Classified by Siz
12	120105.675110.26	\$ 75.33	30099600	December-06	331100	TD Mains 4in & Less
12	120105.675110.26	\$ 31.07	30099601	December-06	331200	TD Mains 6in to 8in
12	120105.675110.26	\$ 0.21	30099602	December-06	331300	TD Mains 10in to 16in
12	120105.675110.26	\$ 75,886.35	30099238	December-06	333000	Services
12	120105.675110.26	\$ (5.28)	30099604	December-06	334110	Meters Bronze Case
12	120105.675110.26	\$ (1,936.95)	30099606	December-06	334130	Meters Other
12	120105.675110.26	\$ 10,710.58	30099607	December-06	334200	Meter Installations
12	120105.675110.26	\$ 5,756.33	30099608	December-06	335000	Hydrants
12	120105.675110.26	\$ (70.56)	30099611	December-06	340100	Office Furniture & Equip
12	120105.675110.26	\$ (72.60)	30099612	December-06	340210	Comp & Periph Mainframe
12	120105.675110.26	\$ (3,060.87)	30099613	December-06	340220	Comp & Periph Personal
12	120105.675110.26	\$ (696.30)	30099614	December-06	340230	Comp & Periph Other
12	120105.675110.26	\$ (30.42)	30099618	December-06	340500	Other Office Equipment
12	120105.675110.26	\$ (4,799.65)	30099619	December-06	341100	Trans Equip Lt Duty Trks
12	120105.675110.26	\$ (1,732.60)	30099620	December-06	341200	Trans Equip Hvy Duty Trks
12	120105.675110.26	\$ (569.27)	30099621	December-06	341300	Trans Equip Autos

Kentucky American Water Company

Company	Account	Amount	Asset	Month
12	120105.675110.26	\$ 244.29	30099624	December-06
12	120105.675110.26	\$ (1,486.70)	30099625	December-06
		\$ 1,226,518.68		

SUB	SUB DESCRIP
343000	Tools, Shop, Garage Equip
344000	Laboratory Equipment

Company	Doc Type	Bus Unit	Account	Date	Year	Document #	Batch #	Asset #	TOTAL	Description	Work Order	Work Order Description
Kentucky American Water Company	00012	F7	120205	108110	2005	30182556	3431565	12003240	\$ 6,500.00	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12003242	\$ (9,400.00)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12003241	\$ 18,999.09	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12005942	\$ 2,555.68	Clear Actual Removal Costs from Retirement Work Order	12011526	Mains 6" CI 1934
	00012	F7	120205	108110	2005	30182556	3431565	30057871	\$ 863.18	Clear Actual Removal Costs from Retirement Work Order	50041523	RET 55-16" MAIN, 1996
	00012	F7	120205	108110	2005	30182556	3431565	30065960	\$ 673.62	Clear Actual Removal Costs from Retirement Work Order	50052707	RET 400-10" MAIN, 1936
	00012	F7	120205	108110	2005	30182556	3431565	30072819	\$ 944.70	Clear Actual Removal Costs from Retirement Work Order	500556309	Ret 1-8" service, 1968
	00012	F7	120205	108110	2005	30182556	3431565	30076709	\$ 248.99	Clear Actual Removal Costs from Retirement Work Order	50057585	Ret 80-12" main, 1972
	00012	F7	120205	108110	2005	30186910	3444595	12003242	\$ 5,027.47	Clear Actual Removal Costs from Retirement Work Order	50080499	RET 1-6" VALVE, 1979
	00012	F7	120205	108110	2005	30192194	3463620	12003240	\$ 12,149.63	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30192194	3463620	12003242	\$ 9,400.00	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30192194	3463620	12003241	\$ 4,094.22	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30100714	\$ 12,225.54	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30099238	\$ (4,318.96)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30099604	\$ (44,318.96)	Clear Actual Removal Costs from Retirement Work Order	12011526	6" CI BRUCE ST
	00012	F7	120205	108110	2005	30194394	3473122	30099607	\$ 278.31	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket Service Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12003240	\$ 459.73	Clear Actual Removal Costs from Retirement Work Order	50057585	RET 12" AC Bryan Station Rd
	00012	F7	120205	108110	2005	30182556	3431565	12003242	\$ (6,500.00)	Clear Actual Removal Costs from Retirement Work Order	50060499	RET G1 Viv Roosevelt Boulevard
	00012	F7	120205	108110	2005	30182556	3431565	12003241	\$ 9,400.00	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12003242	\$ (18,999.09)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30182556	3431565	12005942	\$ (2,555.68)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30182556	3431565	30057871	\$ (863.18)	Clear Actual Removal Costs from Retirement Work Order	50041523	RET 16" DI UK Cupp Bldg Press
	00012	F7	120205	108110	2005	30182556	3431565	30065960	\$ (673.62)	Clear Actual Removal Costs from Retirement Work Order	50052707	RET 10" CI South Broadway
	00012	F7	120205	108110	2005	30182556	3431565	30072819	\$ (944.70)	Clear Actual Removal Costs from Retirement Work Order	50056309	RET 8" DS Sett Sugar Mill Apts
	00012	F7	120205	108110	2005	30182556	3431565	30076709	\$ (248.99)	Clear Actual Removal Costs from Retirement Work Order	50057585	RET 12" AC Bryan Station Rd
	00012	F7	120205	108110	2005	30186910	3444595	12003242	\$ (379.61)	Clear Actual Removal Costs from Retirement Work Order	50060499	RET G1 Viv Roosevelt Boulevard
	00012	F7	120205	108110	2005	30186910	3444595	12003241	\$ (5,027.47)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30186910	3444595	12003242	\$ (9,400.00)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30192194	3463620	12003241	\$ (12,149.63)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30192194	3463620	12003242	\$ (4,094.22)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30192194	3463620	12003241	\$ (9,400.00)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30100714	\$ (12,225.54)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30099238	\$ (1,664.47)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30099604	\$ (3,616.72)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30194394	3473122	30099607	\$ (510.16)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30198807	3494384	12003241	\$ (2,781.21)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30198807	3494384	30083751	\$ (972.39)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30203873	3512444	12003242	\$ (2,800.00)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30203873	3512444	12003241	\$ (7,411.71)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30203873	3512444	30083751	\$ (167.93)	Clear Actual Removal Costs from Retirement Work Order	50066887	RET 12" DI McAtee Run
	00012	F7	120205	108110	2005	30203873	3512444	300704155	\$ (258.12)	Clear Actual Removal Costs from Retirement Work Order	50075111	RET 6" MJ Hydr Kohl's-Growth
	00012	F7	120205	108110	2005	30203873	3512444	30099844	\$ (1,500.00)	Clear Actual Removal Costs from Retirement Work Order	50075111	RET 12" CI Manchester Street
	00012	F7	120205	108110	2005	30203873	3512444	30099845	\$ (732.57)	Clear Actual Removal Costs from Retirement Work Order	50075111	RET 6" CI Manchester Street
	00012	F7	120205	108110	2005	30203873	3512444	30099846	\$ 194.39	Clear Actual Removal Costs from Retirement Work Order	50075111	RET Hydrant Manchester Street
	00012	F7	120205	108110	2005	30203873	3512444	30099847	\$ (75.00)	Clear Actual Removal Costs from Retirement Work Order	50075118	RET TapSivViv Manchester St
	00012	F7	120205	108110	2005	30207551	3526794	12003240	\$ (450.00)	Clear Actual Removal Costs from Retirement Work Order	50075120	RET Viv Bx Cmp Manchester St
	00012	F7	120205	108110	2005	30207551	3526794	12003242	\$ (732.56)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	120205	108110	2005	30207551	3526794	12003241	\$ (3,595.13)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30207551	3526794	30077869	\$ (1,603.66)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	120205	108110	2005	30211384	3542785	12003240	\$ (225.00)	Clear Actual Removal Costs from Retirement Work Order	50061998	RET 12" DI Fayette Mall Expans
	00012	F7	120205	108110	2005	30211384	3542785	12003242	\$ (2,464.92)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	120205	108110	2005	30211384	3542785	12003241	\$ (3,161.73)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30211384	3542785	300631775	\$ (1,865.65)	Clear Actual Removal Costs from Retirement Work Order	50045056	RET 8" MJ Viv - Repechy Shoop
	00012	F7	120205	108110	2005	30211384	3542785	30077869	\$ (140.38)	Clear Actual Removal Costs from Retirement Work Order	50061998	RET 12" DI Fayette Mall Expans
	00012	F7	120205	108110	2005	30215909	3561988	12003240	\$ (2,622.44)	Clear Actual Removal Costs from Retirement Work Order	50071349	RET 8" DI UK Pkg Struc #6
	00012	F7	120205	108110	2005	30215909	3561988	12003242	\$ (425.00)	Clear Actual Removal Costs from Retirement Work Order	12006002	Blanket meter Retirements
	00012	F7	120205	108110	2005	30215909	3561988	12003241	\$ (876.01)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	120205	108110	2005	30215909	3561988	12003241	\$ (492.69)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements

Company	Doc Type	Bus Unit	Account	Date	Year	Document #	Batch #	Asset #	TOTAL	Description	Work Order	Work Order Description
Kentucky American Water Company	00012	F7	1202000R 185999	Sep-05 2005	30215909	3561988	30009231	\$	760.00	Clear Actual Removal Costs from Retirement Work Order	50009413	MAIN RETIREMENT 8" AC PIPE
	00012	F7	1202000R 185999	Sep-05 2005	30215909	3561988	30023145	\$	(697.06)	Clear Actual Removal Costs from Retirement Work Order	50021378	RET 1.5" Ld South Mill Commons
	00012	F7	1202000R 185999	Sep-05 2005	30215909	3561988	30090311	\$	(207.95)	Clear Actual Removal Costs from Retirement Work Order	50070051	RET 2.25" PVC Lemons Mill Rd
	00012	F7	1202000R 185999	Sep-05 2005	30215909	3561988	30090314	\$	(108.39)	Clear Actual Removal Costs from Retirement Work Order	50070052	RET 3" AC LEMONS MILL RD
	00012	F7	1202000R 185999	Sep-05 2005	30215909	3561988	30104155	\$	(140.13)	Clear Actual Removal Costs from Retirement Work Order	50073592	RET 6" MJ Hydt Kohl's-G'town
	00012	F7	1202000R 185999	Sep-05 2005	30225653	3578367	12003242	\$	(1,342.87)	Clear Actual Removal Costs from Retirement Work Order	50075409	RET 12" CI Fayette MI Restmts
	00012	F7	1202000R 185999	Oct-05 2005	30225653	3578367	12003242	\$	(2,443.39)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirement
	00012	F7	1202000R 185999	Oct-05 2005	30225653	3578367	30018030	\$	(1,380.44)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Oct-05 2005	30225653	3578367	30023145	\$	(106.05)	Clear Actual Removal Costs from Retirement Work Order	50017087	MAIN RETIREMENT 2" GALVANIZED
	00012	F7	1202000R 185999	Oct-05 2005	30225653	3578367	30104155	\$	(198.77)	Clear Actual Removal Costs from Retirement Work Order	50021378	RET 1.5" Ld South Mill Commons
	00012	F7	1202000R 185999	Oct-05 2005	30225653	3578367	30111381	\$	(1,848.46)	Clear Actual Removal Costs from Retirement Work Order	50075409	RET 12" CI Fayette MI Restmts
	00012	F7	1202000R 185999	Oct-05 2005	30230750	3595201	12003240	\$	(2,935.00)	Clear Actual Removal Costs from Retirement Work Order	50086267	RET 2.25" PVC LEMONS MILL RD
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	12003242	\$	(5,142.61)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	12003241	\$	(4,240.50)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30023145	\$	(639.59)	Clear Actual Removal Costs from Retirement Work Order	50021378	RET 1.5" Ld South Mill Commons
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30084554	\$	(2,046.83)	Clear Actual Removal Costs from Retirement Work Order	50067786	RET 8" CL Elkhorn Park Ph II
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30084557	\$	(183.27)	Clear Actual Removal Costs from Retirement Work Order	50067787	RET 2" CL Elkhorn Park Ph II
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30084558	\$	(891.30)	Clear Actual Removal Costs from Retirement Work Order	50067788	RET 6" AC Elkhorn Park Ph II
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30090298	\$	(2,444.27)	Clear Actual Removal Costs from Retirement Work Order	50070291	RET 6" Valves @ Eastern State
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30104155	\$	(55.95)	Clear Actual Removal Costs from Retirement Work Order	50073592	RET 6" MJ Hydt Kohl's-G'town
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30104138	\$	(500.00)	Clear Actual Removal Costs from Retirement Work Order	50075409	RET 12" CI Fayette MI Restmts
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30104148	\$	(481.26)	Clear Actual Removal Costs from Retirement Work Order	50076992	RET Hydrants Fayette Mail
	00012	F7	1202000R 185999	Nov-05 2005	30230750	3595201	30119491	\$	(150.73)	Clear Actual Removal Costs from Retirement Work Order	50082862	RET 2" PVC Brown Relocation
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	12003242	\$	(22,301.60)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirement
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	12003241	\$	(2,561.57)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30023145	\$	(110.67)	Clear Actual Removal Costs from Retirement Work Order	50021378	RET 1.5" Ld South Mill Commons
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30038562	\$	(356.56)	Clear Actual Removal Costs from Retirement Work Order	50028570	MAIN RET 8" CL GLENN CREEK
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30050972	\$	(20,000.00)	Clear Actual Removal Costs from Retirement Work Order	50032018	RET Valves - RRS Hyd & Chem
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30050973	\$	(282,971.56)	Clear Actual Removal Costs from Retirement Work Order	50032020	RET 24" Influent Valves - RRS
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30050974	\$	(282,971.57)	Clear Actual Removal Costs from Retirement Work Order	50032026	RET 30" Effluent Valves - RRS
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30068636	\$	(380.01)	Clear Actual Removal Costs from Retirement Work Order	50052026	RET Hydt Plaudt Retail Center
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30069525	\$	(2,968.13)	Clear Actual Removal Costs from Retirement Work Order	50053377	RET Hydt Plaudt Retail Center
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30069549	\$	(4,407.24)	Clear Actual Removal Costs from Retirement Work Order	50055389	RET 6" MJ Hydt Kohl's-G'town
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30069567	\$	(4,172.02)	Clear Actual Removal Costs from Retirement Work Order	50055389	RET 6" CI Loudon Ave Rel
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30076701	\$	(627.02)	Clear Actual Removal Costs from Retirement Work Order	50061036	RET 4" PVC Hayes Blvd
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30078777	\$	(757.66)	Clear Actual Removal Costs from Retirement Work Order	50062563	RET Tap Sleeve UK Dorm #4
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30079856	\$	(757.42)	Clear Actual Removal Costs from Retirement Work Order	50063434	RET 12" DI Pipe Hayes Blvd
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30090290	\$	(687.99)	Clear Actual Removal Costs from Retirement Work Order	50063865	RET 12" AC BG Alrpt Rental Rdy
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30090290	\$	(70.05)	Clear Actual Removal Costs from Retirement Work Order	50068828	RET 4" AC Parkers Mill Rd
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30104155	\$	(7,330.00)	Clear Actual Removal Costs from Retirement Work Order	50070291	RET 6" Valves @ Eastern State
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30104155	\$	(110.67)	Clear Actual Removal Costs from Retirement Work Order	50073592	RET 6" MJ Hydt Kohl's-G'town
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30108404	\$	(202.12)	Clear Actual Removal Costs from Retirement Work Order	50075757	RET 4" CI Central Avenue
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30104148	\$	(55.34)	Clear Actual Removal Costs from Retirement Work Order	50076992	RET Hydrants Fayette Mail
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30108415	\$	(288.73)	Clear Actual Removal Costs from Retirement Work Order	50081016	RET Hydt Sharky Way
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	12002136	\$	(4,000.00)	Clear Actual Removal Costs from Retirement Work Order	50090961	RET VALVE/PIPING, UNIT 1,2,3,4
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30122486	\$	(2,000.00)	Clear Actual Removal Costs from Retirement Work Order	50090962	RET VALVE/PIPING, UNIT 5 & 6
	00012	F7	1202000R 185999	Dec-05 2005	30238729	3613914	30122486	\$	(2,000.00)	Clear Actual Removal Costs from Retirement Work Order	50090963	RET VALVE/PIPING, UNIT 7 & 8
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	12003242	\$	(5,230.24)	Clear Actual Removal Costs from Retirement Work Order	50090964	RET VALVE/PIPING, UNIT 9 & 10
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	12003241	\$	(3,398.29)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirement
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30120299	\$	(66.13)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30120300	\$	(75.68)	Clear Actual Removal Costs from Retirement Work Order	50090203	RET 6" CI SUBURBAN CT RELOCATN
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30122483	\$	(70.07)	Clear Actual Removal Costs from Retirement Work Order	50090333	RET HYDT CENT BANK VERLSLS RD
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30122483	\$	(70.07)	Clear Actual Removal Costs from Retirement Work Order	50090963	RET 6" FS FAYETTE PLAZA
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30122484	\$	(70.07)	Clear Actual Removal Costs from Retirement Work Order	50090964	RET 6" FS FAYETTE PLAZA
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	12002136	\$	(3,850.00)	Clear Actual Removal Costs from Retirement Work Order	50090961	RET VALVE/PIPING, UNIT 1,2,3,4
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30122486	\$	(1,900.00)	Clear Actual Removal Costs from Retirement Work Order	50090962	RET VALVE/PIPING, UNIT 5 & 6
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	30122486	\$	(1,900.00)	Clear Actual Removal Costs from Retirement Work Order	50090963	RET VALVE/PIPING, UNIT 7 & 8
	00012	F7	1202000R 185999	Jan-06 2006	30242910	3631612	12001532	\$	(1,900.00)	Clear Actual Removal Costs from Retirement Work Order	50090964	RET VALVE/PIPING, UNIT 9 & 10

Company	Doc Type	Bus Unit	Account	Date	Year	Document #	Batch #	Asset #	TOTAL	Description	Work Order	Work Order Description
Kentucky American Water Company	00012	F7	1202000R 185999	Jan-06	2006	30242910	3631612	30127087	\$ (537.92)	Clear Actual Removal Costs from Retirement Work Order	50094885	RET 6" MJ HYDT ZANDALE SHOP
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	12003242	\$ (997.73)	Blanket meter install Retirements	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	12003241	\$ (1,746.48)	Blanket Service Retirements	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30119324	\$ (273.53)	Clear Actual Removal Costs from Retirement Work Order	50098940	RET 8" PVC LANE S RUN FARM
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30120299	\$ (309.20)	Clear Actual Removal Costs from Retirement Work Order	50090203	RET 6" CI SUBURBAN CT RELOCATN
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122483	\$ (661.39)	Clear Actual Removal Costs from Retirement Work Order	50090863	RET 6" FS FAYETTE PLAZA
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122484	\$ (100.86)	Clear Actual Removal Costs from Retirement Work Order	50090864	RET 8" FS FAYETTE PLAZA
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122488	\$ (203.00)	Clear Actual Removal Costs from Retirement Work Order	500933229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122496	\$ (172.32)	Clear Actual Removal Costs from Retirement Work Order	500933229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122497	\$ (172.32)	Clear Actual Removal Costs from Retirement Work Order	500933229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30124175	\$ (203.00)	Clear Actual Removal Costs from Retirement Work Order	50093311	RET TAP VLVSLV BUCK LANE
	00012	F7	1202000R 185999	Feb-06	2006	30246943	3647141	30122488	\$ (326.64)	Clear Actual Removal Costs from Retirement Work Order	50094885	RET 6" MJ HYDT ZANDALE SHOP
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	12003242	\$ (7,155.16)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	12003241	\$ (1,418.75)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	30093525	\$ (1,665.00)	Clear Actual Removal Costs from Retirement Work Order	50055377	RET 12.25" CL Loudon Ave Reloc
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	30122488	\$ (107.02)	Clear Actual Removal Costs from Retirement Work Order	500933229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	30122496	\$ (321.03)	Clear Actual Removal Costs from Retirement Work Order	500933229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	30124175	\$ (214.08)	Clear Actual Removal Costs from Retirement Work Order	50093311	RET TAP VLVSLV BUCK LANE
	00012	F7	1202000R 185999	Mar-06	2006	30251355	3666814	30127087	\$ (49.19)	Clear Actual Removal Costs from Retirement Work Order	50086905	RET 6" MJ HYDT ZANDALE SHOP
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	12003240	\$ (1,650.00)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	12003241	\$ (2,716.16)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	30090328	\$ (396.91)	Clear Actual Removal Costs from Retirement Work Order	50068905	RET 6" AC Wrights Lane
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	30090336	\$ (132.30)	Clear Actual Removal Costs from Retirement Work Order	50068906	RET 6" DI Wrights Lane
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	12002136	\$ 4,000.00	Clear Actual Removal Costs from Retirement Work Order	50090961	RET VALVE/PIPING, UNIT 1,2,3,4
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	30122485	\$ 2,000.00	Clear Actual Removal Costs from Retirement Work Order	50090962	RET VALVE/PIPING, UNIT 5 & 6
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	30122486	\$ 2,000.00	Clear Actual Removal Costs from Retirement Work Order	50090963	RET VALVE/PIPING, UNIT 7 & 8
	00012	F7	1202000R 185999	Apr-06	2006	30257554	3684684	30122488	\$ 2,000.00	Clear Actual Removal Costs from Retirement Work Order	50090964	RET VALVE/PIPING, UNIT 9 & 10
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	12003240	\$ (276.60)	Clear Actual Removal Costs from Retirement Work Order	50093229	RET TAP/ASSY VLV SOUTH ELKHORN
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	12003241	\$ (554.92)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	12003242	\$ (1,845.17)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	12003241	\$ (9,466.74)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	30023145	\$ (1,545.00)	Clear Actual Removal Costs from Retirement Work Order	50021378	RET 1.5" Ld South Mill Commons
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	30090328	\$ (444.33)	Clear Actual Removal Costs from Retirement Work Order	50068905	RET 6" AC Wrights Lane
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	30090336	\$ (222.18)	Clear Actual Removal Costs from Retirement Work Order	50068906	RET 6" DI Wrights Lane
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	30108458	\$ 8,030.00	Clear Actual Removal Costs from Retirement Work Order	50053214	RET 6" FS St. Joe Hospital
	00012	F7	1202000R 185999	May-06	2006	30265632	3713202	30138136	\$ (67.91)	Clear Actual Removal Costs from Retirement Work Order	50103394	RET HYDRANT DEMAND COURT
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	12003240	\$ (2,984.91)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	12003242	\$ (6,167.26)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	12003241	\$ (3,926.43)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30131114	\$ 24.60	Clear Actual Removal Costs from Retirement Work Order	50095783	RET EXHAUST FANS KRS
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30131464	\$ (132.30)	Clear Actual Removal Costs from Retirement Work Order	50099477	RET 6" DS LAT WRIGHTS LN US 25
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30131463	\$ (354.48)	Clear Actual Removal Costs from Retirement Work Order	50099477	RET 6" DS SET WRIGHTS LN US 25
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30131460	\$ 700.00	Clear Actual Removal Costs from Retirement Work Order	50099885	RET 8" DI ALYSHEBA DRIVE
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30135071	\$ (3,600.00)	Clear Actual Removal Costs from Retirement Work Order	50102067	Blanket meter install Retirements
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30137449	\$ (721.12)	Clear Actual Removal Costs from Retirement Work Order	50102504	RET 6" AC OLD OXFORD RD UPRGRD
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30144292	\$ (1,318.00)	Clear Actual Removal Costs from Retirement Work Order	50105327	REP INTK PUMP #5 MOTOR OVRHAUL
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30144295	\$ (67,600.00)	Clear Actual Removal Costs from Retirement Work Order	50105329	REP KRS INTK PUMP UNIT 2 & 6
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	30145687	\$ (631.61)	Clear Actual Removal Costs from Retirement Work Order	50106729	RET 2" CINATIONAL AVE
	00012	F7	1202000R 185999	Jun-06	2006	30533409	3735908	12006137	\$	Clear Actual Removal Costs from Retirement Work Order	50107484	RET DRIVE HEAD (HYDROTTR #3)
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	12003240	\$ 1,060.00	Clear Actual Removal Costs from Retirement Work Order	50107888	RET TRUCK (82 FORD F700 4X2)
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	12003242	\$ (1,108.07)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	12003241	\$ (984.40)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	30090328	\$ (3,669.56)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	30090328	\$ (591.33)	Clear Actual Removal Costs from Retirement Work Order	50068905	RET 6" AC Wrights Lane
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	30090336	\$ (221.81)	Clear Actual Removal Costs from Retirement Work Order	50068906	RET 6" DI Wrights Lane
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	30137449	\$ (1,478.40)	Clear Actual Removal Costs from Retirement Work Order	50102504	RET 6" AC OLD OXFORD RD UPRGRD
	00012	F7	1202000R 185999	Jul-06	2006	30542340	3750772	30138136	\$ (73.91)	Clear Actual Removal Costs from Retirement Work Order	50103394	RET HYDRANT DEMAND COURT
	00012	F7	1202000R 185999	Aug-06	2006	30624645	3769695	12003240	\$ (6,250.91)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R 185999	Aug-06	2006	30624645	3769695	12003242	\$ (19,715.97)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements

Company	Doc Type	Bus Unit	Account	Date	Year	Document #	Batch #	Asset #	TOTAL	Description	Work Order	Work Order Description
Kentucky American Water Company	00012	F7	1202000R	185999	Aug-06	30624645	3769695	12003241	\$ (2,860.66)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R	185999	Aug-06	30624645	3769695	30090396	\$ (73.95)	Clear Actual Removal Costs from Retirement Work Order	50068906	RET 6" DI Wrights Lane
	00012	F7	1202000R	185999	Aug-06	30624645	3769695	30122496	\$ 786.00	Clear Actual Removal Costs from Retirement Work Order	50093309	REL HYDT H2152 BUCK LANE
	00012	F7	1202000R	185999	Aug-06	30624645	3769695	30131464	\$ (295.69)	Clear Actual Removal Costs from Retirement Work Order	50099476	RET 6" DS LAT WRIGHTS LN US 25
	00012	F7	1202000R	185999	Aug-06	30624645	3769695	30131463	\$ (295.69)	Clear Actual Removal Costs from Retirement Work Order	50099477	RET 6" DS SET WRIGHTS LN US 25
	00012	F7	1202000R	185999	Sep-06	30655524	3792865	12003240	\$ (674.16)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R	185999	Sep-06	30655524	3792865	12003240	\$ (643.87)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R	185999	Sep-06	30655524	3792865	12003241	\$ (89.70)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R	185999	Sep-06	30655524	3792865	30148458	\$ (89.70)	Clear Actual Removal Costs from Retirement Work Order	50083214	RET 6" FS ST Joe Hospital
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	12003240	\$ (1,582.00)	Clear Actual Removal Costs from Retirement Work Order	50105327	REP INTK PUMP #5 MOTOR OVRHAUL
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	12003242	\$ (2,849.52)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	12003242	\$ (1,911.78)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	30084554	\$ (2,122.80)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	30109458	\$ 25.00	Clear Actual Removal Costs from Retirement Work Order	50087786	RET 8" CL Elkhorn Park Ph II
	00012	F7	1202000R	185999	Oct-06	30710620	3813711	12002196	\$ 100.00	Clear Actual Removal Costs from Retirement Work Order	50083214	RET 6" FS St Joe Hospital
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	12003240	\$ (726.83)	Clear Actual Removal Costs from Retirement Work Order	50093361	RET VALVE/PIPING UNIT 1,2,3,4
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	12003240	\$ (4,345.51)	Clear Actual Removal Costs from Retirement Work Order	50094213	RET 6" CI COLLEGEVW & LEX AVE
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	12003242	\$ 4,434.51	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	12003241	\$ (4,028.06)	Clear Actual Removal Costs from Retirement Work Order	12008202	Blanket Service Retirements
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30108458	\$ (1,650.00)	Clear Actual Removal Costs from Retirement Work Order	50083214	RET 6" FS St Joe Hospital
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30108459	\$ (4,350.00)	Clear Actual Removal Costs from Retirement Work Order	50083215	RET 8" FS St Joe Hospital
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30174044	\$ (400.21)	Clear Actual Removal Costs from Retirement Work Order	50101847	RET HYDRANTS OWEN COUNTY
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30144322	\$ (544.22)	Clear Actual Removal Costs from Retirement Work Order	50105586	RET CHLORINE EVAPORATOR #2
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30154749	\$ (3,382.00)	Clear Actual Removal Costs from Retirement Work Order	50107484	RET DRIVE HEAD (HYDROTTR #3)
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30153742	\$ (574.10)	Clear Actual Removal Costs from Retirement Work Order	50109600	RET 2" CI LACKAWANNA
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173027	\$ 848.00	Clear Actual Removal Costs from Retirement Work Order	50112122	RET CHV 12-TON CARGO WINDW VAN
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173028	\$ 586.00	Clear Actual Removal Costs from Retirement Work Order	50112191	RET 1998 DODGE CARAVAN #94
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173029	\$ 1,096.00	Clear Actual Removal Costs from Retirement Work Order	50112192	RET 1994 CHEVY S-10 #30
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173052	\$ 798.00	Clear Actual Removal Costs from Retirement Work Order	50112193	RET 1995 FORD RANGER TRK #47
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173051	\$ 1,998.00	Clear Actual Removal Costs from Retirement Work Order	50112194	RET 1996 FORD RANGER TRK #55
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173071	\$ 1,196.00	Clear Actual Removal Costs from Retirement Work Order	50112195	RET 1995 FORD RANGER TRK #55
	00012	F7	1202000R	185999	Nov-06	30733382	3833900	30173072	\$ 2,298.00	Clear Actual Removal Costs from Retirement Work Order	50112196	RET 1995 FORD RANGER TRK #61
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	12003240	\$ (12,937.40)	Clear Actual Removal Costs from Retirement Work Order	50112198	RET 1998 DODGE DAKOTA #87
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	12003242	\$ (1,101.66)	Clear Actual Removal Costs from Retirement Work Order	12008002	Blanket meter Retirements
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	12003241	\$ (3,722.01)	Clear Actual Removal Costs from Retirement Work Order	12008102	Blanket meter install Retirements
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30108458	\$ (316.05)	Clear Actual Removal Costs from Retirement Work Order	50083214	RET 6" FS St Joe Hospital
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30135071	\$ (675.00)	Clear Actual Removal Costs from Retirement Work Order	50102067	Blanket meter install Retirements
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30137458	\$ (149.44)	Clear Actual Removal Costs from Retirement Work Order	50103153	RET 8" AC MEADOWS NLAND ARLING
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30144294	\$ (769.00)	Clear Actual Removal Costs from Retirement Work Order	50107781	RET #5 HYDROTREATOR DRIVE HEAD
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30154750	\$ (101.92)	Clear Actual Removal Costs from Retirement Work Order	50108845	RET 6" GT VLV SECOND STREET
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30154751	\$ (2,709.00)	Clear Actual Removal Costs from Retirement Work Order	50109849	RET 4" CI SECOND STREET
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30155818	\$ (1,407.16)	Clear Actual Removal Costs from Retirement Work Order	50110828	RET 16" CL PIPE CITATION BLVD
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30153522	\$ (1,179.03)	Clear Actual Removal Costs from Retirement Work Order	50111729	RET WW#5 PUMP @ RRS
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30154868	\$ (97.63)	Clear Actual Removal Costs from Retirement Work Order	50116803	RET FUSE HOLDERS/CUT OUT UNITS
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30162017	\$ (239.76)	Clear Actual Removal Costs from Retirement Work Order	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30162017	\$ (480.55)	Clear Actual Removal Costs from Retirement Work Order	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30172314	\$ (1,407.16)	Clear Actual Removal Costs from Retirement Work Order	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30172313	\$ (1,000.00)	Clear Actual Removal Costs from Retirement Work Order	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	1202000R	185999	Dec-06	30760048	3854552	30203078	\$ (500.00)	Clear Actual Removal Costs from Retirement Work Order	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Mar-05	30194394	3473122	30099604	\$ 4,721.08	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Mar-05	30194394	3473122	30099608	\$ 44,318.96	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Mar-05	30194394	3473122	30099607	\$ 15,900.00	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Mar-05	30194394	3473122	30099604	\$ (278.31)	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Apr-05	30165781	3478872	12003242	\$ (459.73)	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	Apr-05	30165781	3478872	12003242	\$ 1,664.47	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	May-05	30199807	3494384	12003242	\$ 3,616.72	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	May-05	30199807	3494384	12003241	\$ 610.16	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order
	00012	F7	120105	256250	May-05	30199807	3494384	12003241	\$ 2,781.21	Record Actual Removal Costs Against Liability	Not Charged to Work Order	Not Charged to Work Order

Company	Doc Type	Bus Unit	Account	Date	Year	Document #	Batch #	Asset #	TOTAL	Description	Work Order	Work Order Description	
Kentucky American Water Company	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	12003241	\$ 3,722.01	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30108459	\$ 316.05	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30135071	\$ 675.00	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30137458	\$ 149.44	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30144294	\$ 769.00	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30154750	\$ 101.92	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30154751	\$ 2,700.00	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30153518	\$ 179.03	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30153522	\$ 97.63	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30154868	\$ 239.76	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30162017	\$ 480.55	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30172314	\$ 1,407.18	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30172313	\$ 1,000.00	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
	00012	F7	120105	256250	Dec-06	2006	30760048	3854552	30209078	\$ 500.00	Record Actual	Removal Costs Against Liability	Not Charged to Work Order
										\$ (0.00)			

Sum of TOTAL	Year				
Account	2005	2006	(blank)	Grand Total	
108110	\$ 0.00			\$ 0.00	Removal
108122	\$ 459.73			\$ 459.73	Salvage
185999	\$ (779,550.52)	\$ (190,492.48)		\$ (970,043.00)	Clear RWIP
256250	\$ 779,090.79	\$ 190,492.48		\$ 969,583.27	Regulatory Liability-NNS
(blank)					
Grand Total	\$ -	\$ -		\$ -	

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 229 of 312

Witness: Michael Miller

229. Refer to page 2 of KAWC's December 31, 2006 Annual Report (KAW_APP_EX28_043007, p. 82 of 99). Provide all workpapers supporting the calculation of the \$6.561 million (2005) and \$7.597 million (2006) regulatory liabilities for cost of removal. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

Response:

Please refer to electronic file named KAW_R_AGDR1#228_061807.xls.

For electronic version of this document, refer to KAW_R_AGDR1#229_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 230 of 312

Witness: Michael Miller

230. Refer to page 8 of KAWC's December 31, 2006 Annual Report (KAW_APP_EX28_043007, p. 88 of 99).
- a. What is meant by the statement, "To the extent the Company recovers cost of removal or other retirement costs through rates after the retirement of costs are incurred, a regulatory asset is recorded."? Please provide a hypothetical example showing how this would happen.
 - b. Why are removal costs of \$1.227 million (2006) and \$1.128 million (2005) recorded in operation and maintenance expense?
 - c. Are the O&M removal costs also included in the regulatory liability?
 - d. Please provide the calculation of the O&M removal costs and all supporting workpapers in electronic (Excel) format with all formulae intact.

Response:

- a. The current depreciation rates of KAWC, as established by the Commission, include the recovery of the estimated salvage net of cost of removal over the remaining lives of the various classes of utility plant and the description of the regulatory approach would not be applicable. In the hypothetical, the regulatory asset described above could occur if the Commission removed net negative salvage from rate recovery over the remaining life of the utility plant and recognized that expense as it was incurred. This approach would not eliminate the need to recognize actual net negative in rates or in the case of KAWC net negative salvage for the forecasted test-year. The Company does not believe such a hypothetical situation is proper for utility rate making and would result in potentially large swings in net negative salvage for rate recovery from case to case and would not be in the best interest of the utility or the customers.
- b. It is a requirement under U.S. GAAP and the Company reclassifies the net negative salvage recognized for rate recovery in KAWC's current depreciation rates to operation expense for U.S. GAAP presentation of its audited financial statement.
- c. The regulatory liability is a reclassification of the net negative salvage included in KAWC's accumulated depreciation recognized for rate making purposes.
- d. Please see the response to AGDR1, questions 28 and 29.

For electronic version, refer to KAW_R_AGDR1#230_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 231 of 312

Witness: Michael Miller

231. Provide an analysis of the regulatory liability for cost of removal since inception identifying and explaining each debit and credit entry and amount.

Response:

Please refer to electronic file named KAW_R_AGDR1#228_061807.xls.

For electronic version of this document, refer to KAW_R_AGDR1#231_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 232 of 312

Witness: Michael Miller

232. What impact did the application of FIN 47 have upon the proposed depreciation rates and expense in this rate case? Provide all workpapers supporting the answer.

Response:

None.

For electronic version, refer to KAW_R_AGDR1#232_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 233 of 312

Witness: Michael Miller

233. Provide KAWC's projection of the annual year-end balance in the regulatory liability for cost of removal shown in its Annual Report, for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not.
- a. For this projection assume that all of KAWC's proposed depreciation rates are approved as requested. Provide in hard copy and in electronic format with all formulae intact.
 - b. Explain all assumptions used to make this projection.

Response:

The Company does not have projections of the regulatory liability. It reclassified the regulatory liability at January 2007 to accumulated depreciation (the method approved by the Commission in establishing the current depreciation rates) for rate making purposes.

For electronic version, refer to KAW_R_AGDR1#233_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 234 of 312

Witness: John J. Spanos

234. Provide the calculation of the annual amount of future net salvage incorporated into KAWC's existing depreciation rates and in its proposed depreciation rates by account. If the amount is reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

Response:

The attached schedule sets forth the annual amount of net salvage calculated for 2007 assuming the current net salvage parameter and the proposed net salvage parameter. It is not possible to accurately segregate the current depreciation rates, therefore, the calculation is performed as a ratio of the current rate and proposed rate which does not consider the remaining life rate.

For electronic version, refer to KAW_R_AGDR1#234_061807.pdf

KENTUCKY AMERICAN WATER COMPANY

ESTIMATED ANNUAL NET SALVAGE FOR 2007 USING PROPOSED AND CURRENT ANNUAL ACCRUAL RATES

DEPRECIABLE GROUP	ORIGINAL COST AT DECEMBER 31, 2006	PROPOSED		ESTIMATED 2007		CURRENT		ESTIMATED 2007	
		ANNUAL ACCRUAL RATE	NET SALVAGE	ANNUAL ACCRUAL RATE	NET SALVAGE	ANNUAL ACCRUAL RATE	NET SALVAGE	ANNUAL ACCRUAL RATE	NET SALVAGE
<u>STRUCTURES & IMPROVEMENTS</u>									
304.10	2,568,387.51	3.06	(5)	3.743	0	3.14	0	3.14	0
304.20	4,800,062.05	2.01	(20)	16,080	0	2.32	(10)	2.32	10,124
304.30	8,962,557.44	1.96	(20)	29,278	0	1.79	(10)	1.79	14,585
304.40	825,967.62	4.63	0	0	0	5.65	0	5.65	0
304.60	3,991,281.60	2.10	(5)	3,991	0	1.68	0	1.68	0
304.70	1,016,770.93	2.42	0	0	0	1.65	0	1.65	0
304.80	1,563,838.35	4.38	0	0	0	3.97	0	3.97	0
TOTAL ACCOUNT 304	23,730,865.50			53,092					24,709
<u>COLLECTING AND IMPOUNDING RESERVOIRS</u>									
305.00	1,016,553.24	1.67	0	0	0	2.20	0	2.20	0
306.00	561,429.96	2.52	0	0	0	2.15	0	2.15	0
309.00	5,064,342.14	1.93	(10)	8,921	0	1.11	(5)	1.11	2,687
310.10	572,453.97	3.40	0	0	0	3.35	0	3.35	0
TOTAL ACCOUNT 305									
<u>PUMPING EQUIPMENT</u>									
311.20	9,600,980.00	2.58	(15)	32,309	0	3.71	(8)	3.71	26,385
311.30	724,441.60	2.62	(15)	2,478	0	3.08	(8)	3.08	1,653
311.40	61,581.87	2.31	(15)	186	0				
TOTAL ACCOUNT 311	10,387,003.47			34,971					28,038
<u>PURIFICATION SYSTEM - EQUIPMENT</u>									
320.10	26,461,236.62	2.31	(15)	79,729	0	4.03	(20)	4.03	177,731
330.10	11,813,468.44	2.32	(30)	63,247	0	2.20	(10)	2.20	23,627
331.00	151,503,649.02	1.70	(20)	429,260	0	1.18	(4)	1.18	68,759
333.00	35,325,950.03	3.32	(120)	639,721	0	4.23	(159)	4.23	917,343
TOTAL ACCOUNT 320-333									
<u>METERS</u>									
334.10	90,962.25	2.81	(10)	232	0	1.02	16	1.02	(177)
334.11	45,063.51	2.94	(10)	120	0	2.35	16	2.35	(202)
334.12	1,444,409.44	2.96	(10)	3,887	0	4.97	0	4.97	0
334.13	6,870,500.64	2.85	(10)	17,801	0	1.02	0	1.02	0
TOTAL ACCOUNT 334.1	8,450,935.84	2.87		22,040					(379)
<u>METER INSTALLATIONS</u>									
334.20	15,249,739.68	3.07	(10)	42,561	0	2.44	(53)	2.44	128,895
335.00	10,147,784.89	1.77	(25)	35,923	0	2.58	(36)	2.58	69,303
339.10	3,838.00	28.14	0	0	0				
TOTAL ACCOUNT 334.2-339.1									
<u>OFFICE FURNITURE & EQUIPMENT</u>									
340.10	701,103.19	10.43	0	0	0	4.05	3	4.05	(878)
340.21	50,239.84	9.49	0	0	0	11.94	17	11.94	(1,228)
340.22	1,509,960.66	14.31	0	0	0	16.73	17	16.73	(51,741)

KENTUCKY AMERICAN WATER COMPANY

ESTIMATED ANNUAL NET SALVAGE FOR 2007 USING PROPOSED AND CURRENT ANNUAL ACCRUAL RATES

DEPRECIABLE GROUP	ORIGINAL COST AT DECEMBER 31, 2006	PROPOSED		CURRENT		ESTIMATED 2007	
		ANNUAL ACCRUAL RATE	NET SALVAGE	ANNUAL ACCRUAL RATE	NET SALVAGE	ANNUAL ACCRUAL RATE	NET SALVAGE
340.23 PERIPHERAL-OTHER	497,999.21	25.39	0	11.81	17	0	(12,046)
340.30 COMPUTER SOFTWARE	4,551,309.57	10.33	0	21.06	0	0	0
340.32 COMPUTER SOFTWARE-PERSONAL	638,669.14	-	0	22.20	0	0	0
340.33 COMPUTER SOFTWARE-OTHER	528,219.88	26.38	0	21.15	0	0	0
340.50 OTHER	178,703.11	9.77	0	6.95	3	0	(384)
TOTAL ACCOUNT 340	8,656,204.60		0				(66,278)
<u>TRANSPORTATION EQUIPMENT</u>							
341.10 LIGHT DUTY TRUCKS	1,718,376.55	8.10	20	14.16	30	0	(104,281)
341.20 HEAVY DUTY TRUCKS	783,375.60	7.17	15	12.59	25	0	(32,876)
341.30 AUTOS	180,201.94	13.58	15	20.28	23	0	(10,916)
341.40 OTHER	135,681.17	6.51	0	14.37	0	0	0
TOTAL ACCOUNT 341	2,817,635.26		0				(148,073)
<u>STORES EQUIPMENT</u>							
342.00 STORES EQUIPMENT	35,546.95	6.51	0	3.88	0	0	0
343.00 TOOLS, SHOP AND GARAGE EQUIPMENT	1,421,289.04	6.43	0	7.10	0	0	0
344.00 LABORATORY EQUIPMENT	843,088.99	8.06	0	10.94	(3)	0	2,686
345.00 POWER OPERATED EQUIPMENT	1,589,810.84	4.68	25	9.13	24	0	(45,837)
346.10 COMMUNICATION EQUIPMENT - NON-TELEPHONE	1,931,144.48	6.91	0	4.79	0	0	0
347.00 MISCELLANEOUS EQUIPMENT	1,262,276.87	5.61	0	4.71	0	0	0
348.00 OTHER TANGIBLE PROPERTY	138,484.58	6.00	0	20.69	0	0	0
TOTAL DEPRECIABLE PLANT	319,004,743.41	2.58	0				1,183,211

1,335,637

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 235 of 312

Witness: Michael Miller/John J. Spanos

235. With respect to the Regulatory Liability relating to asset cost of removal which you reclassified out of accumulated depreciation:
- a. Do you agree that this constitutes a regulatory liability for regulatory purposes in Kentucky? If not, please explain why not.
 - b. Do you agree that this amount is a refundable obligation to ratepayers until it is spent on its intended purpose (cost of removal)? If not, why not?
 - c. Please explain the repayment provisions associated with this regulatory liability.
 - d. Explain when you expect to spend this money for cost of removal.
 - e. Explain what you have done with this money as you have collected it. If you say that you have spent it on plant additions, please prove it.
 - f. Identify and explain all other similar examples of KAWC's advance collections of estimated future costs for which it does not have a legal obligation.
 - g. Does KAWC agree that the Kentucky Public Service Commission will never know whether or not KAWC will actually spend all of this money for cost of removal until and if KAWC goes out of business? If not, why not?
 - h. Does KAWC believe that amounts recorded in accumulated depreciation represent capital recovery? If not, why not?
 - i. Whose capital is reflected in accumulated depreciation – shareholders' or ratepayers'?

Response:

- a. No. The Commission has recognized net negative salvage as a component of current depreciation expense and accumulation of net negative salvage recovered through depreciation is properly reflected as accumulated depreciation for rate making purposes.
- b. No. KAWC's current depreciation rates as approved by the Commission recognize the net negative salvage over the remaining lives of the utility plant.

- c. Not applicable to KAWC's current depreciation rates approved by the Commission with net negative salvage recovered over the remaining life. Any adjustment necessary to the accumulated depreciation reserve will be corrected with regular depreciation studies reviewed before the Commission and recognition of the required adjustments to those depreciation rates.
- d. When each asset is retired.
- e. Depreciation expense is a form of internal cash that is utilized to fund cash requirements of the Company including capital improvements to the extent those capital improvement exceed internal cash generated within the business. Kentucky's capital improvement plan has been in excess of internal cash at least since I have been involved with financial matters and rate cases beginning in 2000. This will certainly be the case over the upcoming five year period as KAWC moves forward with the major project to solve the source of supply deficit. That project alone is expected to cost approximately \$159,000. The proof of this can be demonstrated by the fact that KAWC's utility plant increase net of CIAC since 2000 significantly exceeds the increase in capital invested.
- f. Pensions and other post employment benefits are recognized for ratemaking purposes using FAS 87 and FAS106. Both FAS 87 and FAS 106 utilize the accrual method to recognize the cost of future obligations in current expense and are recognized for rate recovery by the Commission.
- g. No. Regular updates to depreciation rates through depreciation studies will properly adjust the reserve through known and measurable adjustments to the estimates for net negative salvage.
- h. Capital recovery is one element of the accumulated depreciation.
- i. The shareholders investment in utility plant is recovered over the expected life of the property, including the recovery in rates of the cost to retire that plant under the remaining life method currently approved by the Commission in establishing KAWC's current depreciation rates. The rate base of a utility is reduced by that return of investment recovered through depreciation expense and no return on that capital investment is provided once the investor's capital is returned through depreciation of that plant.

For electronic version, refer to KAW_R_AGDR1#235_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 236 of 312

Witness:

236. For all accounts for which KAWC has collected removal costs not related to AROs, but instead recorded a regulatory liability, please provide the fair value of the related asset retirement cost as of December 31, 2003; December 31, 2004, December 31, 2005 and December 31, 2006. For the purposes of this question, assume that KAWC has legal AROs for these accounts, and use the life and dispersion assumptions reflected in Mr. Spanos's depreciation study.

Response:

The Company does not have the information available at this time to respond to this question, but will provide a response as soon as possible.

For electronic version, refer to KAW_R_AGDR1#236_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 237 of 312

Witness: Michael A. Miller

237. For the budgets supplied in response to Exhibit No. 13, please provide a description of all variations from actual expense levels which are due to known and certain changes, providing supporting documentation. Indicate all variations from actual levels which result from the application of inflation or escalation factors. In those instances where inflation or escalation factors were utilized, explain the derivation of the factors used in each case. If a single factor was used, a summary description will suffice.

Response:

The Company objects to this question on the grounds the question is vague, overly burdensome, and not relevant to the forecasted test-year filing in this case. Notwithstanding the objection, please refer to KAW_R_PSCDR1#1_052107.pdf, which includes the assumptions the Company used to develop its forecasted test-period financial information. Also refer to PSCDR1#4, PSCDR2#51, and Exhibit 31.

For the electronic version, refer to KAW_R_AGDR1#237_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 238 of 312

Witness: Michael A. Miller

238. Please indicate, if known and quantifiable, any anticipated changes in jurisdictional allocation factors and the impacts thereof on the 2008 test year.

Response:

None.

For electronic version, refer to KAW_R_AGDR1#238_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 239 of 312

Witness: Nick Rowe/Sheila Miller

239. Indicate the number of and expenses related to temporary or seasonal employees included in 2005, 2006, 2007 and projected 2008 jurisdictional expenses.

Response:

2005	\$80,991.20
2006	\$28,903.96
2007	\$15,218.63 (as of 6/13/07)
2008	\$59,055.00 (forecast)

For electronic version, refer to KAW_R_AGDR1#239_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 240 of 312

Witness: Michael A. Miller

240. Provide as complete a breakdown as possible of the expenses billed by American Water and included in jurisdictional expense for 2004, 2005, 2006, and forecasted for the years 2007 and 2008. Include separately:
- a. labor
 - b. employee benefits (by type)
 - c. employment taxes
 - d. outside services
 - e. promotional, institutional and/or corporate advertising
 - f. contributions (by entity)
 - g. dues to organizations and social clubs (by entity)
 - h. computer time
 - i. regulatory costs (list docket no., jurisdictional entity, dates and description)
 - j. travel costs
 - k. lobbying or politically related activities
 - l. miscellaneous. (describe)

Identify all assumptions and provide all workpapers, calculations and source documents relied upon in projecting the 2007 base year and 2008 test year forecasted level of expense.

Response:

American Water Works Company, Inc. does not bill any expenses to the subsidiary operating companies including Kentucky American.

For electronic version, refer to KAW_R_AGDR1#240_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 241 of 312

Witness: Sheila Miller/Michael A. Miller

241. Please provide jurisdictional totals and amounts by payee, and an explanation of the services provided, for all amounts charged to outside services during 2005 and 2006 and as budgeted for the 12 months ended July 31, 2007 and forecasted for the 12 months ended November 30, 2008.

Response:

Please see attached.

For electronic version refer to KAW_R_AGDR1#241_061807.pdf

Kentucky American Water
List of Professional Services charged to Outside Services.
AG Item 241 of 312

Doc Type	Doc Type De	Doc #	Date	Account	Bus Unit	Bus Unit Num	GLSUD	Account Name	Amount	Vendor	Explanation	GLAN8	Explanation2
PV	Voucher	41294563	04/20/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	300.00	Charles T Mitchell Co - Remit	QUARTERLY RETAINER FEE	50058085	Charles T Mitchell Company
PV	Voucher	41207851	12/07/05	535000	LEX-Admin &	120205	15	Contr Svc-Other Oper CA	7,084.28	Accenture, LLP-REMIT	CONSULTING SVCS	3016617	Accenture, LLP
PV	Voucher	41457553	11/29/06	535000	LEX-Admin &	120205	15	Contr Svc-Other Oper CA	5,040.29	Accenture, LLP-REMIT	oct 2006	3016617	Accenture, LLP
PV	Voucher	41470755	12/15/05	535000	LEX-Admin &	120205	15	Contr Svc-Other Oper CA	5,040.30	Accenture, LLP-REMIT	dec 2006	3016617	Accenture, LLP
PV	Voucher	40951352	01/20/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	4,459.79	Bush Coleman D-POREMIT	11/29/04-12/31/	12001259	Coleman Bush
PV	Voucher	40970777	02/15/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	4,839.32	Bush Coleman D-POREMIT	KY 2004 RATE	12001259	Coleman Bush
PV	Voucher	40997916	03/21/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	405.00	Bush Coleman D-POREMIT	SERVICES	12001259	Coleman Bush
PV	Voucher	41059859	06/02/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	135.00	Bush Coleman D-POREMIT	APRIL SVCS	12001259	Coleman Bush
PV	Voucher	41070143	06/16/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	255.00	Bush Coleman D-POREMIT	EXTENSION DEPOSITS	12001259	Coleman Bush
PV	Voucher	41191174	11/16/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	6,759.32	Bush Coleman D-POREMIT	SEWER BILLING	12001259	Coleman Bush
PV	Voucher	41204953	12/05/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	8,892.53	Bush Coleman D-POREMIT	LFUCG KYAW	12001259	Coleman Bush
PV	Voucher	41211484	12/14/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	4,396.82	Bush Coleman D-POREMIT	BALANCE DUE NOV 11 2005	12001259	Coleman Bush
PV	Voucher	41212909	12/16/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	10,652.37	Bush Coleman D-POREMIT	LFUCG SEWER BILLING	12001259	Coleman Bush
PV	Voucher	41227796	01/11/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	4,158.05	Bush Coleman D-POREMIT	LFUCG SEWER BILLING	12001259	Coleman Bush
PV	Voucher	41257444	02/24/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	5,917.89	Bush Coleman D-POREMIT	KENTUCKY AMERICAN WATER	12001259	Coleman Bush
PV	Voucher	41257446	02/24/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	5,955.39	Bush Coleman D-POREMIT	KENTUCKY AMERICAN WATER	12001259	Coleman Bush
PV	Voucher	41270127	03/15/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	6,065.94	Bush Coleman D-POREMIT	WVAW	0 ** NOT FOUND **	
PV	Voucher	41270127	03/15/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	6,065.94	Bush Coleman D-POREMIT	wrong co number	0 ** NOT FOUND **	
PV	Voucher	41270127	05/22/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	6,065.94	Bush Coleman D-POREMIT	KYAW	12001259	Coleman Bush
PV	Voucher	41331947	06/16/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	6,065.94	Bush Coleman D-POREMIT	KYAW	12001259	Coleman Bush
PV	Voucher	41358016	07/20/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	1,508.63	Bush Coleman D-POREMIT	LEXINGTON KYAWC	12001259	Coleman Bush
PV	Voucher	41365419	08/23/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	2,418.58	Bush Coleman D-POREMIT	KENTUCKY AMERIC	12001259	Coleman Bush
PV	Voucher	41270244	03/15/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	4,457.40	Bush Coleman D-POREMIT	KENTUCKY AMERICAN WATER	12001259	Coleman Bush
PV	Voucher	41274804	03/21/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	1,013.56	Bush Coleman D-POREMIT	KYAWC	12001259	Coleman Bush
PV	Voucher	41280131	03/30/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	1,987.50	Bush Coleman D-POREMIT	KYAWC	12001259	Coleman Bush
PV	Voucher	41298853	04/26/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	5,267.06	Bush Coleman D-POREMIT	June 2006	12001259	Coleman Bush
PV	Voucher	41316477	05/22/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	3,805.99	Bush Coleman D-POREMIT	KYAW July 2006	12001259	Coleman Bush
PV	Voucher	41331947	06/16/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	2,496.42	Bush Coleman D-POREMIT	KYAW	12001259	Coleman Bush
PV	Voucher	41358016	07/20/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	1,979.09	Bush Coleman D-POREMIT	NEW TAP PROCESS	12001259	Coleman Bush
PV	Voucher	40973888	02/17/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	1,579.67	Salsler, James E	CONSULTING SERV	50093241	James E Salsler
PV	Voucher	40973891	02/17/05	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	684.96	Salsler, James E	CONSULTING SERV	50093241	James E Salsler
PV	Voucher	41479717	12/26/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	52.50	Quest Engineers Inc-PO/REMIT	KYAWC	12001019	Quest Engineers Inc
PV	Voucher	41479717	12/26/06	535000	CORP-Admin	120105	16	Contr Svc-Other Oper AG	52.50	Quest Engineers Inc-PO/REMIT	Amortize Audit Fees	0 ** NOT FOUND **	
JE	JE-Recurring	30059959	06/30/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,013.33	Amortize Audit Fees	Amortize Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Recurring	30059959	07/28/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,013.33	Amortize Audit Fees	Amortize Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Recurring	30059959	08/25/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,013.33	Amortize Audit Fees	Amortize Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Recurring	30059959	09/29/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,013.33	Amortize Audit Fees	Amortize Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Recurring	30059959	10/27/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	4,283.25	Amortize PwC Audit Fees	Est PwC 2006-2007 Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Recurring	30059959	12/01/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	4,283.25	Amortize PwC Audit Fees	Est PwC 2006-2007 Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Standard	120104	01/03/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	4,646.67	Expense PwC Audit Fees	Est PwC 2006-2007 Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Standard	12115	09/29/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	10,244.00	Expense PwC Audit Fees	Est PwC 2006-2007 Audit Fees	0 ** NOT FOUND **	0 ** NOT FOUND **
JE	JE-Standard	121210	12/09/05	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,809.76	True-up PwC Audit Fees	Est PwC 2006-2007	0 ** NOT FOUND **	0 ** NOT FOUND **
PS	Disbursement	41332669	07/12/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	1,801.00	Price WaterhouseCoopers LLP-RE #1030667986-7	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41374226	08/09/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	2,096.00	Price WaterhouseCoopers LLP-RE #1030667986-7	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41402727	09/19/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	3,494.00	Price WaterhouseCoopers LLP-RE #1030623949-1	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41428292	10/18/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	2,040.00	Price WaterhouseCoopers LLP-RE #10306431049-1	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41434145	10/25/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	212.00	Price WaterhouseCoopers LLP-RE #10306431049-1	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41448294	11/16/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	1,039.00	Price WaterhouseCoopers LLP-RE #1030671691-0	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41469511	12/13/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	1,055.00	Price WaterhouseCoopers LLP-RE #1030671691-0	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
PS	Disbursement	41469513	12/13/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	254.00	Price WaterhouseCoopers LLP-RE #1030683446-8	Price WaterhouseCoopers LLP	14008006	Price WaterhouseCoopers LLP
JE	JE-Standard	1203	11/30/06	532000	CORP-Admin	120105	16	Contr Svc-Actgy Oper AG	1,039.00	PwC Audit Fee Accr Prog Bill	PwC Audit Prog Bill	0 ** NOT FOUND **	0 ** NOT FOUND **

Kentucky American Water
List of Professional Services charged to Outside Services.
AG Item 241 of 312

Doc Type	Doc Type De	Doc #	Date	Account	Bus Unit	Bus Unit Mtrf	GLSUE	Account Name	Amount	Vendor	Explanation	GLAN8	Explanation2
JE	JE-Standard		1203 12/02/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	(1,009.00)	PWC Audit Fee Accr Prog Bill	PWC Audit Prog Bill	0	** NOT FOUND **
JE	JE-Standard		1203 10/18/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	2,040.00	PWC Oct Audit Fee Act	PWC Oct Audit FeeAct	0	** NOT FOUND **
JE	JE-Standard		1203 10/28/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	(2,040.00)	PWC Oct Audit Fee Act	PWC Oct Audit FeeAct	0	** NOT FOUND **
JE	JE-Standard		1201 12/18/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	1,055.00	PWC Prog Bill Audit Acct	PWC Prog Bill Acct	0	** NOT FOUND **
JE	JE-Standard		120406 04/22/05	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	106.00	RECLASS MICROSOFT LICENSE (C)	PV 4133883	0	** NOT FOUND **
JE	JE-Standard		1203 05/17/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	3,635.00	Reclass PWC Invoice	PWC	0	** NOT FOUND **
JE	JE-Standard		1203 05/17/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	3,013.33	True-up Prepaid Other	PWC	0	** NOT FOUND **
JE	JE-Standard		1203 05/17/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	(2,148.47)	True-up Prepaid Other	PWC	0	** NOT FOUND **
JE	JE-Standard		1211 05/25/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	3,013.33	True-up Prepaid Other	PWC	0	** NOT FOUND **
JE	JE-Standard		1211 05/25/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	(3,013.33)	True-up Prepaid Other	PWC	0	** NOT FOUND **
JE	JE-Standard		1205 06/25/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	3,013.33	True-up Prepaid Other	PWC	0	** NOT FOUND **
JE	JE-Standard		1204 10/27/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	1,453.68	True-up Prepaid Other	PWC Fees 7/06-10/06	0	** NOT FOUND **
JE	JE-Standard		1201 11/30/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	363.42	True-up Prepaid Other	PWC Fees 11/06	0	** NOT FOUND **
JE	JE-Standard		1215 09/29/06	532000	CORP-Admin	120105	16	Contr Svc-Acctg Oper AG	3,809.76	True-up PwC Audit Fees	Est PwC 2006-2007	0	** NOT FOUND **

Kentucky American Water
Base Year Budget-Professional Outside Services
AGDR Item 241 of 312

	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Total
120105.535000.16													
Miscellaneous consultants	41,570	45,465	37,586	37,985	34,512	43,008	38,008	33,358	50,066	58,366	57,091	47,716	524,731
Accenture	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
120105.532000.16													
Price Waterhouse	-	-	6,535	-	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	48,535
	41,570	45,465	44,121	37,985	34,512	54,008	49,008	44,358	61,066	69,366	68,091	58,716	608,266

Test Year -Professional Outside Services

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Total
120105.535000.16													
Miscellaneous consultants	31,058	51,423	39,873	34,970	52,283	62,146	60,542	46,308	42,135	45,387	45,858	35,931	547,914
Accenture	5,000	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	62,750
120105.532000.16													
Price Waterhouse	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
	42,058	62,673	51,123	46,220	63,533	73,396	71,792	57,558	53,385	56,637	57,108	47,181	682,664

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 242 of 312

Witness: Michael Miller/Nick Rowe

242. Please provide copies of any studies or analyses prepared by or for the Company, the Service Corporation or any American Water subsidiary regarding the level of the Company's or the Service Company's wages compared to the wages paid by other utilities, service companies, or any other entity.

Response:

The Company is in possession of a salary study prepared for AWW. Providing this data would place the Company at a competitive disadvantage if it were known by its competitors. The Company will provide the study to the parties once an appropriate confidentiality agreement is executed.

For electronic version, refer to KAW_R_AGDR1#242_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 243 of 312

Witness: Sheila Miller

243. Please provide the FICA wage base dollars included in total wages paid for the year ended December 31, 2005 and 2006.

Response:

2005	\$5,815,830.36
2006	\$6,143,126.72

See attached schedules which detail the taxable wage base for each element of tax.

For electronic version, refer to KAW_R_AGDR1#243_061807.pdf

Page: 1
Date: 6/12/07
Quarter: 4

2005

American Water Works Company
Tax History by Company

Kentucky-American Water Co.

06416
Company: . . . 00012

Tax Area	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
FEDERAL													
SS ee													
D Gross	441,445.49	467,890.46	938,266.85	664,329.51	439,718.39	449,950.23	463,749.93	449,775.18	627,899.97	425,760.23	442,524.45	479,823.61	6,291,134.30
Excl	5,383.78	39,188.55	5,773.77	8,942.43	5,639.91	5,599.30	5,675.45	5,553.62	8,297.06	5,446.26	5,740.66	5,766.04	107,006.83
Excess	436,061.71	428,701.91	932,493.08	655,387.08	434,078.48	444,350.93	458,074.48	444,221.56	619,602.91	420,313.97	436,783.79	467,058.35	5,815,830.36
Tx Wge	27,035.82	26,579.51	37,120.45	40,634.02	26,214.25	27,549.77	27,638.69	27,541.80	38,415.36	26,059.46	26,834.75	28,957.62	360,581.50
Tax	441,445.49	467,890.46	938,266.85	664,329.51	439,718.39	449,950.23	463,749.93	449,775.18	627,899.97	425,760.23	442,524.45	479,823.61	6,291,134.30
FEDERAL													
SS ee													
E Gross	5,383.78	39,188.55	5,773.77	8,942.43	5,639.91	5,599.30	5,675.45	5,553.62	8,297.06	5,446.26	5,740.66	5,766.04	107,006.83
Excl	436,061.71	428,701.91	932,493.08	655,387.08	434,078.48	444,350.93	458,074.48	444,221.56	619,602.91	420,313.97	436,783.79	474,057.57	5,815,830.36
Excess	27,035.82	26,579.51	37,120.45	40,634.02	26,214.25	27,549.77	27,638.69	27,541.80	38,415.36	26,059.46	26,834.75	28,957.62	360,581.50
Tax	5,383.78	39,188.55	5,773.77	8,942.43	5,639.91	5,599.30	5,675.45	5,553.62	8,297.06	5,446.26	5,740.66	5,766.04	107,006.83
FEDERAL													
Med ee													
P Gross	441,445.49	467,890.46	938,266.85	664,329.51	439,718.39	449,950.23	463,749.93	449,775.18	627,899.97	425,760.23	442,524.45	479,823.61	6,291,134.30
Excl	5,383.78	39,188.55	5,773.77	8,942.43	5,639.91	5,599.30	5,675.45	5,553.62	8,297.06	5,446.26	5,740.66	5,766.04	107,006.83
Excess	436,061.71	428,701.91	932,493.08	655,387.08	434,078.48	444,350.93	458,074.48	444,221.56	619,602.91	420,313.97	436,783.79	474,057.57	5,815,830.36
Tax	6,322.94	6,216.13	13,521.15	9,503.07	6,294.22	6,443.02	6,642.14	6,441.14	8,984.35	6,094.50	6,333.33	6,873.81	89,569.80
FEDERAL													
Med ee													
Q Gross	441,445.49	467,890.46	938,266.85	664,329.51	439,718.39	449,950.23	463,749.93	449,775.18	627,899.97	425,760.23	442,524.45	479,823.61	6,291,134.30
Excl	5,383.78	39,188.55	5,773.77	8,942.43	5,639.91	5,599.30	5,675.45	5,553.62	8,297.06	5,446.26	5,740.66	5,766.04	107,006.83
Excess	436,061.71	428,701.91	932,493.08	655,387.08	434,078.48	444,350.93	458,074.48	444,221.56	619,602.91	420,313.97	436,783.79	474,057.57	5,815,830.36
Tax	6,322.94	6,216.13	13,521.15	9,503.07	6,294.22	6,443.02	6,642.14	6,441.14	8,984.35	6,094.50	6,333.33	6,873.81	89,569.80

Page: 1
Date: 6/12/07
Quarter: 4

2004

American Water Works Company
Tax History By Company

Kentucky-American Water Co.

06416
Company: . . . 00012

Tax Area	Ty Desc.	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
FEDERAL D <i>SS'er</i>	Gross	447,468.57	430,832.19	740,582.82	473,017.54	471,960.72	473,931.72	489,859.66	485,879.44	728,685.65	493,948.77	518,259.77	518,807.31	6,273,234.16
	Excl	8,363.66	8,291.67	12,782.74	8,526.29	8,641.82	9,840.42	9,838.26	9,938.82	14,925.85	9,901.34	9,938.82	10,097.67	121,125.88
	Excess													
	Tx Wgt	439,104.91	422,540.52	727,800.08	464,491.25	463,318.90	464,091.30	479,982.32	475,941.18	713,759.80	484,047.43	507,025.11	508,709.64	6,143,486.72
FEDERAL E <i>SS'er</i>	Gross	447,468.57	430,832.19	740,582.82	473,017.54	471,960.72	473,931.72	489,859.66	485,879.44	728,685.65	493,948.77	518,259.77	518,807.31	6,273,234.16
	Excl	8,363.66	8,291.67	12,782.74	8,526.29	8,641.82	9,840.42	9,838.26	9,938.82	14,925.85	9,901.34	9,938.82	10,097.67	121,125.88
	Excess													
	Tx Wgt	439,104.91	422,540.52	727,800.08	464,491.25	463,318.90	464,091.30	479,982.32	475,941.18	713,759.80	484,047.43	507,025.11	508,709.64	6,143,486.72
FEDERAL F <i>Med'er</i>	Gross	447,468.57	430,832.19	740,582.82	473,017.54	471,960.72	473,931.72	489,859.66	485,879.44	728,685.65	493,948.77	518,259.77	518,807.31	6,273,234.16
	Excl	8,363.66	8,291.67	12,782.74	8,526.29	8,641.82	9,840.42	9,838.26	9,938.82	14,925.85	9,901.34	9,938.82	10,097.67	121,125.88
	Excess													
	Tx Wgt	439,104.91	422,540.52	727,800.08	464,491.25	463,318.90	464,091.30	479,982.32	475,941.18	713,759.80	484,047.43	507,025.11	508,709.64	6,143,486.72
FEDERAL G <i>Med'er</i>	Gross	447,468.57	430,832.19	740,582.82	473,017.54	471,960.72	473,931.72	489,859.66	485,879.44	728,685.65	493,948.77	518,259.77	518,807.31	6,273,234.16
	Excl	8,363.66	8,291.67	12,782.74	8,526.29	8,641.82	9,840.42	9,838.26	9,938.82	14,925.85	9,901.34	9,938.82	10,097.67	121,125.88
	Excess													
	Tx Wgt	439,104.91	422,540.52	727,800.08	464,491.25	463,318.90	464,091.30	479,982.32	475,941.18	713,759.80	484,047.43	507,025.11	508,709.64	6,143,486.72

John F Bastian/SHARVCS/AWWSC
06/12/2007 03:18 PM

To Sheila Miller/WVAWC/AWWSC@AWW
cc
bcc

Subject Fw: Kentucky 941's #243

Sheila, The KY FICA wage base for 2005 is \$5,815,830.36 and for 2006 is \$6,143,426.72. Please see the attached JDE report created by payroll for the detail (the medical wage base is also included). This reports ties to the KY portion of the 941's. JB



Item 243 of 312 FICA Base.pdf

John Bastian
Senior Financial Analyst
AW Shared Services Center Rates Dept
john.bastian@amwater.com
856-310-5774

----- Forwarded by John F Bastian/SHARVCS/AWWSC on 06/12/2007 03:14 PM -----



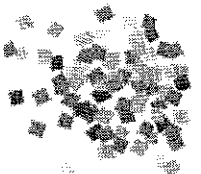
Basil J D'Antonio/SHARVCS/AWWSC
06/11/2007 04:39 PM

To John F Bastian/SHARVCS/AWWSC@AWW
cc

Subject Fw: Kentucky 941's

Basil D'Antonio
Rates Team Lead
Shared Service Center
131 Woodcrest Rd.
Cherry Hill, NJ 08003
(856) 310-5741 Phone
bdantoni@amwater.com

----- Forwarded by Basil J D'Antonio/SHARVCS/AWWSC on 06/11/2007 04:42 PM -----



Sheila Miller/WVAWC/AWWSC
06/09/2007 03:34 PM

To Basil J D'Antonio/SHARVCS/AWWSC@AWW
cc Rod Neviraskas/SHARVCS/AWWSC@AWW

Subject Kentucky 941's

One of the data requests from the AG is asking:

243) Please provide the FICA wage base dollars included in total wages paid for the year ended December 31, 2005 and 2006.

Can a report be generated to give me this or do I need to get copies of the quarterly 941's for 2005 and 2006? I do not have access to the payroll system in order to create a report. Please let me know. Thanks!

Sheila Miller
Asst Manager Rates & Regulation
American Water Works Service Company
Southeast Region
PO Box 1906
Charleston, WV 25327-1906

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 244 of 312

Witness: Sheila Miller

244. Please provide the FICA wage base anticipated for the base and test years and explain its derivation.

Response:

The FICA wage base for 2007 is \$97,500 and the anticipated FICA wage base for the forecasted test year is \$101,000. Please refer to KWA_R_PSCDR1#1a_WP5_052107.pdf page 48 of 48 for the calculation.

For electronic version, refer to KAW_R_AGDR1#244_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 245 of 312

Witness: Michael A. Miller

245. Please provide a copy of the Company's most recent pension plan and post-retirement benefits actuarial studies.

Response:

See the response to PSCDR2 Item 28b.

For electronic version, refer to KAW_R_AGDR1#245_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 246 of 312

Witness: Michael A. Miller

246. Please provide a copy of all incentive compensation/bonus plans and provide the level of related bonus payments included in cost of service.

Response:

See the response to PSCDR2 Item 5.

For electronic version, refer to KAW_R_AGDR1#246_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 247 of 312

Witness: Sheila Miller/Michael Miller

247. Please provide the percent of wages, employee benefits, overheads by type, employment taxes and other expenses charged to O&M on the basis of labor dollars (by the various labor categories, if possible) for 2005, 2006 and as forecasted for 2007 and 2008. Please indicate the causes of any differences between the percentages (over 3 percent) from year to year.

Response:

The Company objects to this question on the grounds that it is vague and unclear as to the requested information and format. Notwithstanding the objection the Company provides the following response. The table below provides the level and percent of labor charged to both O&M and capital.

	2005		2006		2007		2008	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
O&M	5,206,961	83.99%	5,261,097	81.42%	5,843,056	82.52%	6,076,778	82.52%
Capital	992,487	16.01%	1,200,236	18.58%	1,237,924	17.48%	1,287,441	17.48%
Total	6,199,448	100.00%	6,461,333	100.00%	7,080,980	100.00%	7,364,219	100.00%

Please see the attached documents which are the working papers supporting the level of employee benefits and payroll taxes included in the filing with the level charged to capital.

For electronic version, refer to KAW_R_AGDR1#247_061807.pdf

Kentucky American Water Company
GROUP INSURANCE-ATTRITION YEAR
Attrition year November 2008
estimated increase 8%

	BILLING DETERMINANT COVERAGE	RATES EFFECTIVE 3/31/2007	PREMIUM	
ACTIVE EMPLOYEES				
LIFE INSURANCE				
(1)	LIFE - BASIC (NON-BARGAINING)	4,179,738	\$0.194	\$813
(2)	LIFE - BASIC (BARGAINING)	4,563,424	0.194	\$887
(3)	A.D. & D. (\$10,000 COVERAGE PER EMPLOYEE)	930,000	0.022	\$20
(4)	A.D. & D. (NON-BARGAINING)	440,000	0.022	\$10
(5)	LIFE - VOLUNTARY UNDER 30		0.06	
(6)	LIFE - VOLUNTARY UNDER 30-34		0.08	
(7)	LIFE - VOLUNTARY UNDER 35-39		0.10	
(8)	LIFE - VOLUNTARY UNDER 40-44		0.12	
(9)	LIFE - VOLUNTARY UNDER 45-49		0.19	
(10)	LIFE - VOLUNTARY UNDER 50-54		0.32	
(11)	LIFE - VOLUNTARY UNDER 55-59		0.59	
(12)	LIFE - VOLUNTARY UNDER 60-64		0.75	
(13)	LIFE - VOLUNTARY UNDER 65-69		1.37	
(14)	LIFE - VOLUNTARY UNDER 70 AND OVER		2.21	
(15)	LIFE - DEPENDENT SPOUSE		0.25	
(16)	LIFE - DEPENDENT CHILDREN		1.20	
(17)	LIFE - SUPPLEMENTAL		0.35	
(18)	LIFE - OPTIONAL		0.35	
DISABILITY				
(19)	LONG TERM DISABILITY (NON UNION ONLY)	232,208	0.43	\$1,003
(20)	SHORT TERM MANAGED	137	1.71	\$234
(21)	A & S - COVERAGE FOR NEW JERSEY ONLY			
MEDICAL, DENTAL & PRESCRIPTION COVERAGE				
(22)	EMPLOYEES WITHOUT DEPENDENT COVERAGE.	27	520.56	\$14,055
(23)	EMPLOYEES WITH DEPENDENT COVERAGE	110	1,283.04	\$141,134
(24)	EMPLOYEES WITH SINGLE DENTAL COVERAGE ONLY		38.88	
(25)	EMPLOYEES WITH DEPENDENT DENTAL COVERAGE ONLY		91.80	
ACTIVES SUBTOTAL :				\$158,155
CONTINUATION OF COVERAGE				
MEDICAL, DENTAL & PRESCRIPTION COVERAGE				
(30)	INDIVIDUAL (FORMER EMPLOYEE, SPOUSE OR DEPENDENT)		520.56	0
(31)	FAMILY (2 OR MORE INDIVIDUALS)		1,283.04	
(32)	UNDER AGE 65 DEPENDENT (1) OF A DECEASED RETIREE		38.88	
(33)	UNDER AGE 65 DEPENDENTS (>1) OF A DECEASED RETIREE		91.80	
CONTINUATION OF COVERAGE SUBTOTAL :				0
TOTAL MONTHLY PREMIUM				158,155
				158,155
REIMBURSEMENTS				
EMPLOYEES WITHOUT DEPENDENT COVERAGE.				(1,296)
EMPLOYEES WITH DEPENDENT COVERAGE				(11,110)
NET COMPANY PREMIUM COST				145,749
PERCENTAGE TO OPERATIONS			81.59%	118,917
TO ANNUALIZE				1,427,004
EMPLOYEES "OPTING OUT" OF MEDICAL COVERAGE (ANNUALIZE 0 X \$100/MO.)				0
TOTAL ANNUAL COST				\$1,427,004

(23)	EMPLOYEES WITHOUT DEPENDENT COVERAGE.	19.51%	24	2,7314	3
(24)	EMPLOYEES WITH DEPENDENT COVERAGE	80.49%	99	11,2686	11
TOTAL		100.00%	123		14

sb "0" 0 137 137
14

Kentucky American Water

		<u>2007</u>	<u>2008</u>	
Pension Expense		677,760	610,560	
O & M %	81.59%	<u>81.59%</u>	<u>81.59%</u>	
		552,984	498,156	
		46,082	41,513	
		46,082	456,643	502,725

Kentucky American Water

Retiree Med Oper Expense

VEBA for new Union employees hired after 1/1/06

Address Number	Alpha Name	Job Typ	Description	Business	Pay Str	Salary/Hourly	Date Started	
50258638	Jelly, Scarlett V.	M42WUB	Meter Reader	120203	1/16/2006	Hourly	1/16/2006	500
50267233	Scott, Ronnie J.	U35WUB	Utility	120206	3/8/2006	Hourly	3/8/2006	500
50268700	Kinley, Victor E.	U35WUB	Utility	120206	3/27/2006	Hourly	3/27/2006	500
50268705	Young, Richard A.	U35WUB	Utility	120206	3/28/2006	Hourly	3/28/2006	500
50272970	Riggs, Barrett W.	U35WUB	Utility	120206	4/10/2006	Hourly	4/10/2006	500
50296502	Archer, Anthony T.	M42WUB	Meter Reader	120203	8/28/2006	Hourly	8/28/2006	500
50303438	Gray, Michael D.	T33WUB	Treatment Plant OpUtil-2ndShft	120201	10/2/2006	Hourly	10/2/2006	500
50325171	Hall, Erik J.	U35WUB	Utility	120206	1/1/2007	Hourly	1/1/2007	500
50328953	Simpson, Donald S.	U35WUB	Utility	120206	1/29/2007	Hourly	1/29/2007	500
50328959	Riley, Joshua D.	U35WUB	Utility	120206	1/30/2007	Hourly	1/30/2007	500
12009991	Vacancy 91		Treatment Plant Oper/Utility			Hourly		500
12009993	Hungate, Bethany		Field Service Records Clerk	120206	4/23/2007	Hourly	4/23/2007	500
12009999	Vacancy 99		Treatment Plant Operator			Hourly		500
								<u>6,500</u>
Tri Village								
12009998	Vacancy 98		Prod Tech Maint			Hourly		500
								<u>500</u>
Elk Lake								
								0
								<u>0</u>
Owenton								
								0
								<u>0</u>

Kentucky American Water
Defined Contribution Plan

Address Number	Alpha Name	Description	Salary/Hourly	Date Started	Base Pay	Actual DCI filled c
12007699	Hazlett, Larry W.	Treatment Plant Op-3rd Shift	Hourly	8/31/2001	48,261	2,534
5033303	Fields, Christopher M.	Utility	Hourly	6/17/2002	41,149	2,160
50049798	Alexander, Darrell W.	CREW LEADER	Hourly	9/23/2002	43,381	2,278
50062542	Flannery, Gabriel T.	CREW LEADER	Hourly	12/20/2002	43,381	2,278
50064202	Young Jr., Gary W.	Meter Reader	Hourly	1/6/2003	41,149	2,160
50068253	Mosby, Erik L.	Meter Reader	Hourly	2/10/2003	41,149	2,160
50094639	Pollack, Donald L.	Meter Reader	Hourly	7/30/2003	41,149	2,160
50104498	Smither, William J.	Utility	Hourly	9/22/2003	41,149	2,160
50104785	Barrett, Robert D.	Utility	Hourly	9/29/2003	41,149	2,160
50154974	Houston, Erin G.	Utility	Hourly	7/19/2004	41,149	2,160
50173103	Arvin, William P.	Meter Reader	Hourly	11/1/2004	41,149	2,160
50172172	Smith, Stephen W.	Utility	Hourly	11/15/2004	41,149	2,160
50176069	Vaughn, Jonathan T.	Clerk Opns (N)	Hourly	11/29/2004	40,536	2,128
50187280	Bault, Hope Y.	Meter Reader	Hourly	1/17/2005	41,149	2,160
50187315	Lynch, William L.	TREATMENT PLT OPER RELIEF	Hourly	1/18/2005	43,965	2,308
50188930	Clark, Nathan A.	Maintenance Technician II	Hourly	1/20/2005	47,179	2,477
50192332	Merriman, Randy T.	Utility	Hourly	2/14/2005	41,149	2,160
50193807	Hurley, Terri L.	Meter Reader	Hourly	2/15/2005	41,149	2,160
50198705	Bliss, Richard B.	Treatment Plant Op-3rd Shift	Hourly	3/14/2005	48,261	2,534
50205802	Maggard, Michael D.	Maintenance Technician I	Hourly	5/2/2005	46,218	2,426
50258638	Jelly, Scarlett V.	Meter Reader	Hourly	1/16/2006	41,149	2,160
50267233	Scott, Ronnie J.	Utility	Hourly	3/8/2006	41,149	2,160
50268700	Kinley, Victor E.	Utility	Hourly	3/27/2006	41,149	2,160
50268705	Young, Richard A.	Utility	Hourly	3/28/2006	41,149	2,160
50272970	Riggs, Barrett W.	Utility	Hourly	4/10/2006	41,149	2,160
50296502	Archer, Anthony T.	Meter Reader	Hourly	8/28/2006	41,149	2,160
50303438	Gray, Michael D.	Treatment Plant Op Util-2nd Shift	Hourly	10/2/2006	47,635	2,501
50325171	Hall, Erik J.	Utility	Hourly	1/1/2007	41,149	2,160
50328953	Simpson, Donald S.	Utility	Hourly	1/29/2007	41,149	2,160
50328959	Riley, Joshua D.	Utility	Hourly	1/30/2007	41,149	2,160
12009991	Vacancy 91	TREATMENT PLANT OPERATOR / L	Hourly		48,261	2,534
12009993	Hungate, Bethany	Field Service Records Clerk	Hourly	4/23/2007	34,078	1,789
12009999	Vacancy 99 (Ken Roney)	Treatment Plant Operator	Hourly		46,218	2,426
					1,401,503	73,579
					73,579 mo	
Tri Village						
12007384	Castlemann, Lee E.	Sr. Operations Generalist	Hourly	8/1/2001	36,362	1,909
12007337	True, Angela K.	Clerk Opns (N)	Hourly	8/1/2001	30,849	1,620
12007378	Tudor, Paul E.	Operations Generalist	Hourly	8/1/2001	39,447	2,071
12009998	Vacancy 98	Prod Tech Maint	Hourly		50,431	2,648
					157,089	8,247
			DCP			
Owenton						
50237899	Callan, Anthony R.	Production Technician	Hourly	9/15/2005	36,320	1,907

Kentucky American Water
Defined Contribution Plan

Central Address Number	Alpha Name	Description	Salary/Hourly	Date Started	Base Pay	Actual DCP if filed or
50237900	Clifton, David B.	Production Technician	Hourly	9/15/2005	36,320	1,907
50237898	Dempsey, Stephen M.	Sr. Operations Generalist	Hourly	9/15/2005	36,320	1,907
50237897	Gibson, Marshall C.	Sr. Operations Generalist	Hourly	9/15/2005	36,320	1,907
50237894	Kincaid, Terry M.	Sr. Operations Generalist	Hourly	9/15/2005	36,320	1,907
50237902	O'Banion, Bobby E.	Production Technician	Hourly	9/15/2005	36,320	1,907
50237901	Osborne, LeeAnn	Clerk Opns (N)	Hourly	9/15/2005	29,989	1,574
			DCP		247,909	13,015
						mo
Central Salary						
50271711	Galavotti, Michael D.	Sr Project Engr	Salary	4/13/2006		4,281
50273918	Kruchinski, Ronald K.	Specialist Opns	Salary	4/24/2006		2,614
50285333	Hurt, Jason M.	Engineering Project Manager	Salary	6/26/2006		3,476
50299154	Golden, Virginia-Bibb W.	Engineering Project Manager	Salary	9/25/2006		3,110
50329350	Ramey, Karin J.	Specialist Opns	Salary	1/26/2007		2,336
12009994	Vacancy 94	Adm Asst/Cross Connection	Salary			2,245
			Total Central			112,903.88
			DCP			

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 248 of 312

Witness: Nick Rowe/Michael Miller

248. Please provide a copy of the most recent Salary Administration Program.

Response:

Providing the requested information into the public record where it could be obtained by the Company's competitors would place the Company at a competitive disadvantage. The Company will provide the requested information once the appropriate confidentiality agreements have been executed.

For electronic version, refer to KAW_R_AGDR1#248_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 249 of 312

Witness: Michael Miller

249. State whether the filing includes any provision for corporate performance awards. If so, list the dollar amount for each program. Identify into which accounts and in what amounts it has been accrued.

Response:

Yes. Please see the response to PSCDR2#5.

For electronic version, refer to KAW_R_AGDR1#249_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 250 of 312

Witness: Michael A. Miller

250. List the amount accrued for compensated absences by month from January, 2005 through the present. Show amounts separately for banked sick time, for accrued vacation and for banked vacation. Indicate which accounts were affected and the associated dollar amounts.

Response:

Only vacation is accrued (account 241100). We do not bank vacation.

Jan-05	(81,851.24)	Apr-06	(344,358.59)
Feb-05	(81,851.24)	May-06	(344,358.59)
Mar-05	(370,375.07)	Jun-06	(214,015.50)
Apr-05	(370,375.07)	Jul-06	(214,015.50)
May-05	(370,375.07)	Aug-06	(214,015.50)
Jun-05	(301,820.05)	Sep-06	(147,844.76)
Jul-05	(301,820.05)	Oct-06	(147,844.76)
Aug-05	(301,820.05)	Nov-06	(147,844.76)
Sep-05	(202,315.71)	Dec-06	(24,138.25)
Oct-05	(202,315.71)	Jan-07	(575,640.07)
Nov-05	(202,315.71)	Feb-07	(575,640.07)
Dec-05	(23,199.99)	Mar-07	(485,600.79)
Jan-06	(400,476.47)	Apr-07	(485,600.79)
Feb-06	(400,476.47)	May-07	(485,600.79)
Mar-06	(344,358.59)		

For electronic version, refer to KAW_R_AGDR1#250_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 251 of 312

Witness: Sheila Miller/Michael Miller

251. Does overtime include normal pay plus premium or just premium? Identify the level of premium pay for 2005, 2006 and 2007 to date.

Response:

Overtime includes normal pay plus premium.

Overtime Pay = 2005 - \$647,434 2006 - \$706,162 2007 (5/31) - \$321,756

For electronic version of this document, refer to KAW_R_AGDR1#251_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 252 of 312

Witness: Nick Rowe

252. Please provide a copy of any Company labor productivity analyses which have been performed during the past three years.

Response:

None.

For electronic version, refer to KAW_R_AGDR1#252_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 253 of 312

Witness: Michael A. Miller

253. With regard to pension expense:

- a. Please provide the most recent actuarial study.
- b. Please identify the amount of pension expense included in 2005, 2006 and 2007 and 2008 as forecasted. Also please provide workpapers showing the derivation of these amounts.
- c. Please state whether the pension expense provided in part b, includes interest charges or earnings based on the time of payment. If yes, please identify the amount and provide workpapers or supporting documentation.
- d. Please state the frequency with which pension contributions are made and the relationship of the payment date(s) to the period for which the contribution is being made. If the pension contributions are paid to the parent or service company, please identify both Company payment date(s) and the date(s) on which the contribution is actually made by the affiliate.
- e. Please identify where pension expense has been included in the last working capital study and how the pension contribution date was recognized in determining the lag days for that category.
- f. Please describe and quantify the effects FASB 87 and 88 would have on the pension plans for the Company for 2005, 2006 and 2007 if fully reflected.

Response:

- a. See response to AGDR1#245.
- b. 2005 \$782,335
2006 \$748,274
2007 \$455,724
2008 \$502,725
- c. No.
- d. Quarterly. See attached schedule. The payments are paid directly to the pension trust fund.
- e. See attached schedule. Pensions are included in line 20 "other operating expenses".
- f. None.

Kentucky American Water Company
AG Request for Information # 253 d.

Payment Date	Amount	Service Period	
		From	To
3/10/06	\$ 421,414	1/1/2006	4/1/2006
5/23/06	312,358	4/1/2006	7/1/2006
8/10/06	312,358	7/1/2006	10/1/2006
5/23/06	<u>312,358</u>	10/1/2006	1/1/2007
Totals	<u>\$ 1,358,488</u>		

SCHEDULE B-5.2
PAGE 5 OF 6
Witness Responsible: S.A. Miller

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
WORKING CAPITAL - LEAD/LAG STUDY
AS OF NOVEMBER 30, 2008

DATA: _____ BASE PERIOD _____ X _____ FORECASTED PERIOD
TYPE OF FILING: _____ ORIGINAL _____ UPDATED _____ X _____ REVISED
WORKPAPER REFERENCE NO(S): WIP-8 & WIP-1-8

Line No.	DESCRIPTION	Amount				Post Payment or (Lead) Days	Dollar Days			
		CENTRAL DIVISION	TRI-VILLAGE	ELK LAKE	OWENTON		CENTRAL DIV	TRI-VILLAGE	ELK LAKE	OWENTON
1	Payroll Charged to Expense - Union/ATS Group	\$3,869,861	\$207,125	\$31,194	\$132,146	12.00	2,485,500	374,208	1,825,752	51,123,792
2	Payroll Charged to Expense - Salaried	1,805,947	96,659	14,553	71,002	12.00	1,159,908	174,636	852,024	23,857,932
3										
4										
5	Fuel and Power	2,899,277	0	0	87,000	26.96	78,164,507	0	2,345,520	80,510,027
6	Chemicals	1,410,513	840	0	93,865	6.65	9,379,913	5,586	0	624,201
7	Service Company Charges	8,016,129	112,085	15,539	57,441	0.40	2,406,452	44,894	6,216	22,976
8	Group Insurance	1,303,283	65,499	10,132	47,947	(6.81)	(6,875,357)	(446,048)	(98,899)	(326,519)
9	Opex	4,111,056	20,659	3,196	15,123	23.13	9,507,725	477,843	73,923	349,795
10	Insurance Other than Group	641,337	12,614	664	9,295	(44.70)	(28,667,767)	(563,859)	(415,475)	(28,676,778)
11	Transportation Expense	548,052	12,767	1,422	5,257	13.56	7,431,585	173,121	19,282	71,285
12	Rents	32,165	20,000	0	0	18.39	591,514	387,600	0	959,314
13	Telephone Expense	175,187	9,632	271	1,000	10.31	1,806,177	99,307	2,790	10,314
14	Postage Expense	465,675	8,676	1,203	4,446	23.47	10,928,396	203,623	28,228	104,352
15	Stock E	86,826	1,668	0	2,313	28.03	2,433,733	46,764	0	64,833
16	Maintenance Expense, excluding Amortizations	1,056,137	9,370	733	56,722	18.54	19,560,780	173,720	13,590	1,051,626
17	Amortization	235,764	0	0	39,293	0.00	0	0	0	0
18	Uncollectibles	402,793	9,827	798	5,147	0.00	0	0	0	0
19	Waste Disposal	262,237	0	0	0	0.00	0	0	0	0
20	Other Operating Expenses	3,766,193	534,637	29,374	143,844	24.44	92,045,755	13,066,539	717,891	3,515,548
21	Total O & M Expenses	25,388,433	1,140,442	109,066	791,842	0.00	196,734,413	13,649,217	763,245	7,418,456
22										
23	Depreciation and Amortization	8,234,047	181,563	7,442	79,593	0.00	0	0	0	0
24	Taxes, Other than income									
25	Payroll - FUTA	5,201	475	64	356	69.86	363,342	33,184	4,471	24,870
26	Payroll - SUTA	4,646	365	47	273	75.14	349,100	27,428	3,532	20,513
27	Payroll - FICA	427,547	23,241	3,502	17,070	15.00	6,413,205	346,615	52,530	256,050
28	Other	2,712,401	55,609	2,465	44,507	70.95	192,444,851	3,945,459	174,862	3,167,772
29	Income Taxes - Current - SIT	925,142	18,555	848	14,224	52.75	48,801,241	978,779	44,627	750,316
30	Income Taxes - Current - FIT	5,072,964	101,743	4,638	77,994	30.13	152,845,392	3,065,517	139,743	2,349,959
31	Deferred Income Taxes	978,806	23,716	1,271	(1,748)	0.00	0	0	0	0
32	Interest Expense - Long - Term Debt	6,426,335	125,240	6,330	91,207	119.64	768,846,719	14,983,714	757,321	10,912,005
33	Interest Expense - Short - Term Debt	380,659	7,613	385	5,545	14.60	5,703,621	111,150	5,621	80,957
34	Preferred Dividends	423,725	8,375	423	6,099	46.40	19,639,240	388,600	19,627	282,994
35	Net Income	10,059,481	196,045	9,908	142,771	0.00	0	0	0	0
36	Net Operating Funds	\$61,055,267	\$1,883,012	\$146,387	\$1,268,733		\$1,392,441,124	\$37,531,658	\$1,965,609	\$25,253,892
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										

Average Days Interval between Date Expenses are Incurred and Date of Payment

22.81

19.93

13.43

19.89

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 254 of 312

Witness: Michael Miller

254. What rate of interest is the Company currently earning on its pension plan fund balance?

Response:

Please see the response to AGDR1#245.

For electronic version, refer to KAW_R_AGDR1#254_061807.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 255 of 312

Witness: Michael Miller/Nick Rowe

255. Has the Company considered reducing the amount of post retirement health care, dental and life insurance coverage? If yes, provide details of any proposed reductions. If no, provide an explanation of why not.

Response:

The Company has modified its plan for OPEB's for new employees hired who are now are on a defined contribution plan and there have been changes to the plan for the level of co-pay and other changes. Changes to the benefit plans are negotiated on a national level with the various unions. Please refer to the response to PSCDR1#21.

For electronic version, refer to KAW_R_AGDR1#255_061807.pdf