

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
ATTORNEY GENERAL'S REQUEST FOR INFORMATION
Item 130 of 312

Witness: Michael A. Miller

130. Please provide the following amounts for 2005, 2006 and 2007:

- a. Income tax expense, current, deferred, deferred-credit, investment tax credit deferred and investment tax credit amortized from prior years. Identify by Uniform System Account number.
- b. Identify the benefit giving rise to each charge, as shown in the example below.
- c. Divide federal and state amounts.
- d. Cite the order or ruling on which the Company bases rate treatment of these benefits (normalized or flow-through). Note rate treatment (normalized or flow-through).
- e. State the accumulated total for each as it appears on the test year balance sheets. Identify by Uniform System Account Number.
- f. State the rate base treatment of each item (e.g. deducted from rate base, cost-free capital, treated as equity, etc.).
- g. Cite the order or ruling on which the Company bases treatment identified in f.

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#130_061807.pdf

Supplemental Response:

- a. See the attached schedule.
- b. See the attached schedule.
- c. See the attached schedule.

- d. Same treatment as in prior rate cases 2000-00120 and 2004-00103.
- e. See Exhibit 37, Schedule E 1.5 page 1 of 1.
- f. See attached schedule.
- g. Same treatment as in prior rate cases 2000-00120 and 2004-00103.

For electronic version, refer to KAW_R_AGDR1#130_Supplemental_062507.pdf

Kentucky-American Water Company
Case # 2007-00143
Data Request - Item 130a of 312
Income Tax Expense - Actuals
For the Years 2005 and 2006

NARUC Description	JDE Description	2005		2006		2007		© state/fed	(f) rate base
						benefit	flow through		
B40910 Income Taxes-FIT Oper	690110 FIT-Current	2,327,506.00	3,472,508.00	563,506.60	federal				
Total	690120.002 FIT-PrYr Adj Over Accr	(456,576.00)	(282,058.00)		federal				
		1,870,930.00	3,190,450.00	563,506.60					
B40911 Income Taxes-SIT Oper	690210 SIT-Current	525,715.00	617,481.00	107,403.07	state				
Total	690220.002 SIT-PrYr Adj Over Accr	(376,946.00)	(368,236.00)		state				
		148,769.00	249,245.00	107,403.07					
B40920 Income Taxes-Oth Inc/Ded	780100 SIT-Other Inc & Ded Curr	(22,229.00)	(28,426.00)		state				
Total	790100 FIT-Oth Inc & Ded-curr	(111,145.00)	(142,126.00)		federal				
		(133,374.00)	(170,552.00)						
B41010 Def Inc Tax-FIT	690610.001 Def FIT-CY Asset	(78,841.00)	-	153,028.26	federal	deduction			
	690610.002 Def FIT-CY Liab	(133,392.00)	-		federal	deduction			
	690620.001 Def FIT-PY Adj Asset	-	36,000.00		federal	deduction			
	690620.002 Def FIT-PY Adj Liab	(179,766.00)	(669,031.00)		federal	deduction			
	690630.001 Def FIT-Reg Asset	232,680.00	286,621.56	128,113.52	federal	deduction			
	690630.002 Def FIT-Reg Liab	(160,620.00)	(140,020.56)	(59,642.76)	federal	deduction			
Total	690650.002 Def FIT-Other Liab	949,249.57	(449,792.68)	221,499.02	federal	deduction			
		629,310.57	(936,222.68)						
B41011 Def Inc Tax-SIT	690710.001 Def SIT-CY Asset	(15,311.00)	-	47,364.61	state	deduction			
	690720.001 Def SIT-PY Adj Asset	-	(3,737.00)		state	deduction			
	690720.002 Def SIT-PY Adj Liab	869,131.00	11,920.00		state	deduction			
	690730.001 Def SIT-Reg Asset	59,784.00	59,784.00	27,391.74	state	deduction			
	690730.002 Def SIT-Reg Liab	(21,708.00)	(48,108.00)	(18,743.96)	state	deduction			
Total	690750.002 Def SIT-Other Liab	40,811.91	185,809.15	56,012.39	state	deduction			
		932,707.91	205,668.15						
B41211 ITC-Restored	695220 ITC Restored - 3%	(8,626.56)	(7,652.00)	(3,189.01)	federal	deduction			
	695230 ITC Restored - 4%	(7,107.00)	(6,265.00)	(2,626.26)	federal	cost free capital			
Total	695240 ITC Restored - 10%	(79,861.56)	(70,840.00)	(29,515.99)	federal	cost free capital			
		(95,595.12)	(84,757.00)	(35,331.26)					