

**SCHEDULE D**

**SUMMARY OF ADJUSTMENTS TO OPERATING INCOME**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2007-00143**

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

Base Period: FOR THE TWELVE MONTHS ENDED: JULY 2007

<u>Schedule</u>	<u>Description</u>
D-1	Summary of Adjustments to Operating Income
D-2 1	Detailed Adjustments
D-2 2	Detailed Adjustments
D-2 3	Detailed Adjustments
D-2 4	Detailed Adjustments
D-3	Summary of Jurisdictional Factors
D-4	Jurisdictional Statistics
D-5	Explanation of Change in Jurisdictional Procedures

For electronic version, see KAW\_SAPP\_EX37D\_091407.pdf

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1  
Page 1 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj.			Total Adjustments
				Sch D-2.1	Sch D-2.2	Sch D-2.2	
1		Water Revenues					
2	461100	Residential - Billed	\$ 27,037,630	\$ (163,735)	\$ -	\$ -	(\$163,735)
3	461110	Residential - Unbilled	\$ 171,002	\$ (171,002)	\$ -	\$ -	(171,002)
4	461200	Commercial - Billed	\$ 12,033,695	\$ 705,492	\$ -	\$ -	705,492
5	461210	Commercial - Unbilled	\$ 129,117	\$ (129,117)	\$ -	\$ -	(129,117)
6	461300	Industrial - Billed	\$ 1,426,205	\$ 96,702	\$ -	\$ -	96,702
7	461310	Industrial - Unbilled	\$ (12,363)	\$ 12,363	\$ -	\$ -	12,363
8	461400	Miscellaneous - Billed	\$ 17,601	\$ (17,601)	\$ -	\$ -	(17,601)
9	461410	Miscellaneous - Water Sales Billed Unmetered	\$ -	\$ -	\$ -	\$ -	0
10	462000	Private Fire - Billed	\$ 1,104,247	\$ (38,484)	\$ -	\$ -	(38,484)
11	462100	Private Fire - Unbilled	\$ -	\$ -	\$ -	\$ -	0
12	463000	Public Fire - Billed	\$ 2,216,748	\$ 44,676	\$ -	\$ -	44,676
13	463100	Public Fire - Unbilled	\$ -	\$ -	\$ -	\$ -	0
14	464200	OPA - Billed	\$ 3,573,663	\$ 207,422	\$ -	\$ -	207,422
15	464210	OPA - Unbilled	\$ 76,941	\$ (76,941)	\$ -	\$ -	(76,941)
16	466000	Sales for Resale - Billed	\$ 1,243,531	\$ (225,087)	\$ -	\$ -	(225,087)
17	466100	Sales for Resale - Unbilled	\$ 46,493	\$ (46,493)	\$ -	\$ -	(46,493)
18		Total Water Revenues	49,054,650	178,215	0	0	178,215
19							
20		Sewer Revenues					
21	461000	Residential - Billed	\$ 101,950	\$ (101,950)	\$ 0	\$ 0	(101,950)
22	461010	Residential - Billed Surcharge	\$ 0	\$ 0	\$ 0	\$ 0	0
23	461020	Commercial - Billed	\$ 56,557	\$ (56,557)	\$ 0	\$ 0	(56,557)
24	461030	Commercial - Unbilled	\$ 0	\$ 0	\$ 0	\$ 0	0
25	462210	Industrial - Billed	\$ 14,298	\$ (14,298)	\$ 0	\$ 0	(14,298)
26	462110	Industrial - Unbilled	\$ 0	\$ 0	\$ 0	\$ 0	0
27		Total Sewer Revenues	172,805	(172,805)	0	0	(172,805)
28							
29							
30		OTHER OPERATING REVENUES					
31	471100	Reconnection Charges/Activation Fees	\$ 268,088	\$ 0	\$ 622,646	\$ 0	622,646
32	471200	Other Miscellaneous Service Revenues	\$ 654,464	\$ 0	\$ (632,976)	\$ 0	(632,976)
33	472000	Rents from Water Property	\$ 116,423	\$ 0	\$ (30,078)	\$ 0	(30,078)
34	474100	Billing & Collection Services	\$ 952,491	\$ 0	\$ (48,963)	\$ 0	(48,963)
35	474300	Other Water Revenues	\$ (5,077)	\$ 0	\$ 5,077	\$ 0	5,077
36		AFUDC	\$ 0	\$ 0	\$ 1,858,197	\$ 0	1,858,197
37		TOTAL OTHER OPERATING REVENUES	1,985,389	0	(84,194)	1,858,197	1,774,003
38							
39		TOTAL OPERATING REVENUES	\$51,223,884	\$5,410	(\$84,194)	\$1,858,197	\$1,779,413
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

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SCHEDULE D-1  
Page 2 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

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WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj.			Total Adjustments
				Sch D-2.1	Sch D-2.2	Sch D-2.2	
1							
2							
3							
4			\$ 27,310,782	\$ (456,687)	\$ 0	\$ 0	\$ 0
5		Revenues from Water/Wastewater					
6		Residential	12,219,369	519,818	0	0	(\$456,687)
7		Commercial	1,428,120	94,787	0	0	519,818
8		Industrial	3,650,604	130,481	0	0	94,787
9		Other Public Authority (OPA)	1,290,024	(271,590)	0	0	130,481
10		Sales for Resale (OWU)	17,601	(17,601)	0	0	(271,580)
11		Miscellaneous	1,104,247	(38,484)	0	0	(17,601)
12		Private Fire Service	2,216,748	44,676	0	0	(38,484)
13		Public Fire Service					44,676
14		Total Water/Wastewater Revenues	49,237,495	5,410	0	0	5,410
15		Other Operating Revenues	1,986,389	0	(84,194)	1,858,197	1,774,003
16		Total Operating Revenues	\$51,223,884	\$5,410	(\$84,194)	\$1,858,197	\$0
17							\$0
18		TAX RATE					
19		State Income Tax Impact	6.00%	\$325	(\$5,052)	\$111,482	\$0
20		Federal Income Tax Impact	35.00%	\$1,780	(\$27,700)	\$611,347	\$0
21		Net Operating Income Impact		\$3,305	(\$51,442)	\$1,135,358	\$0
22							\$0
23							\$0
24							\$0
25							\$0
26							\$0
27							\$0
28							\$0
29							\$0
30							\$0
31							\$0
32							\$0
33							\$0
34							\$0
35							\$0
36							\$0
37							\$0
38							\$0
39							\$0
40							\$0
41							\$0
42							\$0
43							\$0
44							\$0
45							\$0
46							\$0
47							\$0
48							\$0
49							\$0
50							\$0





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WORKPAPER REFERENCE NO(S): SCH D-2.3 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj D-4 Sch D-2.3	Adj D-5 Sch D-2.3	Adj D-6 Sch D-2.3	Adj D-7 Sch D-2.3	Adj D-8 Sch D-2.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D-2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
<b>WATER TREATMENT EXPENSES (WT)</b>													
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,688
3	641110	Chemicals-Carbon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	641100	General Chemicals	\$1,630,724	\$0	(\$125,506)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(125,506)
5	641200	Softening Chemicals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	642100	General WT Labor	\$1,436,924	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(394,404)
7	642200	Softening Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	642300	General WT Expenses	\$143,518	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	642390	General WT Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	642400	Softening Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	643100	Misc Expenses	\$84,089	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	643190	Misc Expenses - Service Co	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	643200	Misc Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	643300	Waste Disposal Expenses	\$284,985	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(176,998)
15	643310	Amort Waste Disposal Expenses	\$83,127	\$0	\$0	(\$176,998)	\$73,123	\$0	\$0	\$0	\$0	\$0	73,123
16	644000	Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	650000	Maint Supervision & Engineering Ord	\$83,547	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(83,547)
18	650010	Maint Supervision & Engineering Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	651100	Maint WT Struc & Improvements-Mat Ord	\$131,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	651110	Maint WT Struc & Improvements-Mat Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	651120	Amort WT Structures	\$153,131	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	651200	Maint WT Struc & Improvements-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	651210	Maint WT Struc & Improvements-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	652100	Maint General WT Equipment-Mat Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	652110	Maint General WT Equipment-Mat Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	652200	Maint Softening Equipment-Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	652300	Maint General WT Equipment-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	652310	Maint General WT Equipment-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29													
30		TOTAL WT EXPENSES	4,031,921	194,736	0	(125,506)	(105,875)	0	0	0	0	0	(35,645)









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Page 9 of 19  
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1		<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G) - CONT</b>											
2		<b>REGULATORY COMMISSION EXPENSES</b>											
3	928100	Amort Expense of Rate Proceedings	\$351,497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$76,302)	\$0	(\$76,302)
4	928110	Amort Serv Study Exp Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	928200	Tax Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	928300	Amort of Other Regulatory Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	928400	Other Regulatory Expenses - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	930200	Amort Misc Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	\$0	7,000
9	930210	Misc General Expenses Current	\$545,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	930220	Amort Orig Cost Study	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	930230	Amort Misc General Expenses	\$34,211	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	930240	Misc Gen Exp - Community Relations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	930250	Amort Plant Expansion Study	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	930260	Meals & Travel Expenses - Taxable	\$16,956	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	930270	Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	930280	Data Processing Communication Exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	930300	Research & Development Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	930390	Research & Development Exp - Ser Co	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	930500	Non-deductible Penalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	930510	Lobbying Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	930600	Transportation Expenses	\$522,871	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	930610	Transportation Cap (A&B)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	930620	Transportation Cap (C&R)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	930630	Transportation Cap (H)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	930880	Misc Gen Exp - Company Dues	\$44,599	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	930890	Misc Gen Exp - Other	\$245,484	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	930980	Misc General Exp-Taxable Co Dues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	931000	Rents	\$31,737	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	932100	Maint A&G Struc & Improv-Material Ord	\$93,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	932110	Maint A&G Struc & Improv-Material Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	932120	Amort A&G Struc & Improv	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	932200	Main A&G Struc & Improv-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	932210	Maint A&G Struc & Improv-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	932300	Maint A&G Office Furniture-Material Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	932310	Maint A&G Office Furniture-Material Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	932400	Maint A&G Office Furniture-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	932410	Maint A&G Office Furniture-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	932500	Maint A&G Communication Equip-Material	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	932600	Maint A&G Comm Equip-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	932610	Maint A&G Comm Equip-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	932700	Maint A&G Misc Property-Material Ord	\$15,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	932710	Maint A&G Misc Property-Material Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	932800	Maint A&G Misc Property-Labor Ord	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	932810	Maint A&G Misc Property-Labor Prg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45		Total A & G Expenses	14,139,754	273,929	0	0	0	(1,221,424)	188,123	(166,283)	(69,302)	130,639	(664,418)
46													
47		Total O & M Expenses	\$27,253,978	\$628,597	\$316,557	(\$125,506)	(\$105,875)	(\$1,221,424)	\$188,123	(\$166,283)	(\$69,302)	\$130,639	(\$424,473)
48													
49													
50													





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Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
<b>PUMPING EXPENSES</b>											
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	Operation Sup & Eng-Other	0	0	0	0	0	0	0	0	0
4	622100	Power Production Expenses	0	0	0	0	0	0	0	0	0
5	622200	Power Production Labor	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	2,669,381	0	0	0	0	0	0	0	316,896
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumping-Other	339	0	0	0	0	0	0	0	(339)
9	624200	Pumping Labor-Electric	0	0	0	0	0	0	0	0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	3,246	0	0	0	(3,246)	0	0	(3,246)	(3,246)
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0	0	0	0
17	627200	Rents-Electric	0	0	0	0	0	0	0	0	0
18	627300	Rents-Other	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	61,323	0	0	0	0	0	0	0	266,255
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0	0	0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0
23	631100	Maint Pumping Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumping Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumping Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
26	631210	Maint Pumping Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
27	632100	Maint Power Production Equip-Mat Ord	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Production Equip-Mat Prg	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Production Equip-Lab Ord	0	0	0	0	0	0	0	0	0
30	632210	Maint Power Production Equip-Lab Prg	0	0	0	0	0	0	0	0	0
31	633200	Maint Pumping Equip-Material-Electric Ord	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Material-Electric Prg	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Material-Other Ord	0	0	0	0	0	0	0	0	0
34	633310	Maint Pumping Equip-Material-Other Prg	0	0	0	0	0	0	0	0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	2,734,289	0	0	0	(3,246)	0	0	(3,246)	581,565

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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1  
Page 13 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
<b>WATER TREATMENT EXPENSES (WT)</b>											
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,688
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	1,630,724	0	0	0	0	0	0	0	(125,506)
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0
6	642100	General WT Labor	1,435,924	0	0	0	0	0	0	0	(384,404)
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	143,518	0	0	24,069	0	0	0	24,069	24,069
9	642390	General WT Administration	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	84,089	0	0	4,232	0	0	0	4,232	4,232
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	284,985	0	0	0	0	0	0	0	(178,989)
15	643310	Amort Waste Disposal Expenses	83,127	0	0	0	0	0	0	0	73,123
16	644000	Rents	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	83,547	0	0	0	0	0	0	0	(83,547)
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc & Improvements-Mat Ord	131,876	0	0	0	0	61,324	0	61,324	61,324
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	(23,312)	0	(23,312)	(23,312)
21	651120	Amort WT Structures	153,131	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	90,040	0	90,040	90,040
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0
29											
30		TOTAL WT EXPENSES	4,031,921	0	0	28,301	128,052	0	0	156,353	119,708

4,031,921 0 0 28,301 128,052 0 0 156,353 119,708







KENTUCKY-AMERICAN WATER COMPANY  
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FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1  
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Witness Responsible: M.A. Miller/ S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-18 Sch D-2.3	Total Adjustments	Grand Total Adjustments
<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G)</b>											
2	920000	Salaries	\$490,101	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$256,939
3	920500	Incentive Plan Expense	235,660	0	0	0	0	0	0	0	16,890
4	921100	Expenses of Employees	56,484	0	0	0	0	0	0	0	23,641
5	921110	Dues for Clubs - Taxable	0	0	23,641	0	0	0	0	23,641	23,641
6	921200	Misc Office Expenses	346,320	0	25,964	0	0	0	0	25,964	25,964
7	923100	Service Company Charges	7,422,516	0	(11,328)	0	0	0	0	(11,328)	(11,328)
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	(1,221,424)
9	923200	Auditing Services	94,422	0	0	0	(22,422)	0	0	(22,422)	(22,422)
10	923300	Legal Services	52,955	0	0	0	12,035	0	0	12,035	12,035
11	923400	Engineering Services	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	407,661	0	0	0	261,833	0	0	261,833	261,833
13	924000	Property Insurance	111,872	0	0	0	0	0	0	0	21,477
14	925110	Workers Compensation	131,691	0	0	0	0	0	0	0	19,649
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	(14)	0	0	0	0	0	0	0	0
20	925310	Injuries and Damages - Expenses	0	0	0	0	18,014	0	0	18,014	18,014
21	925400	General Liability	289,708	0	0	0	0	0	0	0	68,513
<b>EMPLOYEE PENSIONS &amp; BENEFITS</b>											
22	926100	Accrued OPEB Expense	635,308	0	0	0	0	0	0	0	(165,274)
24	926110	Group Insurance Expense	1,053,464	0	0	0	0	0	0	0	373,397
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	70,481	0	0	0	25,919	0	0	25,919	25,919
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	80,115	0	0	0	18,589	0	0	18,589	18,589
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	668,967	0	0	0	0	0	0	0	(166,283)
44	926600	Other Pension Plan Expenses	59,729	0	0	0	53,170	0	0	53,170	53,170
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0	0	0	0
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0





KENTUCKY-AMERICAN WATER COMPANY  
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SCHEDULE D-1  
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Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_ REVISOR  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj D-19 Sch D-2.4	Adj D-20 Sch D-2.4	Adj D-21 Sch D-2.4	Total Adjustment
1	403000	Depreciation	\$9,045,210	(\$1,006,557)	\$0	\$0	\$0 (\$1,006,557)
2	403100	Depreciation - CIAC	(\$1,245,724)	\$1,245,724	\$0	\$0	\$0 1,245,724
3			\$7,799,486	\$239,167	\$0	\$0	\$0 \$239,167
4							
5							
6		State Income Tax Impact	6.00%	(\$14,350)	\$0	\$0	\$0 (\$14,350)
7		Federal Income Tax Impact	35.00%	(\$68,731)	\$0	\$0	\$0 (\$68,731)
8		Net Operating Income Impact		\$1,109,638	\$0	\$0	\$0 \$1,109,638
9							
10		<b>AMORTIZATION EXPENSE</b>					
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0	\$0 \$0
12	404110	Amortization Franchise Expense	\$0	\$0	\$0	\$0	\$0 \$0
13	404430	Amortization Regulatory Asset - AFUDC	\$32,628	(\$6,900)	\$0	\$0	\$0 (\$6,900)
14	406000	Amortization Utility Plant Acquisition Adj	\$21,613	(\$6,562)	\$0	\$0	\$0 (\$6,562)
15	407000	Amortization Property Losses	\$472,603	(\$60,411)	\$0	\$0	\$0 (\$60,411)
16		TOTAL AMORTIZATION	\$526,844	(\$123,873)	\$0	\$0	\$0 (\$123,873)
17							
18		State Income Tax Impact	6.00%	\$0	\$4,552	\$0	\$0 \$4,552
19		Federal Income Tax Impact	35.00%	\$0	\$28,149	\$0	\$0 \$28,149
20		Net Operating Income Impact		\$0	\$32,701	\$0	\$0 \$32,701
21							
22							
23							
24		<b>TAXES, OTHER THAN INCOME</b>					
25	408100	Real & Personal Property Taxes	\$2,417,403	\$0	\$0	\$311,647	\$0 \$311,647
26	408110	Gross Income & Receipts Taxes	\$0	\$0	\$85,932	\$0	\$0 \$85,932
27	408120	Invested Capital Tax	\$0	\$0	\$0	\$0	\$0 \$0
28	408030	Other General Taxes	\$93,493	\$0	(\$93,493)	\$0	\$0 (\$93,493)
29	408140	FUTA	\$6,182	\$0	\$10,739	\$0	\$0 10,739
30	408150	FUTA Capitalized - (A Work Order)	\$0	\$0	(\$10,825)	\$0	\$0 (\$10,825)
31	408040	FUTA Capitalized - (H Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
32	408050	FUTA Capitalized - (C & R Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
33	408160	FICA	\$417,748	\$0	\$157,146	\$0	\$0 \$157,146
34	408170	FICA Capitalized - (A Work Order)	\$0	\$0	(\$103,534)	\$0	\$0 (\$103,534)
35	408060	FICA Capitalized - (H Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
36	408070	FICA Capitalized - (C & R Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
37	408180	SUTA	\$5,872	\$0	\$6,224	\$0	\$0 \$6,224
38	408190	SUTA Capitalized - (A Work Order)	\$0	\$0	(\$6,765)	\$0	\$0 (\$6,765)
39	408080	SUTA Capitalized - (H Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
40	408090	SUTA Capitalized - (C & R Work Order)	\$0	\$0	\$0	\$0	\$0 \$0
41	408220	Environmental Tax	\$2,940,698	\$0	\$357,071	\$0	\$0 \$357,071
42							
43							
44		State Income Tax Impact	6.00%	\$0	(\$21,424)	\$0	\$0 (\$21,424)
45		Federal Income Tax Impact	35.00%	\$0	(\$117,476)	\$0	\$0 (\$117,476)
46		Net Operating Income Impact		\$0	(\$138,899)	\$0	\$0 (\$138,899)
47							
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.1  
Page 1 of 3  
Witness Responsible: S.A. Miller

DATA:   X   BASE PERIOD   X   FORECASTED PERIOD  
TYPE OF FILING:   ORIGINAL     X   UPDATED        REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
3		WIP-2	\$26,854,095
4			<u>27,037,930</u>
5			<u>(\$183,735)</u>
6			
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
8		WIP-2	\$12,739,187
9			<u>12,033,695</u>
10			<u>\$705,492</u>
11			
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
13		WIP-2	\$1,522,907
14			<u>1,426,205</u>
15			<u>\$96,702</u>
16			
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
18		WIP-2	\$3,781,085
19			<u>3,573,663</u>
20			<u>\$207,422</u>
21			
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
23		WIP-2	\$1,018,444
24			<u>1,243,531</u>
25			<u>(\$225,087)</u>
26			
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
28		WIP-2	\$2,261,424
29			<u>2,216,748</u>
30			<u>\$44,676</u>
31			
32	To adjust Private Fire Service billed revenue for the change in billing determinants at present rates for the forecasted test period.		
33		WIP-2	\$1,065,763
34			<u>1,104,247</u>
35			<u>(\$38,484)</u>
36			
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
38		WIP-2	\$0
39			<u>17,601</u>
40			<u>(\$17,601)</u>
41			
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			
45			
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Total Billed Water Revenue Adjustment

\$589,385

KENTUCKY-AMERICAN WATER COMPANY  
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SCHEDULE D-2.1  
Page 2 of 3  
Witness Responsible: S.A. Miller

DATA:  X  BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL   X  UPDATED   REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues, Adjustment D-1</u>		
2	To eliminate the net change in Residential water unbilled accrued utility revenues recorded during the base period.		
3		WIP-2	\$0
4			171,002
5			(\$171,002)
6			
7	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.		
8		WIP-2	\$0
9			129,117
10			(\$129,117)
11			
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.		
13		WIP-2	\$0
14			(12,383)
15			\$12,383
16			
17	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.		
18		WIP-2	\$0
19			76,941
20			(\$76,941)
21			
22	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period.		
23		WIP-2	\$0
24			46,493
25			(\$46,493)
26			
27		WIP-2	\$0
28			0
29			\$0
30			
31		WIP-2	\$0
32			0
33			\$0
34			0
35			\$0
36			
37		WIP-2	\$0
38			0
39			\$0
40			0
41			\$0
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			(\$411,170)
45			
46			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.1  
Page 3 of 3  
Witness Responsible: S.A. Miller

DATA:   X   BASE PERIOD   X   FORECASTED PERIOD  
TYPE OF FILING:    ORIGINAL   X   UPDATED    REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues Adjustment D-1</u>		
2	To eliminate Residential billed sewer revenue for forecasted test period.		
3		RESIDENTIAL	
4		Forecasted Amount	\$0
5		Base Period Amount	101,950
6		Pro Forma Adjustment	<u>(\$101,950)</u>
7	To eliminate Commercial billed sewer revenue for the forecasted test period.		
8		COMMERCIAL	
9		Forecasted Amount	\$0
10		Base Period Amount	56,557
11		Pro Forma Adjustment	<u>(\$56,557)</u>
12	To eliminate Industrial billed sewer revenue for the forecasted test period.		
13		INDUSTRIAL	
14		Forecasted Amount	\$0
15		Base Period Amount	14,298
16		Pro Forma Adjustment	<u>(\$14,298)</u>
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43	The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period.		
44		Total Sewer Revenue Adjustment	<u>(172,805)</u>
45		Total Revenue Adjustment	<u>\$5,410</u>
46			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.2  
Page 1 of 1  
Witness Responsible: S. A. Miller

DATA:  X  BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL   X  UPDATED   REVISED  
WORKPAPER REFERENCE NO(S): W/P-2 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Other Revenues, Adjustment D-2	Workpaper Reference	Amount
1		RECONNECTION FEES/ACTIVATION FEES		
2	To adjust Activations Fees which were included in the base period under other misc service revenues.		W/P-2	\$890,734
3	This also includes an adjustment for reconnection fees.	Forecasted Amount		268,088
4		Base Period Amount		\$622,546
5		Pro Forma Adjustment		
6		OTHER MISC SERV REVENUES		
7	To adjust Returned Check Charges for the forecasted test period level of bad checks and reflect an adjustment for activation fees.		W/P-2	\$21,568
8		Forecasted Amount		654,464
9		Base Period Amount		(\$832,876)
10		Pro Forma Adjustment		
11		OTHER REVENUES		
12	To adjust for all other revenues for more current information. This includes an adjustment for billing and collecting for landfill services for the Lexington-Fayette Urban County Government and the reconnection fees.		W/P-2	\$869,873
13		Forecasted Amount		1,063,837
14		Base Period Amount		(\$73,964)
15		Pro Forma Adjustment		
16		Total Other Revenue Adjustment		(\$64,194)
17				
18				
19				
20				
21				
22	To reflect AFUDC above the line based on the overall rate of return and qualifying CWIP.			
23	This includes the gross-up of the equity piece of AFUDC per SFAS 109.		W/P-2	\$1,858,197
24		Forecasted Amount		0
25		Base Period Amount		\$1,858,197
26		Pro Forma Adjustment		
27				
28				
29				
30				
31				
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED REVIS  
WORKPAPER REFERENCE NO(S): WIP-3 (TOTAL COMPANY)

SCHEDULE D-2.3  
Page 1 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for non-union employees to become effective April 1, 2007 and 2008.	<u>Labor Adjustment D-4</u> WIP-3-1	\$6,248,477 5,619,880 <u>\$628,597</u>
3			
4			
5			
6	Fuel and Power expense is being adjusted to reflect the forecasted sales.	<u>Fuel &amp; Power Adjustment D-5</u> WIP-3-2	\$2,986,277 2,669,720 <u>\$316,557</u>
7			
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11			
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.	<u>Chemicals Adjustment D-6</u> WIP-3-3	\$1,505,218 1,630,724 <u>(\$125,506)</u>
13			
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16			
17	Waste Disposal expense reflects two year amortization of the lagoon cleaning along with other normal recurring waste disposal expenses.	<u>Waste Disposal Adjustment D-7</u> WIP-3-4	\$262,237 359,112 <u>(\$105,875)</u>
18			
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21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center, and the Customer Call Center.	<u>Management Fees Adjustment D-8</u> WIP-3-5	\$6,201,194 7,422,618 <u>(\$1,221,424)</u>
23			
24			
25			
26			
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	<u>Group Insurance Adjustment D-9</u> WIP-3-6	\$1,876,895 1,688,772 <u>\$188,123</u>
28			
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31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	<u>Pensions Adjustment D-10</u> WIP-3-7	\$502,684 668,967 <u>(\$166,283)</u>
33			
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36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a five year amortization of the cost of service study.	<u>Regulatory Expense Adjustment D-11</u> WIP-3-8	\$292,195 361,497 <u>(\$69,302)</u>
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46	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's compensation and property insurance based upon the most recent actual bills.	<u>Insurance Other than Group Adjustment D-12</u> WIP-3-9	\$663,910 \$33,271 <u>\$130,639</u>
47			
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49	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.3  
Page 2 of 2  
Witness Responsible: S.A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-3 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village, Elk Lake, and Owenton.	W/P-3-10	\$1,376,372
3			1,598,422
4			(\$222,050)
5			
6			
7	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into during the forecasted test period.	W/P-3-11	\$52,165
8			55,108
9			(\$2,943)
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	W/P-3-12	\$475,195
13			429,760
14			\$45,435
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village, Elk Lake, and Owenton.	W/P-3-13	\$3,002,289
18			2,753,570
19			\$248,719
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	W/P-3-14	\$1,507,210
23			979,741
24			\$527,469
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	W/P-3-15	\$91,023
28			483,816
29			(\$392,793)
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.4  
Page 1 of 1  
Witness Responsible: M. A. Miller, S. A. Miller

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-4 & WIP-5 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.	WIP-4-1	\$9,038,653
3			7,799,486
4			<u>\$239,167</u>
5			
6			
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on the equity gross-up of AFUDC.	WIP-4-1	\$450,971
8			526,644
9			<u>(\$75,673)</u>
10			
11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division to Tri Village, Elk Lake, and Owenion.	WIP-5	\$3,297,769
13			2,940,698
14			<u>\$357,071</u>
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-3  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-4  
Page 1 of 1

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143

EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-5  
Page 1 of 1

DATA: \_X\_ BASE PERIOD \_X\_ X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1C  
Page 1 of 19  
Witness Responsible: M.A. Millerr, S. A. Miller

DATA: X\_ BASE PERIOD, X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL, X\_ UPDATED, \_ REVISD  
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (CENTRAL DIVISION)

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D-2.1	Adj. D-2 Sch D-2.2	Adj. D-3 Sch D-2.2	Total Adjustments
1		<u>Water Revenues</u>					
2	461100	Residential - Billed	\$ 25,730,942	(373,644)	\$0	\$0	(\$373,644)
3	461110	Residential - Unbilled	171,002	(171,002)	0	0	(171,002)
4	461200	Commercial - Billed	11,884,447	536,408	0	0	536,408
5	461210	Commercial - Unbilled	129,117	(129,117)	0	0	(129,117)
6	461300	Industrial - Billed	1,426,205	96,702	0	0	96,702
7	461310	Industrial - Unbilled	(12,383)	12,383	0	0	12,383
8	461400	Miscellaneous - Billed	7,589	(7,589)	0	0	(7,589)
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	1,104,247	(38,484)	0	0	(38,484)
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	2,216,748	44,676	0	0	44,676
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	3,554,344	166,540	0	0	166,540
15	464210	OPA - Unbilled	76,941	(76,941)	0	0	(76,941)
16	466000	Sales for Resale - Billed	974,405	44,039	0	0	44,039
17	466100	Sales for Resale - Unbilled	46,493	(46,493)	0	0	(46,493)
18		Total Water Revenues	47,310,097	77,478	0	0	77,478
19							
20		<u>Sewer Revenues</u>					
21	461000	Residential - Billed	0	0	0	0	0
22	461010	Residential - Billed Surcharge	0	0	0	0	0
23	461020	Commercial - Billed	0	0	0	0	0
24	461030	Commercial - Unbilled	0	0	0	0	0
25	462210	Industrial - Billed	0	0	0	0	0
26	462110	Industrial - Unbilled	0	0	0	0	0
27		Total Sewer Revenues	0	0	0	0	0
28							
29							
30		<u>OTHER OPERATING REVENUES</u>					
31	471100	Reconnection Charges/Activation fees	264,284	0	618,362	0	618,362
32	471200	Other Miscellaneous Service Revenues	644,206	0	(622,618)	0	(622,618)
33	472000	Rents from Water Property	116,423	0	(30,078)	0	(30,078)
34	474100	Billing & Collection Services	952,491	0	(48,963)	0	(48,963)
35	474300	Other Water Revenues	(5,077)	0	5,077	0	5,077
36		AFJDC	0	0	0	1,858,197	1,858,197
37		TOTAL OTHER OPERATING REVENUES	1,972,327	0	(78,220)	1,858,197	1,779,977
38							
39		TOTAL OPERATING REVENUES	\$49,282,424	\$77,478	(\$78,220)	\$1,858,197	\$0
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD, \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL, \_X\_ UPDATED, \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (CENTRAL DIVISION)

SCHEDULE D-1C  
Page 2 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj.			Total Adjustments
				Sch D-2.1	D-2	D-3	
2							
3		Revenues from Water/Wastewater					
4		Residential	\$ 25,901,944	(\$544,646)	\$ 0	\$ 0	(\$544,646)
5		Commercial	12,013,564	407,291	0	0	407,291
6		Industrial	1,413,822	109,085	0	0	109,085
7		Other Public Authority (OPA)	3,631,285	109,589	0	0	109,589
8		Sales for Resale (OWU)	1,020,898	(2,454)	0	0	(2,454)
9		Miscellaneous	7,589	(7,589)	0	0	(7,589)
10		Private Fire Service	1,104,247	(38,484)	0	0	(38,484)
11		Public Fire Service	2,216,748	44,676	0	0	44,676
12							
13		Total Water/Wastewater Revenues	47,310,097	77,478	0	0	77,478
14		Other Operating Revenues	1,972,327	0	(78,220)	0	1,779,977
15							
16		Total Operating Revenues	\$49,282,424	\$77,478	(\$78,220)	\$ 0	\$1,857,455
17							
18		TAX RATE					
19		State Income Tax Impact	6.00%	\$4,649	(\$4,693)	\$ 0	\$ 0
20		Federal Income Tax Impact	35.00%	\$25,450	(\$25,794)	\$611,347	\$ 0
21		Net Operating Income Impact		\$47,339	(\$47,793)	\$1,135,358	\$ 0
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_X\_BASE PERIOD\_X\_FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL\_X\_UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (CENTRAL DIVISION)

SCHEDULE D-1C  
Page 5 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-4 Sch D-2.3	Adj D-5 Sch D-2.3	Adj D-6 Sch D-2.3	Adj D-7 Sch D-2.3	Adj D-8 Sch D-2.3	Adj D-9 Sch D-2.3	Adj D-10 Sch D-2.3	Adj D-11 Sch D-2.3	Adj D-12 Sch D-2.3	Total Adjustments
<b>WATER TREATMENT EXPENSES (WT)</b>													
2	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,668
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	1,578,551	0	0	(168,038)	0	0	0	0	0	0	(168,038)
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0
6	642100	General WT Labor	1,330,204	0	0	0	0	0	0	0	0	0	(449,223)
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	115,979	0	0	0	0	0	0	0	0	0	0
9	642350	General WT Administration	0	0	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	83,676	0	0	0	0	0	0	0	0	0	0
12	643150	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	284,985	0	0	0	(178,988)	0	0	0	0	0	(178,988)
15	643310	Amort Waste Disposal Expenses	83,127	0	0	0	73,123	0	0	0	0	0	73,123
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	83,547	(83,547)	0	0	0	0	0	0	0	0	(83,547)
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc & Improvements-Mat Ord	125,750	0	0	0	0	0	0	0	0	0	0
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
21	651120	Maint WT Structures	153,131	0	0	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
29													
30		TOTAL WT EXPENSES	3,838,950	139,918	0	(168,038)	(105,875)	0	0	0	0	0	(133,994)























KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1C  
Page 16 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: X\_ BASE PERIOD, X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL, X\_ UPDATED, \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (CENTRAL DIVISION)

Line No.	Account No.	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total
<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G)</b>											
1			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$265,228
2	920000	Salaries	\$455,134	0	0	0	0	0	0	0	19,016
3	920500	Incentive Plan Expense	232,934	0	0	0	0	0	0	0	22,313
4	921100	Expenses of Employees	64,945	0	0	22,313	0	0	0	0	25,323
5	921130	Dues for Clubs - Ded	0	0	0	25,323	0	0	0	0	(4,878)
6	921200	Misc Office Expenses	330,095	0	0	(4,878)	0	0	0	0	0
7	923100	Service Company Charges	7,422,618	0	0	0	0	0	0	0	(1,409,489)
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0
9	923200	Auditing Services	94,422	0	0	0	(22,422)	0	0	0	(22,422)
10	923300	Legal Services	59,734	0	0	0	13,027	0	0	0	13,027
11	923400	Engineering Services	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	325,561	0	0	0	280,796	0	0	0	280,796
13	924000	Property Insurance	111,872	0	0	0	0	0	0	0	16,943
14	925110	Workers Compensation	132,644	0	0	0	0	0	0	0	13,550
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	(14)	0	0	0	17,477	0	0	0	17,477
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0
21	925400	General Liability	289,708	0	0	0	0	0	0	0	76,619
<b>EMPLOYEE PENSIONS &amp; BENEFITS</b>											
22			640,024	0	0	0	0	0	0	0	(228,968)
23	926100	Accrued OPEB Expense	1,062,695	0	0	0	0	0	0	0	240,588
24	926110	Group Insurance Expense	0	0	0	0	0	0	0	0	0
25	926120	Other Gri Insurance Exp	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Prelax Contribution	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	70,481	0	0	0	23,093	0	0	0	23,093
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	75,027	0	0	0	18,120	0	0	0	18,120
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	673,554	0	0	0	0	0	0	0	(214,435)
44	926500	Other Pension Plan Expenses	59,744	0	0	0	32,896	0	0	0	32,896
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0	0	0	0
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0







KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1C  
Page 19 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (CENTRAL DIVISION)

Line No.	Account Number	Description	Base Period	Adj D-18 Sch D-2.4	Adj D-19 Sch D-2.4	Adj D-20 Sch D-2.4	Total Adjustment
1	403000	Depreciation	\$8,786,695	(\$1,016,670)	\$0	\$0	(\$1,016,670)
2	403100	Depreciation - CIAC	(1,164,269)	1,164,269	\$0	\$0	1,164,269
3			\$7,622,426	\$147,599	\$0	\$0	\$7,770,025
4							
5							
6		State Income Tax Impact	6.00%	(\$8,856)	\$0	\$0	(\$8,856)
7		Federal Income Tax Impact	35.00%	(\$54,759)	\$0	\$0	(\$54,759)
8		Net Operating Income Impact		\$1,080,285	\$0	\$0	\$1,080,285
9							
10		AMORTIZATION EXPENSE					
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0	\$0
12	404110	Amortization Franchise Expense	0	0	0	0	0
13	404430	Amortization Regulatory Asset - AFUDC	32,628	0	(6,900)	0	(6,900)
14	406000	Amortization Utility Plant Acquisition Adj	21,611	0	(8,560)	0	(8,560)
15	407000	Amortization Property Losses	472,603	0	(60,411)	0	(60,411)
16		TOTAL AMORTIZATION	\$526,842	\$0	(\$75,871)	\$0	(\$75,871)
17							
18		State Income Tax Impact	6.00%	\$4,552	\$0	\$0	\$4,552
19		Federal Income Tax Impact	35.00%	\$28,148	\$0	\$0	\$28,148
20		Net Operating Income Impact		\$43,171	\$0	\$0	\$43,171
21							
22							
23							
24		TAXES, OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$2,417,403	\$0	\$0	\$212,102	\$212,102
26	408110	Gross Income & Receipts Taxes	0	0	0	82,896	82,896
27	408120	Invested Capital Tax	0	0	0	0	0
28	408030	Other General Taxes	93,493	0	0	(93,493)	(93,493)
29	408140	FUTA	5,591	0	0	9,932	9,932
30	408150	FUTA Capitalized - (A Work Order)	0	0	0	(10,312)	(10,312)
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0	0
32	408050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	375,011	0	0	151,157	151,157
34	408170	FICA Capitalized - (A Work Order)	0	0	0	(98,621)	(98,621)
35	408060	FICA Capitalized - (H Work Order)	0	0	0	0	0
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408180	SUTA	5,268	0	0	5,823	5,823
38	408190	SUTA Capitalized - (A Work Order)	0	0	0	(6,445)	(6,445)
39	408080	SUTA Capitalized - (H Work Order)	0	0	0	0	0
40	408090	SUTA Capitalized - (C & R Work Order)	0	0	0	0	0
41	408220	Environmental Tax	0	0	0	0	0
42		Net Operating Income Impact	\$2,856,756	\$0	\$0	\$253,039	\$253,039
43							
44		State Income Tax Impact	6.00%	\$0	\$0	(\$15,182)	(\$15,182)
45		Federal Income Tax Impact	35.00%	\$0	\$0	(\$83,250)	(\$83,250)
46		Net Operating Income Impact		\$0	\$0	(\$154,607)	(\$154,607)
47							
48							
49							
50							

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (CENTRAL DIVISION)

SCHEDULE D-2.1C  
Page 1 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	Billed Revenues, Adjustment D-1		
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$25,357,298
3			<u>25,730,942</u>
4			<u>(\$373,644)</u>
5			
6			
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$12,420,855
8			<u>11,884,447</u>
9			<u>\$536,408</u>
10			
11			
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$1,522,907
13			<u>1,428,205</u>
14			<u>\$96,702</u>
15			
16			
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$3,740,884
18			<u>3,554,344</u>
19			<u>\$186,540</u>
20			
21			
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$1,018,444
23			<u>974,405</u>
24			<u>\$44,039</u>
25			
26			
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$2,261,424
28			<u>2,216,748</u>
29			<u>\$44,676</u>
30			
31			
32	To adjust Private Fire Service billed revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$1,065,763
33			<u>1,104,247</u>
34			<u>(\$38,484)</u>
35			
36			
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$0
38			<u>7,589</u>
39			<u>(\$7,589)</u>
40			
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	Total Billed Water Revenue Adjustment		<u>\$488,648</u>

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_X\_ UPDATED \_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (CENTRAL DIVISION)

SCHEDULE D-2.1C  
Page 2 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Billed Revenues, Adjustment D-1	Worksheet Reference	Amount
1		RESIDENTIAL		
2	To eliminate the net change in Residential water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	WIP-2	\$0
3		Base Period Amount		171,002
4		Pro Forma Adjustment		<u>(\$171,002)</u>
5				
6		COMMERCIAL		
7	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	WIP-2	\$0
8		Base Period Amount		129,117
9		Pro Forma Adjustment		<u>(\$129,117)</u>
10				
11		INDUSTRIAL		
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	WIP-2	\$0
13		Base Period Amount		(12,383)
14		Pro Forma Adjustment		<u>\$12,383</u>
15				
16		OTHER PUBLIC AUTHORITY		
17	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	WIP-2	\$0
18		Base Period Amount		76,941
19		Pro Forma Adjustment		<u>(\$76,941)</u>
20				
21		SALES FOR RESALE (OWU)		
22	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	WIP-2	\$0
23		Base Period Amount		46,493
24		Pro Forma Adjustment		<u>(\$46,493)</u>
25				
26		PUBLIC FIRE SERVICE		
27		Forecasted Amount	WIP-2	\$0
28		Base Period Amount		0
29		Pro Forma Adjustment		<u>\$0</u>
30				
31		PRIVATE FIRE SERVICE		
32		Forecasted Amount	WIP-2	\$0
33		Base Period Amount		0
34		Pro Forma Adjustment		<u>\$0</u>
35				
36		MISCELLANEOUS		
37		Forecasted Amount	WIP-2	\$0
38		Base Period Amount		0
39		Pro Forma Adjustment		<u>\$0</u>
40				
41				
42				
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.	Total Unbilled Water Revenue Adjustment		<u>(\$411,170)</u>
44				
45				
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-2 (CENTRAL DIVISION)

SCHEDULE D-2.1C  
Page 3 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Billed Revenues, Adjustment Q-1	Workpaper Reference	Amount
1				
2	To eliminate Residential billed sewer revenue for forecasted test period.			
3		RESIDENTIAL	W/P-2	\$0
4		Forecasted Amount		0
5		Base Period Amount		0
6		Pro Forma Adjustment		0
7	To eliminate Commercial billed sewer revenue for the forecasted test period.			
8		COMMERCIAL	W/P-2	\$0
9		Forecasted Amount		0
10		Base Period Amount		0
11		Pro Forma Adjustment		0
12	To eliminate Industrial billed sewer revenue for the forecasted test period.			
13		INDUSTRIAL	W/P-2	\$0
14		Forecasted Amount		0
15		Base Period Amount		0
16		Pro Forma Adjustment		0
17				
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43	The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period.	Total Sewer Revenue Adjustment		0
44		Total Revenue Adjustment		\$77,478
45				
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (CENTRAL DIVISION)

SCHEDULE D-2C  
Page 1 of 1  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	To adjust Activations Fees which were included in the base period under other misc service revenues.		
3	This also includes an adjustment for reconnection fees.		
4			\$882,646
5			264,284
6			<u>\$618,362</u>
7	To adjust Returned Check Charges for the forecasted test period level of bad checks and		
8	reflect an adjustment for activation fees.		
9			\$21,588
10			644,206
11			<u>(\$622,618)</u>
12	To adjust for all other revenues for more current information. This includes an adjustment for billing		
13	and collecting for landfill services for the Lexington-Fayette Urban County Government and the		
14	reconnection fees.		
15			\$889,873
16			1,063,837
17			<u>(\$73,964)</u>
18			<u>(\$73,964)</u>
19			
20			
21			
22	To reflect AFUDC above the line based on the overall rate of return and qualifying C-WIP.		
23	This includes the gross-up of the equity piece of AFUDC per SFAS 109.		
24			\$1,858,197
25			0
26			<u>\$1,858,197</u>
27			
28			
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42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			
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Other Revenues Adjustment D-2  
RECONNECTION FEES/ACTIVATION FEES  
Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment  
OTHER MISC SERV REVENUES  
Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment  
OTHER REVENUES  
Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment  
Total Other Revenue Adjustment  
AFUDC Adjustment D-3  
AFUDC ABOVE THE LINE  
Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (CENTRAL DIVISION)

SCHEDULE D-2.3C  
Page 1 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for non-union employees to become effective April 1, 2007 and 2008.	<u>Labor Adjustment D-4</u> WIP-3-1	\$5,675,808 5,093,536 <u>\$612,272</u>
3			
4			
5			
6	Fuel and Power expense is being adjusted to reflect the forecasted sales.	<u>Fuel &amp; Power Adjustment D-5</u> WIP-3-2	\$2,899,277 2,664,225 <u>\$235,052</u>
7			
8			
9			
10			
11			
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.	<u>Chemicals Adjustment D-6</u> WIP-3-3	\$1,410,513 1,578,551 <u>(\$168,038)</u>
13			
14			
15			
16			
17	Waste Disposal expense reflects two year amortization of the lagoon cleaning along with other normal recurring waste disposal expenses.	<u>Waste Disposal Adjustment D-7</u> WIP-3-4	\$262,237 366,112 <u>(\$105,875)</u>
18			
19			
20			
21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center, and the Customer Call Center.	<u>Management Fees Adjustment D-8</u> WIP-3-5	\$6,016,129 7,422,618 <u>(\$1,406,489)</u>
23			
24			
25			
26			
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	<u>Group Insurance Adjustment D-9</u> WIP-3-6	\$1,714,339 1,702,719 <u>\$11,620</u>
28			
29			
30			
31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	<u>Pensions Adjustment D-10</u> WIP-3-7	\$459,119 673,554 <u>(\$214,435)</u>
33			
34			
35			
36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a five year amortization of the cost of service study.	<u>Regulatory Expense Adjustment D-11</u> WIP-3-8	\$283,476 361,497 <u>(\$78,021)</u>
38			
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44			
45	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's compensation and property insurance based upon the most recent actual bills.	<u>Insurance Other than Group Adjustment D-12</u> WIP-3-9	\$641,337 534,224 <u>\$107,113</u>
46			
47			
48			
49	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
50			

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (CENTRAL DIVISION)

SCHEDULE D-2.3C  
Page 2 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village, Elk Lake, and Owenton.	Customer Accounting Adjustment D-13 WIP-3-10	\$1,325,749 1,592,084 <u>(\$266,345)</u>
3			
4			
5			
6	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into during the forecasted test period.	Rents Adjustment D-14 WIP-3-11	\$32,165 35,419 <u>(\$3,254)</u>
7			
8			
9			
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	General Office Expense Adjustment D-15 WIP-3-12	\$461,524 411,775 <u>\$49,749</u>
13			
14			
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village, Elk Lake, and Owenton.	Miscellaneous Expenses Adjustment D-16 WIP-3-13	\$2,737,009 2,532,651 <u>\$204,358</u>
18			
19			
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	Maintenance Expense Adjustment D-17 WIP-3-14	\$1,376,727 944,877 <u>\$431,850</u>
23			
24			
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	Purchased Water Expense Adjustment D-21 WIP-3-15	\$91,023 114,224 <u>(\$23,201)</u>
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42			
43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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47			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X BASE PERIOD, X FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WIP-4 & WIP-5 (CENTRAL DIVISION)

SCHEDULE D-24C  
Page 1 of 1  
Witness Responsible: M.A. Miller / S. A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.		
2		Depreciation Expense Adjustment D-18	
3		Forecasted Amount	\$7,770,025
4		Base Period Amount	7,622,426
5		Pro Forma Adjustment	\$147,599
6			
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on the equity gross-up of AFUDC.		
8		Amortization Expense Adjustment D-19	
9		Forecasted Amount	\$450,971
10		Base Period Amount	525,842
11		Pro Forma Adjustment	(\$75,871)
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division to Tri Village, Elk Lake, and Owenton.		
13		General Taxes Expense Adjustment D-20	
14		Forecasted Amount	\$3,149,795
15		Base Period Amount	2,895,756
16		Pro Forma Adjustment	\$253,039
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-3C  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_ REVISIED  
WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-4C  
Page 1 of 1

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL\_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
1						
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-5C  
Page 1 of 1

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_ REVISID  
WORKPAPER REFERENCE NO(S): (CENTRAL DIVISION)

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
1				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.



















KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-11  
Page 9 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

Line No.	Account Number	Description	Base Period	Adj D-4	Adj D-5	Adj D-6	Adj D-7	Adj D-8	Adj D-9	Adj D-10	Adj D-11	Adj D-12	Total Adjustments
			Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	
<b>REGULATORY COMMISSION EXPENSES</b>													
2		ADMINISTRATIVE & GENERAL EXPENSES - CONT											
3	928100	Amort Expense of Rate Proceedings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,280	\$0	\$5,280
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
6	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0	0	0
7	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0	0	0
8	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0	0	0
9	930210	Misc General Expenses Current	1,928	0	0	0	0	0	0	0	0	0	1,928
10	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0	0	0
11	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0	0	0
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0	0	0
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0	0	0
14	930260	Meals & Travel Expenses - Taxable	132	0	0	0	0	0	0	0	0	0	132
15	930270	Donations	0	0	0	0	0	0	0	0	0	0	0
16	930280	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0	0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0	0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
21	930560	Transportation Expenses	24,876	0	0	0	0	0	0	0	0	0	24,876
22	930510	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
23	930520	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
24	930530	Transportation Cap (H)	0	0	0	0	0	0	0	0	0	0	0
25	930680	Misc Gen Exp - Company Dues	0	0	0	0	0	0	0	0	0	0	0
26	930690	Misc Gen Exp - Other	0	0	0	0	0	0	0	0	0	0	0
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
28	931000	Rents	(539)	0	0	0	0	0	0	0	0	0	(539)
29	932100	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0	0	0
30	932110	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0	0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Material Prg	0	0	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Communication Equip-Material	0	0	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Comm Equip-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Comm Equip-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	\$7,919	(14,524)	0	112,095	0	0	95,412	25,535	5,280	13,311	239,089
46		Total O & M Expenses	\$607,521	\$120,010	(529)	\$640	\$0	\$112,095	\$95,412	\$26,535	\$5,280	\$13,311	\$392,176

















KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED X\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TRIVILLAGE)

SCHEDULE D-1T  
Page 17 of 19  
Witness Responsible: M.A. Millor, S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total Adjustments
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>											
<b>REGULATORY COMMISSION EXPENSES</b>											
2		Amort Expense of Rate Proceedings	0	0	0	0	0	0	0	0	0
3	928100	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0
4	928110	Tax Savings	0	0	0	0	0	0	0	0	0
5	928200	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0
6	928300	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0
7	928400	Amort Misc Charges	0	0	0	0	0	0	0	0	0
8	930200	Misc General Expenses Current	1,928	0	0	6,609	0	0	0	6,609	6,609
9	930210	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0
10	930220	Misc Gen Exp - Community Relations	0	0	0	499	0	0	0	499	499
11	930230	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0
12	930240	Meals & Travel Expenses - Taxable	132	0	98	0	0	0	0	98	98
13	930250	Donations	0	0	0	0	0	0	0	0	0
14	930270	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0
15	930290	Research & Development Expenses	0	0	0	0	0	0	0	0	0
16	930300	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0
17	930300	Non-deductible Penalties	0	0	0	0	0	0	0	0	0
18	930350	Lobbying Expenses	0	0	0	0	0	0	0	0	0
19	930500	Transportation Expenses	24,876	0	0	(12,109)	0	0	0	(12,109)	(12,109)
20	930510	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0
21	930500	Transportation Cap (C&F)	0	0	0	0	0	0	0	0	0
22	930520	Transportation Cap (H)	0	0	0	0	0	0	0	0	0
23	930530	Misc Gen Exp - Company Dues	0	0	0	761	0	0	0	761	761
24	930680	Misc Gen Exp - Other	0	0	0	767	0	0	0	767	767
25	930690	Misc General Exp-Taxable Co Dues	(538)	538	0	0	0	0	0	0	0
26	931000	Rents	0	0	0	0	0	0	0	0	0
27	932100	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	723	0	723	723
28	932110	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0
29	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0
30	932130	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
31	932140	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Office Furniture-Material Prg	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Comm Equip-Labor Ord	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Comm Equip-Labor Prg	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
39	932510	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
40	932600	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
41	932610	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
42	932700	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	57,919	538	(2,551)	522	723	0	0	(768)	238,332
46		Total O & M Expenses	\$687,521	\$311	(\$2,551)	\$14,829	\$11,009	\$19,340	\$0	\$70,746	\$462,922



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1T  
Page 19 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: X\_ BASE PERIOD, X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X\_ UPDATED, REVISED  
WORK/PAPER REFERENCE NO(S): SCH D-2.1 (TRI VILLAGE)

Line No.	Account Number	Description	Base Period	Adj D-18 Sch D-2.4	Adj D-19 Sch D-2.4	Adj D-20 Sch D-2.4	Total Adjustment
1	403000	Depreciation	\$115,275	\$66,316	\$0	\$0	\$66,316
2	403100	Depreciation - CAC	(35,982)	(36,962)	\$0	\$0	(72,944)
3			\$78,293	\$105,300	\$0	\$0	\$105,300
4							
5							
6		State Income Tax Impact	6.00%	(\$5,318)	\$0	\$0	(\$5,318)
7		Federal Income Tax Impact	35.00%	(\$39,056)	\$0	\$0	(\$39,056)
8		Net Operating Income Impact		(\$20,934)	\$0	\$0	(\$20,934)
9							
10		AMORTIZATION EXPENSE					
11	404100	Amortization Lim Term U/I Plant	\$0	\$0	\$0	\$0	\$0
12	404110	Amortization Franchise Expense	0	0	0	0	0
13	404430	Amortization Regulatory Asset - AFUDC	0	0	0	0	0
14	406000	Amortization Utility Plant Acquisition Adj	2	(2)	0	(2)	(2)
15	407000	Amortization Property Losses	0	0	0	0	0
16		TOTAL AMORTIZATION	\$2	(\$2)	\$0	\$0	(\$2)
17							
18		State Income Tax Impact	6.00%	\$0	\$0	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$1	\$0	\$1
20		Net Operating Income Impact		\$0	\$1	\$0	\$1
21							
22							
23							
24		TAXES OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$0	\$0	\$53,713	\$0	\$53,713
26	408110	Gross Income & Receipts Taxes	0	0	1,896	0	1,896
27	408120	Invested Capital Tax	0	0	0	0	0
28	408130	Other General Taxes	0	0	0	0	0
29	408140	FUTA	182	0	563	0	563
30	408150	FUTA Capitalized - (A Work Order)	0	0	(270)	0	(270)
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0	0
32	408050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	13,439	0	12,366	0	12,366
34	408170	FICA Capitalized - (A Work Order)	0	0	(2,594)	0	(2,594)
35	408060	FICA Capitalized - (H Work Order)	0	0	0	0	0
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408180	SUTA	181	0	353	0	353
38	408190	SUTA Capitalized - (A Work Order)	0	0	(169)	0	(169)
39	408080	SUTA Capitalized - (H Work Order)	0	0	0	0	0
40	408090	SUTA Capitalized - (C & R Work Order)	0	0	0	0	0
41	408220	Environmental Tax	0	0	0	0	0
42			\$13,802	\$0	\$65,889	\$0	\$65,889
43							
44		State Income Tax Impact	6.00%	\$0	(\$3,953)	\$0	(\$3,953)
45		Federal Income Tax Impact	35.00%	\$0	(\$21,677)	\$0	(\$21,677)
46		Net Operating Income Impact		\$0	(\$25,630)	\$0	(\$25,630)
47							
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL \_X\_ UPDATED \_REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TRIVILLAGE)

SCHEDULE D-2.1T  
Page 1 of 3  
Witness Responsibility: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<b>Billed Revenue Adjustment D-1</b>		
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$998,427
3			862,147
4			\$134,280
5			
6			
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$119,513
8			59,377
9			\$60,136
10			
11			
12			
13			\$0
14			0
15			\$0
16			
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$40,201
18			19,319
19			\$20,882
20			
21			
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$0
23			0
24			\$0
25			
26			
27			\$0
28			0
29			\$0
30			
31			
32			\$0
33			0
34			\$0
35			
36			
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.	WIP-2	\$0
38			0
39			\$0
40			
41			
42			\$0
43			0
44			\$0
45			
46			
47			\$0
48			0
49			\$0
50			
	<b>Total Billed Water Revenue Adjustment</b>		<b>\$215,298</b>

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X, BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TRI VILLAGE)

SCHEDULE D-2.1T  
Page 2 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1	<b>Billed Revenues Adjustment D-1</b>		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		0
5	Pro Forma Adjustment		0
6	COMMERCIAL		
7	Forecasted Amount	WIP-2	\$0
8	Base Period Amount		0
9	Pro Forma Adjustment		0
10	INDUSTRIAL		
11	Forecasted Amount	WIP-2	\$0
12	Base Period Amount		0
13	Pro Forma Adjustment		0
14	OTHER PUBLIC AUTHORITY		
15	Forecasted Amount	WIP-2	\$0
16	Base Period Amount		0
17	Pro Forma Adjustment		0
18	SALES FOR RESALE (OWU)		
19	Forecasted Amount	WIP-2	\$0
20	Base Period Amount		0
21	Pro Forma Adjustment		0
22	PUBLIC FIRE SERVICE		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		0
26	PRIVATE FIRE SERVICE		
27	Forecasted Amount	WIP-2	\$0
28	Base Period Amount		0
29	Pro Forma Adjustment		0
30	MISCELLANEOUS		
31	Forecasted Amount	WIP-2	\$0
32	Base Period Amount		0
33	Pro Forma Adjustment		0
34	Total Unbilled Water Revenue Adjustment		\$0
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ORIGINAL\_X\_ UPDATED \_REVISED\_  
WORKPAPER REFERENCE NO(S): WIP-2 (TRI VILLAGES)

SCHEDULE D-2.1T  
Page 3 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	Billed Revenue Adjustment D-1		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		0
5	Pro Forma Adjustment		\$0
6	COMMERCIAL		
7	Forecasted Amount	WIP-2	\$0
8	Base Period Amount		0
9	Pro Forma Adjustment		\$0
10	INDUSTRIAL		
11	Forecasted Amount	WIP-2	\$0
12	Base Period Amount		0
13	Pro Forma Adjustment		\$0
14	RESIDENTIAL		
15	Forecasted Amount	WIP-2	\$0
16	Base Period Amount		0
17	Pro Forma Adjustment		\$0
18	COMMERCIAL		
19	Forecasted Amount	WIP-2	\$0
20	Base Period Amount		0
21	Pro Forma Adjustment		\$0
22	INDUSTRIAL		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		\$0
26	COMMERCIAL		
27	Forecasted Amount	WIP-2	\$0
28	Base Period Amount		0
29	Pro Forma Adjustment		\$0
30	INDUSTRIAL		
31	Forecasted Amount	WIP-2	\$0
32	Base Period Amount		0
33	Pro Forma Adjustment		\$0
34	COMMERCIAL		
35	Forecasted Amount	WIP-2	\$0
36	Base Period Amount		0
37	Pro Forma Adjustment		\$0
38	INDUSTRIAL		
39	Forecasted Amount	WIP-2	\$0
40	Base Period Amount		0
41	Pro Forma Adjustment		\$0
42	Total Sewer Revenue Adjustment		0
43	Total Revenue Adjustment		\$215,298
44			
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The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-2.2T  
Page 1 of 1  
Witness Responsibility: S.A. Miller

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED X\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (TRI VILLAGE)

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1	Other Revenues Adjustment D.2		
2	RECONNECTION FEES		
3	Forecasted Amount	WIP-2	\$6,088
4	Base Period Amount		2,753
5	Pro Forma Adjustment		\$5,335
6			
7	OTHER MISC SERV REVENUES		
8	Forecasted Amount	WIP-2	\$0
9	Base Period Amount		8,846
10	Pro Forma Adjustment		(\$8,846)
11			
12	OTHER REVENUES		
13	Forecasted Amount	WIP-2	\$0
14	Base Period Amount		0
15	Pro Forma Adjustment		\$0
16			
17	Total Other Revenue Adjustment		(\$3,511)
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43	AFUDC Adjustment D.3		
44	AFUDC ABOVE THE LINE		
45	Forecasted Amount	WIP-2	\$0
46	Base Period Amount		0
47	Pro Forma Adjustment		\$0
48			
49			
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The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X, BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, X, REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (TRI VILLAGE)

SCHEDULE D-2.3T  
Page 1 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for non-union employees to become effective April 1, 2007 and 2008.	Labor Adjustment D-4	
3		Forecasted Amount	\$303,784
4		Base Period Amount	175,774
5		Pro Forma Adjustment	128,010
6			
7		Fuel & Power Adjustment D-5	
8		Forecasted Amount	\$0
9		Base Period Amount	289
10		Pro Forma Adjustment	(\$299)
11			
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.	Chemicals Adjustment D-6	
13		Forecasted Amount	\$840
14		Base Period Amount	0
15		Pro Forma Adjustment	\$840
16			
17		Waste Disposal Adjustment D-7	
18		Forecasted Amount	\$0
19		Base Period Amount	0
20		Pro Forma Adjustment	\$0
21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center, and the Customer Call Center.	Management Fees Adjustment D-8	
23		Forecasted Amount	\$112,065
24		Base Period Amount	0
25		Pro Forma Adjustment	\$112,065
26			
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 105.	Group Insurance Adjustment D-9	
28		Forecasted Amount	\$66,159
29		Base Period Amount	(10,254)
30		Pro Forma Adjustment	\$55,412
31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	Pensions Adjustment D-10	
33		Forecasted Amount	\$23,100
34		Base Period Amount	(3,435)
35		Pro Forma Adjustment	\$26,535
36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a five year amortization of the cost of service study.	Regulatory Expense Adjustment D-11	
38		Forecasted Amount	\$5,280
39		Base Period Amount	0
40		Pro Forma Adjustment	\$5,280
41			
42			
43			
44			
45			
46	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's compensation and property insurance based upon the most recent actual bills.	Insurance Other than Group Adjustment D-12	
47		Forecasted Amount	\$12,614
48		Base Period Amount	(977)
49		Pro Forma Adjustment	\$13,311
50			

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA:   X   BASE PERIOD   X   FORECASTED PERIOD  
TYPE OF FILING:   ORIGINAL     X   UPDATED    REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (TRI VILLAGE)

SCHEDULE D-2.3T  
Page 2 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village and Elk Lake.	WIP-3-10	\$33,232
3			<u>5,424</u>
4			<u>\$27,808</u>
5			
6			
7	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into during the forecasted test period.	WIP-3-11	\$20,000
8			<u>19,089</u>
9			<u>\$311</u>
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village and Elk Lake.	WIP-3-12	\$10,625
13			<u>13,176</u>
14			<u>(\$2,551)</u>
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village and Elk Lake.	WIP-3-13	\$136,065
18			<u>121,236</u>
19			<u>\$14,829</u>
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village and Elk Lake.	WIP-3-14	\$79,422
23			<u>16,413</u>
24			<u>\$11,009</u>
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	WIP-3-15	\$107,237
28			<u>347,807</u>
29			<u>\$19,340</u>
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2000

SCHEDULE D-2.4T  
Page 1 of 1  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL \_X\_ UPDATED \_\_\_ REVISED \_\_\_  
WORKPAPER REFERENCE NO(S): WIP-4 & WIP-5 (TRI VILLAGE)

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.		
3			\$181,593
4			76,293
5			\$105,300
6			
7			\$0
8			2
9			(62)
10			
11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division to Tri Village, Elk Lake, and Ovation.		
13			\$79,680
14			13,802
15			\$65,878
16			
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The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-3T  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORKPAPER REFERENCE NO(S): (TRI VILLAGE)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-4T  
Page 1 of 1

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

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-5T  
Page 1 of 1

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

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.





KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X, BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL, X, UPDATED, REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (ELK LAKE)

SCHEDULE D-1E  
Page 2 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj.			Total Adjustments
				D-1 Sch D-2.1	D-2 Sch D-2.2	D-3 Sch D-2.2	
1							
2							
3		Revenues from Water/Wastewater					
4		Residential	\$84,294	\$9,093	\$0	\$0	\$9,093
5		Commercial	290	(39)	0	0	(39)
6		Industrial	0	0	0	0	0
7		Other Public Authority (OPA)	0	0	0	0	0
8		Sales for Resale (OWU)	0	0	0	0	0
9		Miscellaneous	0	0	0	0	0
10		Private Fire Service	0	0	0	0	0
11		Public Fire Service	0	0	0	0	0
12							
13		Total Water/Wastewater Revenues	84,584	9,054	0	0	9,054
14		Other Operating Revenues	844	0	(844)	0	(844)
15							
16		Total Operating Revenues	\$85,428	\$9,054	(\$844)	\$0	\$8,210
17							
18		TAX RATE					
19		State Income Tax Impact	6.00%	\$543	(\$51)	\$0	\$493
20		Federal Income Tax Impact	35.00%	\$2,979	(\$278)	\$0	\$2,701
21		Net Operating Income Impact		\$5,532	(\$515)	\$0	\$5,016
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1E  
Page 4 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_X\_ UPDATED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

Line No.	Account Number	Description	Base Period	Adj D-4	Adj D-5	Adj D-6	Adj D-7	Adj D-8	Adj D-9	Adj D-10	Adj D-11	Adj D-12	Total Adjustments
			Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	
1		<b>PUMPING EXPENSES</b>											
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	Operation Sup & Eng-Other	0	0	0	0	0	0	0	0	0	0	0
4	622100	Power Production Expenses	0	0	0	0	0	0	0	0	0	0	0
5	622200	Power Production Labor	0	0	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	0	0	0	0	0	0	0	0	0	0	0
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumping-Other	41	(41)	0	0	0	0	0	0	0	0	(41)
9	624200	Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0
16	626600	Misc Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0
17	627200	Rentis-Electric	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rentis-Other	0	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
20	630210	Maint Sup & Eng-Electric Prg	0	41,570	0	0	0	0	0	0	0	0	41,570
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0	0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0	0	0
23	631100	Maint Pumping Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumping Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumping Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
26	631210	Maint Pumping Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
27	632100	Maint Power Production Equip-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Production Equip-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Production Equip-Lab Ord	0	0	0	0	0	0	0	0	0	0	0
30	632210	Maint Power Production Equip-Lab Prg	0	0	0	0	0	0	0	0	0	0	0
31	633200	Maint Pumping Equip-Material-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Material-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Material-Other Ord	0	0	0	0	0	0	0	0	0	0	0
34	633310	Maint Pumping Equip-Material-Other Prg	0	0	0	0	0	0	0	0	0	0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0	0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	41	41,570	(41)	0	0	0	0	0	0	0	41,529

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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1E  
Page 9 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD, \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_ UPDATED \_\_ REVIS  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

Line No.	Account Number	Description	Base Period	Adj D-4	Adj D-5	Adj D-6	Adj D-7	Adj D-8	Adj D-9	Adj D-10	Adj D-11	Adj D-12	Total Adjustments
			Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	
1		<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G) - CONT</b>											
		<b>REGULATORY COMMISSION EXPENSES</b>											
2	928100	Amort Expense of Rate Proceedings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$732	\$0	\$732
3	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
4	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
5	928300	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0	0	0
6	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0	0	0
7	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0	0	0
8	930210	Misc General Expenses Current	268	0	0	0	0	0	0	0	0	0	268
9	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0	0	0
10	930230	Amort Misc General Expenses	0	0	0	0	0	0	0	0	0	0	0
11	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0	0	0
12	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0	0	0
13	930260	Meats & Travel Expenses - Taxable	18	0	0	0	0	0	0	0	0	0	18
14	930270	Donations	0	0	0	0	0	0	0	0	0	0	0
15	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0	0	0
16	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0	0	0
17	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0	0	0
18	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
19	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
20	930500	Transportation Expenses	3,457	0	0	0	0	0	0	0	0	0	3,457
21	930510	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
22	930510	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
23	930520	Transportation Cap (H)	0	0	0	0	0	0	0	0	0	0	0
24	930530	Misc Gen Exp - Company Dues	0	0	0	0	0	0	0	0	0	0	0
25	930890	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
26	930980	Rents	0	0	0	0	0	0	0	0	0	0	0
27	931000	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0	0	0
28	932100	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0	0	0
29	932110	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
30	932120	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
31	932200	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
32	932210	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0	0	0
33	932300	Maint A&G Office Furniture-Material Prg	0	0	0	0	0	0	0	0	0	0	0
34	932310	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Comm Equip-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
39	932500	Maint A&G Comm Equip-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
40	932600	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
44	932810	Total A & G Expenses	10,191	(6,211)	0	0	0	15,539	14,753	4,066	732	761	29,640
45		Total O & M Expenses	\$74,592	\$10,884	(\$41)	\$0	\$0	\$15,539	\$14,753	\$4,066	\$732	\$761	\$46,694

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1E  
Page 10 of 19  
Witness Responsible: M.A. Millor, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 {ELK LAKE}

Line No.	Description	Base Period	Adj D-4	Adj D-5	Adj D-6	Adj D-7	Adj D-8	Adj D-9	Adj D-10	Adj D-11	Adj D-12	Total
		Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Adjustments
2	Operation Labor Expenses	\$34,853	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,884
3	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0	0	0
4	Total Labor	\$34,853	\$10,884	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,884
7	Total Operation Expenses	\$57,256	(\$15,984)	\$0	\$0	\$15,539	\$14,753	\$4,066	\$732	\$761	\$0	\$19,826
8	Total Maintenance Expenses	17,396	0	0	0	0	0	0	0	0	0	26,868
10	Total O & M Expenses	\$74,592	\$10,884	(\$41)	\$0	\$15,539	\$14,753	\$4,066	\$732	\$761	\$0	\$46,694
17	Labor	\$34,853	\$10,884	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,884
18	Purchased Water	21,695	0	0	0	0	0	0	0	0	0	0
19	Fuel and Power	41	0	(41)	0	0	0	0	0	0	0	(41)
20	Chemicals	0	0	0	0	0	0	0	0	0	0	0
21	Waste Disposal	0	0	0	0	0	0	0	0	0	0	0
22	Management Fees	0	0	0	0	0	0	0	0	0	0	0
23	Group Insurance	(1,425)	0	0	0	0	15,539	0	0	0	0	15,539
24	Pension	(477)	0	0	0	0	0	14,753	0	0	0	14,753
25	Regulatory Expense	0	0	0	0	0	0	0	4,066	0	0	4,066
26	Insurance Other than Group	0	0	0	0	0	0	0	0	732	0	732
27	Customer Accounting	754	0	0	0	0	0	0	0	0	761	761
28	Rents	0	0	0	0	0	0	0	0	0	0	0
29	General Office Expense	1,831	0	0	0	0	0	0	0	0	0	0
30	Miscellaneous	14,783	0	0	0	0	0	0	0	0	0	0
31	Other Maintenance	2,634	0	0	0	0	0	0	0	0	0	0
32	Total O & M Expenses	\$74,592	\$10,884	(\$41)	\$0	\$15,539	\$14,753	\$4,066	\$732	\$761	\$0	\$46,694
34	State Income Tax Impact	6.00%	(\$653)	\$2	\$0	(\$932)	(\$885)	(\$244)	(\$44)	(\$46)	(\$46)	(\$2,802)
37	Federal Income Tax Impact	35.00%	(\$4,039)	\$15	\$0	(\$5,473)	(\$1,509)	(\$272)	(\$282)	(\$282)	(\$282)	(\$17,324)
39	Net Operating Income Impact		(\$5,193)	\$24	\$0	(\$8,842)	(\$8,395)	(\$2,313)	(\$416)	(\$433)	(\$433)	(\$26,568)





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1E  
Page 13 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

DATA: \_\_X\_\_ BASE PERIOD \_\_X\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_\_ UPDATED \_\_ \_\_ REVISIED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 {ELK LAKE}

Line No.	Account Number	Description	Base Period	Adj D-13		Adj D-14		Adj D-15		Adj D-16		Adj D-17		Total Adjustments	Grand Total Adjustments
				Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3				
<b>WATER TREATMENT EXPENSES (WT)</b>															
1			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	640000	Operation Supervision & Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0	0	0
4	641100	General Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0
6	642100	General WT Labor	1,214	0	0	0	0	0	0	0	0	0	0	(1,214)	0
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
8	642300	General WT Expenses	3,113	0	0	0	0	0	(3,113)	0	0	0	0	(3,113)	0
9	642390	General WT Administration	0	0	0	0	0	0	0	0	0	0	0	0	0
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
11	643100	Misc Expenses	50	0	0	0	0	0	(50)	0	0	0	0	(50)	0
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0	0	0
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0	0	0
14	643300	Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0	0	0
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0	0	0
19	651100	Maint WT Struc & Improvements-Mat Ord	747	0	0	0	0	0	0	0	0	0	0	(747)	0
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0	0	0
21	651120	Amort WT Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0	0	0
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0	0	0
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0	0	0
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0	0	0
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0	0	0
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0	0	0
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0	0	0
29															
30		TOTAL WT EXPENSES	5,124	0	0	0	0	0	(3,163)	0	0	(747)	0	(3,910)	(5,124)









KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-06143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD, \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL, \_X\_ UPDATED, \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

SCHEDULE D-1E  
Page 17 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total
<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G) - CONT</b>											
<b>REGULATORY COMMISSION EXPENSES</b>											
2	928100	Amort Expense of Rate Proceedings	0	0	0	0	0	0	0	0	0
4	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0
5	928200	Tax Savings	0	0	0	0	0	0	0	0	0
6	928500	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0
7	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0
8	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0
9	930210	Misc General Expenses Current	268	0	0	468	0	0	0	469	469
10	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0
11	930230	Amort Misc General Expenses	0	0	0	69	0	0	0	69	69
12	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0
13	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0
14	930260	Meals & Travel Expenses - Taxable	18	0	14	0	0	0	0	14	14
15	930270	Donations	0	0	0	0	0	0	0	0	0
16	930290	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0
18	930390	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0
19	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0
20	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0
21	930560	Transportation Expenses	3,457	0	0	(2,035)	0	0	0	(2,035)	(2,035)
22	930510	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0
23	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0
24	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0
25	930690	Misc Gen Exp - Company Dues	0	0	0	109	0	0	0	109	109
26	930980	Misc Gen Exp - Other	0	0	0	105	0	0	0	105	105
27	930980	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0
28	931000	Rents	0	0	0	0	0	0	0	0	0
29	932100	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	100	0	100	100
30	932110	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0
31	932120	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Material Prg	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Communication Equip-Material	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0
44	932810	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0
45		Total A & G Expenses	10,191	0	0	(413)	0	100	0	(1,909)	27,731
46		Total O & M Expenses	\$74,592	\$2,678	\$0	(\$1,596)	(\$8,909)	(\$1,901)	(\$2,492)	\$0	\$34,474



KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-1E  
Page 19 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD, \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL, \_X\_ UPDATED, \_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (ELK LAKE)

Line No.	Account Number	Description	Base Period	Adj D-18 Sch D-2.4	Adj D-19 Sch D-2.4	Adj D-20 Sch D-2.4	Total Adjustment
1	403000	Depreciation	\$0	\$7,442	\$0	\$0	\$7,442
2	403100	Depreciation - CIAC	\$0	\$0	\$0	\$0	\$0
5							
6		State Income Tax Impact	6.00%	(\$447)	\$0	\$0	(\$447)
7		Federal Income Tax Impact	35.00%	(\$2,761)	\$0	\$0	(\$2,761)
8		Net Operating Income Impact		(\$4,234)	\$0	\$0	(\$4,234)
9							
10		AMORTIZATION EXPENSE					
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0	\$0
12	404110	Amortization Franchise Expense	0	0	0	0	0
13	404430	Amortization Regulatory Asset - AFUDC	0	0	0	0	0
14	406000	Amortization Utility Plant Acquisition Adj	0	0	0	0	0
15	407000	Amortization Property Losses	0	0	0	0	0
16		TOTAL AMORTIZATION	\$0	\$0	\$0	\$0	\$0
17							
18		State Income Tax Impact	6.00%	\$0	\$0	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$0	\$0	\$0
20		Net Operating Income Impact		\$0	\$0	\$0	\$0
21							
22							
23							
24		TAXES OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$0	\$0	\$2,309	\$0	\$2,309
26	408110	Gross Income & Receipts Taxes	0	0	156	0	156
27	408120	Invested Capital Tax	0	0	0	0	0
28	408130	Other General Taxes	0	0	0	0	0
29	408140	FUTA	50	0	68	0	68
30	408150	FUTA Capitalized - (A Work Order)	0	0	(54)	0	(54)
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0	0
32	406050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	2.647	0	1,369	0	1,369
34	408170	FICA Capitalized - (A Work Order)	0	0	(514)	0	(514)
35	408060	FICA Capitalized - (H Work Order)	0	0	0	0	0
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408160	SUTA	48	0	35	0	35
38	408190	SUTA Capitalized - (A Work Order)	0	0	(36)	0	(36)
39	406080	SUTA Capitalized - (H Work Order)	0	0	0	0	0
40	406090	SUTA Capitalized - (C & R Work Order)	0	0	0	0	0
41	408220	Environmental Tax	0	0	0	0	0
42			\$2,745	\$0	\$3,333	\$0	\$3,333
43							
44		State Income Tax Impact	6.00%	\$0	(\$200)	\$0	(\$200)
45		Federal Income Tax Impact	35.00%	\$0	(\$1,097)	\$0	(\$1,097)
46		Net Operating Income Impact		\$0	(\$2,036)	\$0	(\$2,036)
47							
48							
49							
50							

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X\_ UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (ELK LAKE)

SCHEDULE D-2.1E  
Page 1 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Billed Revenues, Adjustment D-1	Worksheet Reference	Amount
1		RESIDENTIAL		
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	WIP-2	\$93,387
3		Base Period Amount		84,294
4		Pro Forma Adjustment		\$9,093
5				
6		COMMERCIAL		
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	WIP-2	\$251
8		Base Period Amount		290
9		Pro Forma Adjustment		(\$39)
10				
11		INDUSTRIAL		
12		Forecasted Amount	WIP-2	\$0
13		Base Period Amount		0
14		Pro Forma Adjustment		\$0
15				
16		OTHER PUBLIC AUTHORITY		
17		Forecasted Amount	WIP-2	\$0
18		Base Period Amount		0
19		Pro Forma Adjustment		\$0
20				
21		SALES FOR RESALE (OWJ)		
22		Forecasted Amount	WIP-2	\$0
23		Base Period Amount		0
24		Pro Forma Adjustment		\$0
25				
26		PUBLIC FIRE SERVICE		
27		Forecasted Amount	WIP-2	\$0
28		Base Period Amount		0
29		Pro Forma Adjustment		\$0
30				
31		PRIVATE FIRE SERVICE		
32		Forecasted Amount	WIP-2	\$0
33		Base Period Amount		0
34		Pro Forma Adjustment		\$0
35				
36		MISCELLANEOUS		
37		Forecasted Amount	WIP-2	\$0
38		Base Period Amount		0
39		Pro Forma Adjustment		\$0
40				
41		Total Billed Water Revenue Adjustment		\$9,054
42				
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.			
44				
45				
46				
47				
48				
49				
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_\_\_ REVISSED  
WORKPAPER REFERENCE NO(S): WIP-2 (ELK LAKE)

SCHEDULE D-2.1E  
Page 2 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues, Adjustment D-1</u>		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		0
5	Pro Forma Adjustment		\$0
6			
7	COMMERCIAL		
8	Forecasted Amount	WIP-2	\$0
9	Base Period Amount		0
10	Pro Forma Adjustment		\$0
11			
12	INDUSTRIAL		
13	Forecasted Amount	WIP-2	\$0
14	Base Period Amount		0
15	Pro Forma Adjustment		\$0
16			
17	OTHER PUBLIC AUTHORITY		
18	Forecasted Amount	WIP-2	\$0
19	Base Period Amount		0
20	Pro Forma Adjustment		\$0
21			
22	SALES FOR RESALE (OWU)		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		\$0
26			
27	PUBLIC FIRE SERVICE		
28	Forecasted Amount	WIP-2	\$0
29	Base Period Amount		0
30	Pro Forma Adjustment		\$0
31			
32	PRIVATE FIRE SERVICE		
33	Forecasted Amount	WIP-2	\$0
34	Base Period Amount		0
35	Pro Forma Adjustment		\$0
36			
37	MISCELLANEOUS		
38	Forecasted Amount	WIP-2	\$0
39	Base Period Amount		0
40	Pro Forma Adjustment		\$0
41			
42	Total Unbilled Water Revenue Adjustment		\$0
43			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_ \_\_\_ REVERSED  
WORKPAPER REFERENCE NO(S): WIP-2 (ELK LAKE)

SCHEDULE D-2.1E  
Page 3 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues Adjustment D-1</u>		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		0
5	Pro Forma Adjustment		\$0
6	COMMERCIAL		
7	Forecasted Amount	WIP-2	\$0
8	Base Period Amount		0
9	Pro Forma Adjustment		\$0
10	INDUSTRIAL		
11	Forecasted Amount	WIP-2	\$0
12	Base Period Amount		0
13	Pro Forma Adjustment		\$0
14	RESIDENTIAL		
15	Forecasted Amount	WIP-2	\$0
16	Base Period Amount		0
17	Pro Forma Adjustment		\$0
18	COMMERCIAL		
19	Forecasted Amount	WIP-2	\$0
20	Base Period Amount		0
21	Pro Forma Adjustment		\$0
22	INDUSTRIAL		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		\$0
26	COMMERCIAL		
27	Forecasted Amount	WIP-2	\$0
28	Base Period Amount		0
29	Pro Forma Adjustment		\$0
30	INDUSTRIAL		
31	Forecasted Amount	WIP-2	\$0
32	Base Period Amount		0
33	Pro Forma Adjustment		\$0
34	RESIDENTIAL		
35	Forecasted Amount	WIP-2	\$0
36	Base Period Amount		0
37	Pro Forma Adjustment		\$0
38	COMMERCIAL		
39	Forecasted Amount	WIP-2	\$0
40	Base Period Amount		0
41	Pro Forma Adjustment		\$0
42	INDUSTRIAL		
43	Forecasted Amount	WIP-2	\$0
44	Base Period Amount		0
45	Pro Forma Adjustment		\$0
46	Total Sewer Revenue Adjustment		0
47	Total Revenue Adjustment		\$9,054
48			
49			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (ELK LAKE)

SCHEDULE D-2.2E  
Page 1 of 1  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To adjust Reconnection Fees for the forecasted test period.		
3			\$0
4			160
5			(\$160)
6			
7	To adjust Activation Fees for the forecasted test period.		
8			\$0
9			684
10			(\$684)
11			
12			
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The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_\_X\_\_ BASE PERIOD \_\_X\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_\_ UPDATED \_\_ \_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (ELK LAKE)

SCHEDULE D-2.3E  
Page 1 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for non-union employees to become effective April 1, 2007 and 2008.	WIP-3-1	\$45,737
3			34,853
4			\$10,884
5			
6			
7			
8			\$0
9			41
10			(\$41)
11			
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.	WIP-3-2	\$0
13			0
14			\$0
15			
16			
17			\$0
18			0
19			\$0
20			
21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center, and the Customer Call Center.	WIP-3-3	\$0
23			0
24			\$15,539
25			
26			
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	WIP-3-4	\$0
28			0
29			\$13,328
30			(1,425)
31			\$14,753
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	WIP-3-5	\$15,539
33			0
34			\$15,539
35			
36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a five year amortization of the cost of service study.	WIP-3-6	\$13,328
38			(477)
39			\$4,056
40			
41			
42			
43			
44			
45	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's compensation and property insurance based upon the most recent actual bills.	WIP-3-7	\$3,589
46			(477)
47			\$732
48			0
49	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.	WIP-3-8	\$732
50			
	Insurance Other than Group Adjustment D-12	WIP-3-9	\$664
			(97)
			\$761



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (ELK LAKE)

SCHEDULE D-2.3E  
Page 2 of 2  
Witness Responsible: S.A. Millor

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-10	\$3,432
3			754
4			<u>\$2,678</u>
5			
6			\$0
7			0
8			<u>\$0</u>
9			
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-11	\$235
13			1,831
14			<u>(\$1,596)</u>
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-12	\$5,874
18			14,783
19			<u>(\$8,909)</u>
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-13	\$733
23			2,634
24			<u>(\$1,901)</u>
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	WIP-3-14	\$19,203
28			21,695
29			<u>(\$2,492)</u>
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.	WIP-3-15	\$19,203
44			21,695
45			<u>(\$2,492)</u>
46			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-24E  
Page 1 of 1  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_ UPDATED \_\_ REVISOR  
WORKPAPER REFERENCE NO(S): WIP-4 & WIP-5 (ELK LAKE)

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.		
3			\$7,442
4		WIP-4-1	0
5			\$7,442
6			
7			
8			
9			
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11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division to Tr Village, Elk Lake, and Owenton.		
13			\$6,078
14			2,745
15			\$3,333
16			
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-3E  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA: \_\_\_X\_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): (ELK LAKE)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
1				
2				
3				
4				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): {ELK LAKE}

SCHEDULE D-4E  
Page 1 of 1

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
1						
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-5E  
Page 1 of 1

DATA:    X\_ BASE PERIOD    X\_ FORECASTED PERIOD  
TYPE OF FILING:    ORIGINAL    X\_ UPDATED    REVISED  
WORKPAPER REFERENCE NO(S): (ELK LAKE)

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
1				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.1/D-2.2 (OWENTON)

SCHEDULE D-10  
Page 1 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj. D-1 Sch D-2.1	Adj. D-2 Sch D-2.2	Adj. D-3 Sch D-2.2	Total Adjustments
1		<u>Water Revenues</u>					
2	461100	Residential - Billed	\$360,447	\$46,536	\$0	\$0	\$46,536
3	461110	Residential - Unbilled	0	0	0	0	0
4	461200	Commercial - Billed	89,581	108,987	0	0	108,987
5	461210	Commercial - Unbilled	0	0	0	0	0
6	461300	Industrial - Billed	0	0	0	0	0
7	461310	Industrial - Unbilled	0	0	0	0	0
8	461400	Miscellaneous - Billed	10,012	(10,012)	0	0	(10,012)
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	0	0	0	0	0
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	0	0	0	0	0
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	0	0	0	0	0
15	464210	OPA - Unbilled	0	0	0	0	0
16	466000	Sales for Resale - Billed	269,126	(269,126)	0	0	(269,126)
17	466100	Sales for Resale - Unbilled	0	0	0	0	0
18		Total Water Revenues	729,166	(123,615)	0	0	(123,615)
19							
20		<u>Sewer Revenues</u>					
21	461000	Residential - Billed	101,950	(101,950)	0	0	(101,950)
22	461010	Residential - Billed Surcharge	0	0	0	0	0
23	461020	Commercial - Billed	56,557	(56,557)	0	0	(56,557)
24	461030	Commercial - Unbilled	0	0	0	0	0
25	462210	Industrial - Billed	14,298	(14,298)	0	0	(14,298)
26	462110	Industrial - Unbilled	0	0	0	0	0
27		Total Sewer Revenues	172,805	(172,805)	0	0	(172,805)
28							
29							
30		<u>OTHER OPERATING REVENUES</u>					
31	471100	Reconnection Charges	891	0	(891)	0	(891)
32	471200	Other Miscellaneous Service Revenues	728	0	(728)	0	(728)
33	472000	Rents from Water Property	0	0	0	0	0
34	474100	Billing & Collection Services	0	0	0	0	0
35	474300	Other Water Revenues	0	0	0	0	0
36		AFUDC	0	0	0	0	0
37		TOTAL OTHER OPERATING REVENUES	1,619	0	(1,619)	0	(1,619)
38							
39		TOTAL OPERATING REVENUES	\$903,590	(\$295,420)	(\$1,619)	\$0	(\$298,039)
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (OWENTON)

SCHEDULE D-10  
Page 4 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-4		Adj D-5		Adj D-6		Adj D-7		Adj D-8		Adj D-9		Adj D-10		Adj D-11		Adj D-12		Total Adjustments
				Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	Sch	D-2.3	
1		<b>PUMPING EXPENSES</b>																				
2	620200	Operation Sup & Eng-Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	620300	Operation Sup & Eng-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	622100	Power Production Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	622200	Power Production Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	623110	Power Purchased for Pumping-Elec	5,156	0	81,844	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,844
7	623120	Power Purchased for Pumping-Elec Adj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	623210	Power Purchased for Pumping-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	624200	Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	624300	Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	624500	Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	624600	Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	626200	Misc Pumping Labor-Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	626300	Misc Pumping Labor-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	626500	Misc Pumping Expenses-Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	626500	Misc Pumping Expenses-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	627200	Rentis-Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rentis-Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	630210	Maint Sup & Eng-Electric Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	630300	Maint Sup & Eng-Other Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	630310	Maint Sup & Eng-Other Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	631100	Maint Pumping Struc & Improv-Material Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	631110	Maint Pumping Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	631200	Maint Pumping Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	631210	Maint Pumping Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	632100	Maint Power Production Equip-Mat Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	632110	Maint Power Production Equip-Mat Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	632200	Maint Power Production Equip-Lab Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	632210	Maint Power Production Equip-Lab Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	633200	Maint Pumping Equip-Material-Electric Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	633210	Maint Pumping Equip-Material-Electric Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	633300	Maint Pumping Equip-Material-Other Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	633310	Maint Pumping Equip-Material-Other Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	633500	Maint Pumping Equip-Labor-Electric Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	633510	Maint Pumping Equip-Labor-Electric Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	633600	Maint Pumping Equip-Labor-Other Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	633610	Maint Pumping Equip-Labor-Other Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39		TOTAL PUMPING EXPENSES	5,156	0	81,844	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,844

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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-10  
Page 13 of 19  
Witness Responsible: M.A. Miller, S. A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (OWENTON)

Line No.	Account Number	Description	Base Period	Adj D-13		Adj D-14		Adj D-15		Adj D-16		Adj D-17		Adj D-21		Grand Total	
				Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3	Sch D-2.3		Total Adjustments
<b>WATER TREATMENT EXPENSES (WT)</b>																	
1			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	640000	Operation Supervision & Engineering															
3	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	641100	General Chemicals	52,173	0	0	0	0	0	0	0	0	0	0	0	0	41,692	
5	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	642100	General WT Labor	96,769	0	0	0	0	0	0	0	0	0	0	0	0	(15,960)	
7	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	642300	General WT Expenses	2,026	0	0	0	0	0	(2,026)	0	0	0	0	0	0	(2,026)	
9	642360	General WT Administration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	643100	Misc Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	643200	Misc Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	643300	Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	643310	Amort Waste Disposal Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	650000	Maint Supervision & Engineering Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	651100	Maint WT Struc & Improvements-Mat Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	651120	Amort WT Structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
27	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
28	652310	Maint General WT Equipment-Labor Prg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29																	
30		TOTAL WT EXPENSES	150,968	0	0	0	0	0	(2,026)	0	0	0	0	0	0	(2,026)	23,705





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (OWENTON)

SCHEDULE D-10  
Page 16 of 19  
Witness Responsible: M.A. Millard, S. A. Millor

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total Adjustments
<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G)</b>											
2	920000	Salaries	\$15,958	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,720
3	920500	Incentive Plan Expense	0	0	0	0	0	0	0	0	0
4	921100	Expenses of Employees	302	0	198	0	0	0	0	198	198
5	921130	Dues for Clubs - Ded	0	0	200	0	0	0	0	200	200
6	921200	Misc Office Expenses	2,615	0	(620)	0	0	0	0	(620)	(620)
7	923100	Service Company Charges	0	0	0	0	0	0	0	0	57,441
8	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0
9	923200	Auditing Services	0	0	0	0	0	0	0	0	0
10	923300	Legal Services	3,231	0	0	0	(2,536)	0	0	(2,536)	(2,536)
11	923400	Engineering Services	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	65,602	0	0	0	(9,760)	0	0	(9,760)	(9,760)
13	924000	Property Insurance	0	0	0	0	0	0	0	0	1,867
14	925110	Workers Compensation	(159)	0	0	0	0	0	0	0	2,278
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	0	0	0	0	167	0	0	167	167
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0
21	925400	General Liability	0	0	0	0	0	0	0	0	5,309
<b>EMPLOYEE PENSIONS &amp; BENEFITS</b>											
22	926100	Accrued OPEB Expense	(708)	0	0	0	0	0	0	0	15,831
24	926110	Group Insurance Expense	(1,560)	0	0	0	0	0	0	0	49,507
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	0	0	0	0	0	0	0	0	0
30	926170	Group Ins Prelax Contribution	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	0	0	0	0	877	0	0	877	877
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	2,897	0	0	0	(1,544)	0	0	(1,544)	(1,544)
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	0	0	0	0	0	0	0	0	0
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	(675)	0	0	0	0	0	0	0	17,551
44	926500	Other Pension Plan Expenses	912	0	0	0	12,103	0	0	12,103	12,103
45	926700	Pension Plan Pmts - Union	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	0	0	0	0	0	0	0	0	0
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (OWENTON)

SCHEDULE D-10  
Page 17 of 19  
Witness Responsible: M.A. Millorri, S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total Adjustments
1		<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G) - CONT</b>									
		<b>REGULATORY COMMISSION EXPENSES</b>									
2		Amort Expense of Rate Proceedings	0	0	0	0	0	0	0	0	2,707
3	928100	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0
4	928110	Tax Savings	0	0	0	0	0	0	0	0	0
5	928200	Amort of Other Regulatory Expenses	0	0	0	0	0	0	0	0	0
6	928300	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0
7	928400	Amort Misc Charges	0	0	0	0	0	0	0	0	0
8	930200	Misc General Expenses Current	(8,631)	0	0	11,357	0	0	0	11,357	11,357
9	930210	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0
10	930220	Amort Misc General Expenses	0	0	0	256	0	0	0	256	256
11	930230	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0
12	930240	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0
13	930250	Meals & Travel Expenses - Taxable	61	0	56	0	0	0	0	55	56
14	930260	Donations	0	0	0	0	0	0	0	0	0
15	930270	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0
16	930290	Research & Development Expenses	0	0	0	0	0	0	0	0	0
17	930300	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0
18	930390	Non-deductible Penalties	0	0	0	0	0	0	0	0	0
19	930500	Lobbying Expenses	0	0	0	0	0	0	0	0	0
20	930510	Transportation Expenses	(206)	0	0	5,463	0	0	0	5,463	5,463
21	930600	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0
22	930610	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0
23	930620	Transportation Cap (H)	0	0	0	0	0	0	0	0	0
24	930630	Misc Gen Exp - Company Dues	0	0	0	400	0	0	0	400	400
25	930660	Misc General Exp - Taxable Co Dues	0	0	0	394	0	0	0	394	394
26	930880	Rents	0	0	0	0	0	0	0	0	0
27	931000	Maint A&G Struc & Improv-Material Ord	0	0	0	0	0	370	0	370	370
28	932100	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0
29	932110	Amort A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
30	932120	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
31	932200	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
32	932210	Maint A&G Struc & Improv-Labor Prg	0	0	0	0	0	0	0	0	0
33	932300	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0
34	932310	Maint A&G Office Furniture-Material Prg	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0
36	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0
37	932410	Maint A&G Office Furniture-Labor Prg	0	0	0	0	0	0	0	0	0
38	932500	Maint A&G Comm Equip-Material	0	0	0	0	0	0	0	0	0
39	932600	Maint A&G Comm Equip-Labor Ord	0	0	0	0	0	0	0	0	0
40	932610	Maint A&G Misc Property-Material Ord	0	0	0	0	0	0	0	0	0
41	932700	Maint A&G Misc Property-Material Prg	0	0	0	0	0	0	0	0	0
42	932710	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0
43	932800	Maint A&G Misc Property-Labor Prg	0	0	0	0	0	0	0	0	0
44	932810	Total A & G Expenses	79,639	0	(166)	17,177	0	370	0	17,381	179,592
45		Total O & M Expenses	\$501,789	\$13,809	\$0	(\$166)	\$38,441	\$94,511	\$0	\$136,595	\$280,053



KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143

SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH D-2.3 (OWENTON)

SCHEDULE D-10  
Page 19 of 19  
Witness Responsible: M.A. Miller/ S. A. Miller

Line No.	Account Number	Description	Base Period	Adj D-18 Sch D-2.4	Adj D-19 Sch D-2.4	Adj D-20 Sch D-2.4	Total Adjustment
1	403600	Depreciation	\$143,240	(\$63,647)	\$0	\$0	(\$63,647)
2	403100	Depreciation - CIAC	(42,473)	42,473	\$0	\$0	\$0
3			\$100,767	(\$21,174)	\$0	\$0	(\$21,174)
4							
5		State Income Tax Impact	6.00%	\$1,270	\$0	\$0	\$0
6		Federal Income Tax Impact	35.00%	\$7,855	\$0	\$0	\$0
7		Net Operating Income Impact		\$54,522	\$0	\$0	\$0
8							\$54,522
9							
10		AMORTIZATION EXPENSE					
11	404100	Amortization Lim Term UI Plant	\$0	\$0	\$0	\$0	\$0
12	404110	Amortization Franchise Expense	0	0	0	0	0
13	404430	Amortization Regulatory Asset - AFUDC	0	0	0	0	0
14	406000	Amortization Utility Plant Acquisition Adj	0	0	0	0	0
15	407000	Amortization Property Losses	0	0	0	0	0
16		TOTAL AMORTIZATION	\$0	\$0	\$0	\$0	\$0
17							
18		State Income Tax Impact	6.00%	\$0	\$0	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$0	\$0	\$0
20		Net Operating Income Impact		\$0	\$0	\$0	\$0
21							
22							
23							
24		TAXES OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$0	\$0	\$43,523	\$0	\$43,523
26	408110	Gross Income & Receipts Taxes	0	0	984	0	984
27	408120	Invested Capital Tax	0	0	0	0	0
28	408130	Other General Taxes	0	0	0	0	0
29	408140	FUTA	369	0	176	0	545
30	408150	FUTA Capitalized - (A Work Order)	0	0	(189)	0	(189)
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0	0
32	408050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	28,651	0	(7,776)	0	20,875
34	408170	FICA Capitalized - (A Work Order)	0	0	(1,805)	0	(1,805)
35	408060	FICA Capitalized - (H Work Order)	0	0	0	0	0
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408180	SUTA	375	0	13	0	388
38	408190	SUTA Capitalized - (A Work Order)	0	0	(115)	0	(115)
39	408080	SUTA Capitalized - (H Work Order)	0	0	0	0	0
40	408090	SUTA Capitalized - (C & R Work Order)	0	0	0	0	0
41	408220	Environmental Tax	0	0	0	0	0
42			\$27,395	\$0	\$34,811	\$0	\$62,206
43		State Income Tax Impact	6.00%	\$0	(\$2,089)	\$0	(\$2,089)
44		Federal Income Tax Impact	35.00%	\$0	(\$11,453)	\$0	(\$11,453)
45		Net Operating Income Impact		\$0	(\$21,269)	\$0	(\$21,269)
46							
47							
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA:   X   BASE PERIOD   X   FORECASTED PERIOD  
TYPE OF FILING:      ORIGINAL   X   UPDATED      REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (OWENTON)

SCHEDULE D-2.10  
Page 1 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1	<b>Billed Revenues, Adjustment D-1</b>		
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
3			
4	RESIDENTIAL	WIP-2	\$405,903
5	Forecasted Amount		360,447
6	Base Period Amount		\$45,536
7	Pro Forma Adjustment		
8	COMMERCIAL	WIP-2	\$198,568
9	Forecasted Amount		89,581
10	Base Period Amount		\$108,987
11	Pro Forma Adjustment		
12	INDUSTRIAL	WIP-2	\$0
13	Forecasted Amount		0
14	Base Period Amount		\$0
15	Pro Forma Adjustment		
16	OTHER PUBLIC AUTHORITY	WIP-2	\$0
17	Forecasted Amount		0
18	Base Period Amount		\$0
19	Pro Forma Adjustment		
20	SALES FOR RESALE (OWU)	WIP-2	\$0
21	Forecasted Amount		289,126
22	Base Period Amount		(\$289,126)
23	Pro Forma Adjustment		
24	PUBLIC FIRE SERVICE	WIP-2	\$0
25	Forecasted Amount		0
26	Base Period Amount		\$0
27	Pro Forma Adjustment		
28	PRIVATE FIRE SERVICE	WIP-2	\$0
29	Forecasted Amount		0
30	Base Period Amount		\$0
31	Pro Forma Adjustment		
32	MISCELLANEOUS	WIP-2	\$0
33	Forecasted Amount		10,012
34	Base Period Amount		(\$10,012)
35	Pro Forma Adjustment		
36	Total Billed Water Revenue Adjustment		(\$123,615)
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_ UPDATED \_\_ \_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (OWENTON)

SCHEDULE D-2.10  
Page 2 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues Adjustment D-1</u>		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		0
5	Pro Forma Adjustment		\$0
6			
7	COMMERCIAL		
8	Forecasted Amount	WIP-2	\$0
9	Base Period Amount		0
10	Pro Forma Adjustment		\$0
11			
12	INDUSTRIAL		
13	Forecasted Amount	WIP-2	\$0
14	Base Period Amount		0
15	Pro Forma Adjustment		\$0
16			
17	OTHER PUBLIC AUTHORITY		
18	Forecasted Amount	WIP-2	\$0
19	Base Period Amount		0
20	Pro Forma Adjustment		\$0
21			
22	SALES FOR RESALE (OWU)		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		\$0
26			
27	PUBLIC FIRE SERVICE		
28	Forecasted Amount	WIP-2	\$0
29	Base Period Amount		0
30	Pro Forma Adjustment		\$0
31			
32	PRIVATE FIRE SERVICE		
33	Forecasted Amount	WIP-2	\$0
34	Base Period Amount		0
35	Pro Forma Adjustment		\$0
36			
37	MISCELLANEOUS		
38	Forecasted Amount	WIP-2	\$0
39	Base Period Amount		0
40	Pro Forma Adjustment		\$0
41			
42	Total Unbilled Water Revenue Adjustment		\$0
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_\_X\_\_ BASE PERIOD \_\_X\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_ ORIGINAL \_\_X\_\_ UPDATED \_\_\_\_ REVISED \_\_\_\_  
WORKPAPER REFERENCE NO(S): WIP-2 (OWENTON)

SCHEDULE D-2.10  
Page 3 of 3  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	<u>Billed Revenues Adjustment D-1</u>		
2	RESIDENTIAL		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		101,950
5	Pro Forma Adjustment		<u>(\$101,950)</u>
6			
7	COMMERCIAL		
8	Forecasted Amount	WIP-2	\$0
9	Base Period Amount		56,557
10	Pro Forma Adjustment		<u>(\$56,557)</u>
11			
12	INDUSTRIAL		
13	Forecasted Amount	WIP-2	\$0
14	Base Period Amount		14,298
15	Pro Forma Adjustment		<u>(\$14,298)</u>
16			
17	RESIDENTIAL		
18	Forecasted Amount	WIP-2	\$0
19	Base Period Amount		0
20	Pro Forma Adjustment		<u>\$0</u>
21			
22	COMMERCIAL		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		<u>\$0</u>
26			
27	INDUSTRIAL		
28	Forecasted Amount	WIP-2	\$0
29	Base Period Amount		0
30	Pro Forma Adjustment		<u>\$0</u>
31			
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42	Total Sewer Revenue Adjustment		<u>(172,895)</u>
43			
44			
45	Total Revenue Adjustment		<u>(\$296,420)</u>
46			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA:    X\_ BASE PERIOD    X\_ FORECASTED PERIOD  
TYPE OF FILING:    ORIGINAL    X\_ UPDATED    REVISED  
WORKPAPER REFERENCE NO(S): WIP-2 (OWENTON)

SCHEDULE D-2.20  
Page 1 of 1  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1	Other Revenues Adjustment D-2		
2	RECONNECTION FEES		
3	Forecasted Amount	WIP-2	\$0
4	Base Period Amount		891
5	Pro Forma Adjustment		(891)
6			
7	OTHER MISC SERV REVENUES		
8	Forecasted Amount	WIP-2	\$0
9	Base Period Amount		728
10	Pro Forma Adjustment		(728)
11			
12			
13	OTHER REVENUES		
14	Forecasted Amount	WIP-2	\$0
15	Base Period Amount		0
16	Pro Forma Adjustment		\$0
17	Total Other Revenue Adjustment		(51,619)
18			
19			
20			
21	AEUCC Adjustment D-3		
22	AFUDC ABOVE THE LINE		
23	Forecasted Amount	WIP-2	\$0
24	Base Period Amount		0
25	Pro Forma Adjustment		\$0
26			
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43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-3 (OWENTON)

SCHEDULE D-2.30  
Page 1 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and an increase of 3% for non-union employees to become effective April 1, 2007 and 2008.	Labor Adjustment D-4 WIP-3-1	\$223,148 345,717 (\$122,569)
3			
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11			
12	Fuel & Power Adjustment D-5 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-2	\$87,000 5,156 \$81,844
13	Chemicals Adjustment D-6 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-3	\$93,865 52,173 \$41,692
14			
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22	Waste Disposal Adjustment D-7 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-4	\$0 0 \$0
23			
24			
25			
26			
27	Management Fees Adjustment D-8 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-5	\$57,441 0 \$57,441
28			
29			
30			
31			
32	Group Insurance Adjustment D-9 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-6	\$63,070 (2,268) \$65,338
33			
34			
35			
36	Pension Expense Adjustment D-10 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-7	\$16,076 (675) \$17,551
37			
38	Regulatory Expense Adjustment D-11 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-8	\$2,707 0 \$2,707
39			
40			
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43			
44			
45	Insurance Other than Group Adjustment D-12 Forecasted Amount Base Period Amount Pro Forma Adjustment	WIP-3-9	\$9,295 (159) \$9,454
46			
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12 Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.

22 Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Southeast Region Service Company office, Shared Services Center, and the Customer Call Center.

27 Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.

32 Pension Expense reflects the forecasted level based on FAS 87 pension costs.

37 Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a five year amortization of the cost of service study.

45 Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's compensation and property insurance based upon the most recent actual bills.

48 The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X, BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL, \_X\_ UPDATED, \_ \_ \_ \_ \_  
WORKPAPER REFERENCE NO(S): WIP-3 (OWENTON)

SCHEDULE D-2.30  
Page 2 of 2  
Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations made from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-10	\$13,959
3			150
4			\$13,809
5			
6			\$0
7			0
8			\$0
9			
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-11	\$2,812
13			2,978
14			(9166)
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-12	\$123,341
18			84,900
19			\$38,441
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from Central Division to Tri Village, Elk Lake, and Owenton.	WIP-3-13	\$89,328
23			13,817
24			\$84,511
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Owen Water & Sewer.	WIP-3-14	\$0
28			0
29			\$0
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43	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.	WIP-3-15	\$0
44			0
45			\$0
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL X\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WIP-4 & WIP-5 (OWENTON)

SCHEDULE D-2.40  
Page 1 of 1  
Witness Responsible: M.A. Miller, S. A. Miller

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.	WIP-4-1	\$79,593
3			100,757
4			(521,174)
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13	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees and other miscellaneous taxes that are calculated to be expenses for the forecasted test period. This also includes the allocation of property tax from Central Division to Trn Village, Elk Lake, and Owenton.	WIP-4-1	\$0
14			0
15			\$0
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.	WIP-5	\$62,206
33			27,395
34			\$34,611
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-30  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA: \_\_\_X\_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_ REVISIED  
WORKPAPER REFERENCE NO(S):: (OWENTON)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-40  
Page 1 of 1

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S):: [OWENTON]

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2007-00143  
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

SCHEDULE D-50  
Page 1 of 1

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORKPAPER REFERENCE NO(S): (OWENTON)

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.