

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Sheila A. Miller

39. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P 5-1 at 2.
- a. Kentucky-American reports property tax payments of \$2,526,672 in calendar year 2006. Provide a schedule that lists each area where Kentucky-American was assessed a property tax, the tax base used to make the assessment, and the amount of taxes paid. Total taxes paid should correspond to \$2,526,672.
 - b. Provide the same information requested in Item 39(a) for property taxes that Kentucky-American actually paid in 2007.
 - c. Explain why Kentucky-American used property taxes assessed in 2006 but paid in 2007 as the basis for its forecasted property tax adjustment, rather than the property taxes that were assessed in 2007 but paid in 2008.

Response:

- a. The property tax payments of \$2,526,672 were for assessments of the 2007 tax year. The testimony incorrectly indicated that the taxes were applicable to a tax base of December 2006. They were actually paid in 2008 for the tax year 2007. See the attached listing of payments by county. Also attached are the actual property tax statements and payments.
- b. See attached.
- c. See the response to part a.

For the electronic version, refer to KAW_R_PSCDR2#39_010809.pdf.

Kentucky American Water Company
Property Taxes
PSCDR2#39a

Taxing Authority		2007 Tax Amount	Assessed value Real Estate	Assessed Value Tangible
Bourbon County	pd 6/08	23,191	3,038,531	182,267
Fayette County/ LFUCG	pd 3/08	1,417,624	114,700,220	55,457,018
Harrison County	pd 1/08	4,444	679,530	18,394
Jessamine County	pd 1/08	37,856	4,750,991	20,179
Scott County	pd 1/08	154,088	22,175,728	4,634,636
City of Georgetown	pd 1/08	3,360	5,756,939	2,867,826
City of Sadieville	pd 1/08	821	527,663	30,101
City of Sadieville*	pd 9/07	445		
Woodford County	pd 1/08	6,992	927,928	82,125
Clark County	pd 1/08	12,934	1,774,090	378,468
Kentucky State Treasurer	Pd 11/07	542,381	179,644,237	64,833,881
Owen County	pd 1/08	322,537	31,597,219	4,060,794
Total		<u>\$ 2,526,672</u>		

*2006 assessment - should not be included

PSCDR2#39b

Taxing Authority		2006 Tax Amount	Assessed value Real Estate	Assessed Value Tangible
Bourbon County	pd 5/23/07	24,059	3,123,344	249,450
Fayette County/ LFUCG	pd 2/15/07	1,386,021	109,219,701	66,890,989
Harrison County	pd 2/6/07	4,904	699,809	23,758
Jessamine County	pd 4/18/07	39,357	4,890,762	29,066
Scott County	pd 2/27/07	138,872	19,672,994	3,823,434
City of Georgetown	pd 2/27/07	3,718	2,806,353	1,930,867
City of Sadieville	pd 9/18/07	445	240,118	38,887
Woodford County	pd 2/14/07	7,268	945,807	106,078
Clark County	pd 2/14/07	13,092	1,673,416	504,893
Kentucky State Treasurer*	pd 11/7/07	542,381	179,644,237	64,833,881
Owen County	pd 2/6/07	233,077	24,471,226	2,095,443
Total		<u>2,393,195</u>		

*property tax for 2007-incl in total taxes for rate filing

American Water

PO Box 5600
Cherry Hill, NJ 08034
INVOICE NO.

00146745 031708

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS

Fayette cnty PSC prop tx

Check No. - 62047488

Check Date - 03/17/08

Stub 1 of 1

INVOICE AMOUNT

1417623.61

1417623.61

7007 3020 0000 8446 6386

50252581 Fayette County Sheriff

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62047488

DATE 03/17/08

ONE MILLION FOUR HUNDRED SEVENTEEN THOUSAND SIX HUNDRED TWENTY THREE AND 61/100 ****

\$*1,417,623.61

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

Fayette County Sheriff
PO Box 765
Lexington KY 40588-0765



AUTHORIZED SIGNATURE



⑈ 62047488 ⑈ ⑆ 031202770⑆ 8013584806 ⑈

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



Fayette County Sheriff
PO Box 765
Lexington KY 40588-0765

Accr-Seal Patent 4,918,128 - 5,253,798 - 5,785,242 - 5,829,670

2664

American Solutions for Business • 908-387-8050

Commonwealth of Kentucky

**PUBLIC SERVICE COMPANY
PROPERTY TAX STATEMENT**

For County, School or Special Taxes

Return Payment to:

Bill No. 00270083

County OFFICE OF THE FAYETTE COUNTY SHERIFF
FAYETTE
Address PO BOX 765
LEXINGTON KY 40588-0765

Date MAR - 7 2008

Assessment for 2007 Taxes

Name KENTUCKY AMERICAN WATER CO & C/O GARY AKMENTINS
Address 2300 RICHMOND RD
LEXINGTON KY 40502

PROPERTY CLASS - Rate per \$100 value

REAL ESTATE ASSESSED VALUE	114700220.00	TANGIBLE ASSESSED VALUE	55457018.00		
RE SPECIAL FULL ASSESSED VALUE	48807135.00	RE SPECIAL PART ASSESSED VALUE	65893085.00		
REAL ESTATE RATE	TANGIBLE RATE	REAL ESTATE TAX	TANGIBLE TAX	TOTALS BY TAXING DISTRICT	
COUNTY	.0800	.0990	91760.18	54902.45	146662.63
SCHOOL	.5940	.5420	681319.31	300577.04	981896.35
EXTENSION	.0031	.0034	3555.71	1885.54	5441.25
SOIL/WATER	.0004		458.80		458.80
HEALTH	.0280	.0280	32116.06	15527.97	47644.03
LEXTRAN	.0600	.0600	68820.13	33274.21	102094.34
FULL SVC	.1894		92440.71		92440.71
PARTIAL SVC	.0622		40985.50		40985.50
TOTALS			1011456.40	406167.21	1417623.61

Signed DONALD W. BLEVINS /BY *Jan C. Reed* Deputy Clerk
Payment Received By KATHY H WITT Sheriff
Date _____ By _____ Deputy

TOTAL TAX.....	1,417,623.61
PENALTY (1).....	
INTEREST (2).....	
10% SHERIFF ADD-ON FEE (3).....	
TOTAL TAX, PENALTY AND INTEREST	

PAYMENT INSTRUCTIONS

This statement for public service company property taxes is due and payable 30 days after notice (KRS 136.050(2)). No discount is allowable for early payment. If not paid within 30 days, a 10 percent penalty of total tax plus interest at the tax interest rate per KRS 131.183 per annum applies. Make payment to sheriff of county named on statement. Also, a 10% Sheriff Add-On Fee is applied to tax and penalty.

- (1) 10 percent of total tax if not paid within 30 days
- (2) the tax interest rate per KRS 31.183 per annum if not paid within 30 days
- (3) 10% of total tax including 10% penalty, but without interest

If there is a question regarding this bill, please contact _____ at () _____

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.
00141094 011008

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS
Harrison Cnty prop tax

Check No. - 62046315

Check Date - 01/11/08

Stub 1 of 1

INVOICE AMOUNT
4,443.72

4,443.72

50055882 Sheriff Bruce Hampton

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046315

DATE 01/11/08

FOUR THOUSAND FOUR HUNDRED FORTY THREE AND 72/100 *****

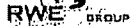
\$*****4,443.72

VOID AFTER 30 DAYS

PAY TO THE
ORDER OF :

Sheriff Bruce Hampton
113 W Pike St
Cynthiana KY 41031

[Signature]
AUTHORIZED SIGNATURE



⑈ 6 2046315 ⑈ ⑆ 031202770 ⑆ 8013584806 ⑈

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



Sheriff Bruce Hampton
113 W Pike St
Cynthiana KY 41031

Bill No. 07-34
GNC No. 006080
Type Co. W
Date 12/18/2007

**PUBLIC SERVICE COMPANY
PROPERTY TAX STATEMENT**

For County, School or Special Taxes
Assessment for **2007** Taxes

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

Return Tax Payment to Sheriff:

Bruce Hampton
Harrison County Sheriff
113 W Pike Street
Cynthiana KY 41031

County Clerk Linda B. Furnish
Telephone Number 859-234-7130

Name KENTUCKY AMERICAN WATER COMPANY
Name GARY AKMENTINS
Address 2300 RICHMOND ROAD
Address
City, State, ZIP Code LEXINGTON KY 40502-1308

Name of District	Assessed Value	Real Estate Rate Per \$100 Value	Multiplier See Reverse	Tax Due Real Estate	Assessed Value Tangible	Tangible Rate Per \$100 Value	Multiplier See Reverse	Tax Due Tangible	Total Real and Tangible Tax Due
County	\$679,530	0.1000		\$679.53	\$18,394	0.1290		\$23.73	\$703.26
School	\$679,530	0.3820		\$2,595.80	\$18,394	0.3990		\$73.39	\$2,669.20
Library	\$679,530	0.0530		\$360.15	\$18,394	0.1172		\$21.56	\$381.71
Health	\$679,530	0.0500		\$407.72	\$18,394	0.0600		\$11.04	\$418.75
Extension Service	\$679,530	0.0310		\$210.65	\$18,394	0.0684		\$12.58	\$223.24
Soil Conservation	\$679,530	0.0070		\$47.57	\$18,394	0.0000		\$0.00	\$47.57
Fire	\$0	0.0600		\$0.00	\$0	0.0600		\$0.00	\$0.00
Important: See Reverse									
Total District Tax \$									\$4,443.72

Red
4201-40
4301-42

American Water

PO Box 5600
Cherry Hill, NJ 08034

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

Check No. - 62047911

Check Date - 04/14/08

Stub 1 of 1

INVOICE NO.
00148874 041408

COMPANY NO./NAME
12 Kentucky AWW

REMARKS

Jessamine cnty prop tx

INVOICE AMOUNT
37,856.30

37,856.30

7007 0710 0003 8614 8244

50341509 Jessamine County Sheriff

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62047911

DATE 04/14/08

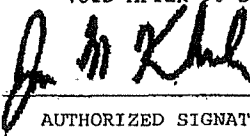
THIRTY SEVEN THOUSAND EIGHT HUNDRED FIFTY SIX AND 30/100 *****

\$****37,856.30

VOID AFTER 90 DAYS

PAY TO THE

ORDER OF : Jessamine County Sheriff
101 S Second St
Nicholasville KY 40356


AUTHORIZED SIGNATURE

⑈ 6 204 791 1 ⑈ ⑆ 03 1 20 27 70 ⑆ 80 1 3 5 8 4 8 0 6 ⑈

American Water

PO Box 5600
Cherry Hill, NJ 08034

VIS
FIVE

Jessamine County Sheriff
101 S Second St
Nicholasville KY 40356

61A255 (10-02)

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

Return Payment to:
Kevin Corman Sheriff
City/County Jackson
Address 101 S Second St.
Nicholasville Ky 40356

Bill No. **07051**
Date **MAR 24 2008**

Assessment for 20 07 Taxes

Address:
Name Kentucky American Water
Street 2300 Richmond Rd
City, State, ZIP Code Lexington, Ky 40502-1308

PAYMENT INSTRUCTIONS

This statement for public service company property taxes is due and payable 30 days after notice (KRS 136.050(2)). No discount is allowable for early payment. If not paid within 30 days, a 10 percent penalty plus a 10 percent sheriff's add-on fee (KRS 134.430(3)) of total tax and interest at the tax interest rate per KRS 131.183 per annum applies. Make payment to sheriff of county named on statement.

PROPERTY CLASS—Rate Per \$100 Value	Assessed Value	County Tax	School Tax	Special Tax
REAL ESTATE RATE County .061 School .587	4,750,991.00	2,898.10	27,888.32	
TANGIBLE RATE County .140 School .596	2,017,900.00	28.25	120.27	
Lumina (R) .048	4,750,991.00			2,280.48
Health (R) .019	"			402.69
Fire (R) .049	"			2,327.99
Ch Fire (R) .048	2,850,594.00			1,368.29
Lumina (T) .1101	2,017,900.00			22.22
Health (T) .023	"			4.64
Fire (T) .047	"			9.48
TOTALS BY TAXING DISTRICT		2,926.35	28,008.59	

Signed Kevin Corman County Clerk
Payment Received By _____ Sheriff
Date _____ By _____ Deputy

TOTAL TAX
PENALTY { 10 percent of total tax if not paid within 30 days
FEE { 10 percent sheriff's add-on
INTEREST { the tax interest rate per KRS 131.183 per annum if not paid within 30 days
TOTAL TAX, PENALTY AND INTEREST \$

If there is a question regarding this bill, please contact VITA SAVAGE, BOOKKEEPER at (859) 885-9512

IMPORTANT
Please mail payments to:
KEVIN CORMAN, SHERIFF
101 SOUTH SECOND STREET
NICHOLASVILLE KY 40356

Commonwealth of Kentucky
61A255 (10-02)

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

Return Payment to:

City/County _____
Address _____

Bill No. **07051**
Date **MAR 24 2008**

Assessment for 20 _____ Taxes

Address: _____
Name Ky American Water
Street _____
City, State, ZIP Code _____

PAYMENT INSTRUCTIONS

This statement for public service company property taxes is due and payable 30 days after notice (KRS 136.050(2)). No discount is allowable for early payment. If not paid within 30 days, a 10 percent penalty plus a 10 percent sheriff's add-on fee (KRS 134.430(3)) of total tax and interest at the tax interest rate per KRS 131.183 per annum applies. Make payment to sheriff of county named on statement.

PROPERTY CLASS—Rate Per \$100 Value	Assessed Value	County Tax	School Tax	Special Tax
REAL ESTATE RATE County School				
TANGIBLE RATE County School				
<u>7.5 Fee (T), .046</u>	<u>12,108.00</u>			<u>5.57</u>
TOTALS BY TAXING DISTRICT				<u>6921.36</u>

Signed L. J. McDaniel c/o County Clerk

Payment Received By _____ Sheriff

Date _____ By _____ Deputy

TOTAL TAX	\$ <u>37,856.30</u>
PENALTY { 10 percent of total tax if not paid within 30 days	
FEE { 10 percent sheriff's add-on	
INTEREST { the tax interest rate per KRS 131.183 per annum if not paid within 30 days	
TOTAL TAX, PENALTY AND INTEREST	\$

If there is a question regarding this bill, please contact VITA SAVAGE, BOOKKEEPER at (859) 885-9512

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.
00141097 011008

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS

Scott cnty prop tax

Check No. - 62046311

Check Date - 01/11/08

/Stub 1 of 1

INVOICE AMOUNT

154,087.79

154,087.79

7007 0710 0003 8731 6994

12000428 Scott County Sheriff

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046311

DATE 01/11/08

ONE HUNDRED FIFTY FOUR THOUSAND EIGHTY SEVEN AND 79/100 *****

PAY TO THE
ORDER OF

Scott County Sheriff
119 N Hamilton St
Georgetown KY 40324

***154,087.79

VOID AFTER 30 DAYS

AUTHORIZED SIGNATURE

⑈62046311⑈ ⑆031202770⑆ 8013584806⑈

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



Scott County Sheriff
119 N Hamilton St
Georgetown KY 40324

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

PUBLIC SERVICE COMPANY
PROPERTY TAX STATEMENT
For County, School or Special Taxes
Assessment for 2007 Taxes

BILL NO 0000754 000608008
GNC NO 006080 TYPE CO. W
DATE 12/27/2007

Return Tax Payment to Sheriff
SCOTT COUNTY SHERIFF
SCOTT COUNTY
120 N HAMILTON STREET
GEORGETOWN, KY 40324
County Clerk JACKIE COVINGTON
Telephone Number

Name KENTUCKY AMERICAN WATER CO.
Name
Address GARY AKMENTINS
Address 2300 RICHMOND ROAD
LEXINGTON KY 40502

Name of District County/School/Specials	Assessed Value	Real Estate Rate Per \$100 Value	Multi- plier	Tax Due	Assessed Value	Tangible Rate Per \$100 Value	Multi- plier	Tax Due	Total Real and Tangible Tax Due
REAL ESTATE CNTY	22,175,728	.06100		13,527.19					13,527.19
REAL ESTATE SCHL	22,175,728	.39700		88,037.64					88,037.64
REAL ESTATE HLTH	22,175,728	.02900		6,430.96					6,430.96
REAL ESTATE LIB	22,175,728	.05700		12,640.17					12,640.17
REAL ESTATE EXT	22,175,728	.01450		3,215.48					3,215.48
TANGIBLE CNTY					4,634,636	.09930		4,602.19	4,602.19
TANGIBLE SCHL					4,634,636	.39700		18,399.50	18,399.50
TANGIBLE HLTH					4,634,636	.02900		1,344.04	1,344.04
TANGIBLE LIB					4,634,636	.10340		4,792.21	4,792.21
TANGIBLE EXT					4,634,636	.02370		1,098.41	1,098.41

R=

13,527.19
88,037.64
6,430.96
12,640.17
3,215.48
4,602.19
18,399.50
1,344.04
4,792.21
1,098.41

Signed Jackie Covington Clerk

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.
00141095 011008

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS
Scott Cnyt prop Real tax

Check No. - 62046312

Check Date - 01/11/08

Stub 1 of 1

INVOICE AMOUNT
3,360.06

3,360.06

HGF

Accu-Seal Patent 4,918,128 - 5,253,998 - 5,785,242 - 5,829,670

12001110 City of Georgetown

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046312

DATE 01/11/08

THREE THOUSAND THREE HUNDRED SIXTY AND 06/100 *****

\$*****3,360.06

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

City of Georgetown
Office of City Clerk
100 Court St
Georgetown KY 40324

[Signature]
AUTHORIZED SIGNATURE

RWE GROUP

⑈ 62046312 ⑆ ⑆ 031202770 ⑆ 8013584806 ⑆

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034

RWE GROUP

City of Georgetown
Office of City Clerk
100 Court St
Georgetown KY 40324

Solutions for Business - 800-337-9050

COUNTY CLERK'S ASSESSMENT CERTIFICATE

FRYE PRINTING CO.

To City of Georgetown

The Following is the assessed value of the real estate, Tangible Personalty, and Franchise of the
Kentucky American Water Co Gary Akmentins
2300 Richmond Road Lexington, KY 40502 for
the year 2007 as certified to the Clerk of the Scott County Court by the Department of
Revenue. Same is for _____

TANGIBLE

MAKE CHECKS PAYABLE
& SEND TO:

CITY OF GEORGETOWN
OFFICE OF CITY CLERK
100 COURT STREET
GEORGETOWN, KY 40324

Mileage	state tax only Mfg. Machinery	Real estate (Including Franchise)	Personalty (including Franchise)
		5,756,939.00	2,867,826.00
		.049	.0188
		<u>\$ 2,820.90</u>	<u>\$ 539.16</u>

City of Georgetown

Balance Due \$ \$ 3,360.06

I, Jackie Covington Clerk of the Scott County Court, in the State of _____

Kentucky do hereby certify that the foregoing is a true and correct copy of the assessed value of the
Kentucky American Water Co as
appears from the records of my office.

Witness my hand this the 27th day of December 2007

Jackie Covington Clerk

Scott County, Ky.

By J Wagoner D.C.

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.

00141092 011008

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME

12 Kentucky AWW

REMARKS

Sadieville prop tax 07

Check No. - 62046316

Check Date - 01/11/08

Stub 1 of 1

INVOICE AMOUNT

820.57

820.57

HGF

Accr-Seal Patent 4,918,128 - 5,785,242 - 5,829,670

50060895 City of Sadieville

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046316

DATE 01/11/08

EIGHT HUNDRED TWENTY AND 57/100 *****

PAY TO THE
ORDER OF :

City of Sadieville
PO Box 129
Sadieville, KY 40370

\$*****820.57
VOID AFTER 90 DAYS

[Signature]
AUTHORIZED SIGNATURE



⑈ 62046316 ⑆ ⑆ 031202770 ⑆ 8013584806 ⑆

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



City of Sadieville
PO Box 129
Sadieville KY 40370

American Solutions for Business - 908-387-8050



CITY OF SADIEVILLE

INVOICE

P.O. Box 129, 605 Pike Street
 Sadieville, Kentucky 40370
 Phone: (502) 857-4576; Fax: (502) 857-4555
 Email: sadievilleky@bellsouth.net

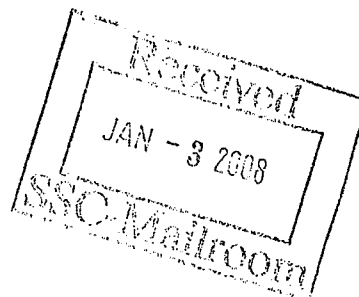
Invoice # 2007-1

Date: 12/31/07

BILL TO:
 Kentucky American Water Company
 ATTN: Gary Akmentins
 2300 Richmond Road
 Lexington, Kentucky 40502

DESCRIPTION			AMOUNT
PERSONALTY TAX (PAID WITHIN 60 DAYS)	23.64 per 100	30101 assessment	\$ 71.16
2% DISCOUNT IF PAID WITHIN 30 DAYS (BY DEC 20 TH)			\$ 69.73
5% PENALTY AFTER 60 DAYS			\$ 74.72
10% PENALTY AFTER 90 DAYS			\$ 78.28
FACE VALUE			\$ 71.16
TOTAL			\$ 71.16

Make all checks payable to: City of Sadieville. If you have inquiries, please call the City Clerk/Treasurer at (502) 857-4576.





CITY OF SADIEVILLE

INVOICE

P.O. Box 129, 605 Pike Street
 Sadieville, Kentucky 40370
 Phone: (502) 857-4576; Fax: (502) 857-4555
 Email: sadievilleky@bellsouth.net

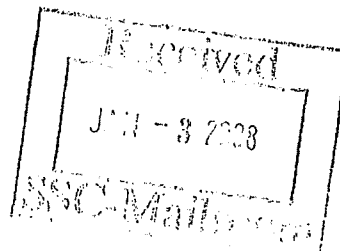
Invoice # 2007-1

Date: 12/31/07

BILL TO:
 Kentucky American Water Company
 ATTN: Gary Akmentins
 2300 Richmond Road
 Lexington, Kentucky 40502

DESCRIPTION			AMOUNT
REAL ESTATE TAX (PAID WITHIN 60 DAYS)	14.52 per 100	527663 assessment	\$ 766.17
2% DISCOUNT IF PAID WITHIN 30 DAYS (BY DEC 20 TH)			\$ 750.84
5% PENALTY AFTER 60 DAYS			\$ 804.48
10% PENALTY AFTER 90 DAYS			\$ 842.79
		FACE VALUE	\$ 766.17
		TOTAL	\$ 766.17

Make all checks payable to: City of Sadieville. If you have inquiries, please call the City Clerk/Treasurer at (502) 857-4576.



COUNTY CLERK'S ASSESSMENT CERTIFICATE

FRYE PRINTING CO.

To City of Sadieville

The Following is the assessed value of the real estate, Tangible Personalty, and Franchise of the Kentucky American Water co Gary Akmentins

2300 Richmond Road Lexington, KY 40502 for

the year 2007 as certified to the Clerk of the Scott County Court by the Department of Revenue. Same is for _____

TANGIBLE

Mileage	state tax only Mfg. Machinery	Real estate (Including Franchise)	Personalty (including Franchise)
City of Sadieville		527,663.00	30,101.00

I, Jackie Covington Clerk of the Scott County Court, in the State of Kentucky do hereby certify that the foregoing is a true and correct copy of the assessed value of the Kentucky American Water Co as appears from the records of my office.

Witness my hand this the 27th day of December 2007

Jackie Covington Clerk

Scott County, Ky.

By D. Whigener D.C.

RECEIVED
- 3 2008
Room

American Water

PO Box 5600
Cherry Hill, NJ 08034
INVOICE NO.

00141093 011008

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS

Woodford cnty prop tax

Check No. - 62046313
Check Date - 01/11/08
Stub 1 of 1

INVOICE AMOUNT
6,991.70

6,991.70

7007 0710 0003 8731 7045

12004112 WOODFORD COUNTY SHERIFF DEPT

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046313

DATE 01/11/08

SIX THOUSAND NINE HUNDRED NINETY ONE AND 70/100 *****

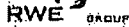
\$*****6,991.70

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

WOODFORD COUNTY SHERIFF DEPT
JOHN COYLE SHERIFF
103 SOUTH MAIN ST
VERSAILLES KY 40383

John M. Coyle
AUTHORIZED SIGNATURE



⑈ 62046313 ⑈ ⑆ 031202770 ⑆ 8013584806 ⑈

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



(WOODFORD COUNTY SHERIFF DEPT
JOHN COYLE SHERIFF
103 SOUTH MAIN ST
VERSAILLES KY 40383

Return Payment to: Sheriff Wayne Wright Woodford County 103 S. Main Street Versailles, Ky 40383		PUBLIC SERVICE COMPANY PROPERTY TAX STATEMENT		Bill No. _____	
		Assessment for 2007 Taxes		Date _____	
PAYMENT INSTRUCTIONS					
ADDRESS		This statement for public service company property taxes is due and payable 30 days after notice (KRS 136.050 (2)). No discount is allowable for early payment. If not paid within 30 days, a 10 percent penalty plus a 10 percent sheriff's add-on fee (KRS 134.430 (3)) of total tax and interest at the tax interest rate per KRS 131.183 per annum applies. Make payment to sheriff of county named on statement.			
Name Street		Kentucky American Water Cray AK Mentins 2306 Richmond Rd Lexington, Ky 40502-1308			
PROPERTY CLASS	Rate Per \$100 Value	Assessed Value	County Tax	School Tax	Special Tax
REAL EST RATE	County 0.0700 School 0.4800	927,928	\$649.55	\$4,454.05	
TANGIBLE RATE	County 0.0700 School 0.4970	82,125	\$57.49	\$408.16	
Library	0.0620	0.9870			\$1,057.71
Health	0.0200	0.0200			\$202.01
Extension	0.0155	0.0230			\$162.72
TOTALS BY TAXING DISTRICT			\$707.04	\$4,862.22	\$1,422.44
Signed _____		County Clerk		TOTAL TAX.....	\$6,991.69
Payment Received by _____		Sheriff		PENALTY (10 PERCENT OF TOTAL TAX IF NOT PAID WITHIN 30 DAYS	\$699.17
				(10 PERCENT SHERIFF'S ADD-ON	\$699.17
Date _____		BY _____ Deputy		INTEREST (THE TAX INTEREST RATE PER KRS 131.183 PER ANNUM IF NOT PAID WITHIN 30 DAYS	\$
882125		927928		TOTAL TAX, PENALTY & INTEREST	\$
If there is a question regarding this bill, please contact Corine Woolums, Woodford Co Clerk at (859) 873-3421					

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.
00142335 012208

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS
Clark County prop tax

Check No. - 62046542

Check Date - 01/22/08

Stub 1 of 1

INVOICE AMOUNT
12,933.94

12,933.94

7007 0710 0003 8731 7298

50124557 Sheriff

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046542

DATE 01/22/08

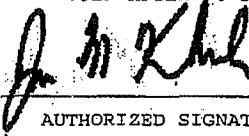
TWELVE THOUSAND NINE HUNDRED THIRTY THREE AND 94/100 *****

\$****12,933.94

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

Sheriff
Clark County Kentucky
PO Box 218
Winchester KY 40392-0218


AUTHORIZED SIGNATURE

⑈62046542⑈ ⑆031202770⑆ 8013584806⑈

American Water

PO Box 5600
Cherry Hill, NJ 08034

Sheriff
Clark County Kentucky
PO Box 218
Winchester KY 40392-0218

American Water

PO Box 5600
Cherry Hill, NJ 08034
INVOICE NO.

00136767 110707

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME

12 Kentucky AWW

REMARKS

KY Pers Prop Tax 2007

Check No. - 62045093

Check Date - 11/07/07

Stub 1 of 1

INVOICE AMOUNT

542,380.57

542,380.57

7007 0710 0003 8730 5424

12001072 Kentucky State Treasurer

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62045093

DATE 11/07/07

FIVE HUNDRED FORTY TWO THOUSAND THREE HUNDRED EIGHTY AND 57/100 *****

\$\$\$542,380.57

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

Kentucky State Treasurer
Kentucky Revenue Cabinet
Frankfort KY 40619-0007

[Handwritten Signature]
AUTHORIZED SIGNATURE



⑈ 62045093 ⑆ ⑆ 03 1202770 ⑆ 80 13584806 ⑆

American Water

PO Box 5600
Cherry Hill, NJ 08034



Kentucky State Treasurer
Kentucky Revenue Cabinet
Frankfort KY 40619-0007

Accep-Seal Patent 4,918,128 - 5,233,798 - 5,785,242 - 6,819,670

Accep-Seal Patent 4,918,128 - 5,233,798 - 5,785,242 - 6,819,670

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

NOTICE DATE 10/29/2007	ORIG NOTICE 10/15/2007	PERIOD 01/01/2007-12/31/2007	CASE 610485002035	TAX PUBLIC SERVICE COMPANY
NOTICE # 104387221	RETURN VAL# 00006080		TAXPAYER-ID 610485002	TAXPAYER NAME KENTUCKY AMERICAN WATER CO

FOR QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT:

JACK W THOMAS
DEPARTMENT OF REVENUE
STATION NUMBER 32
501 HIGH ST
FRANKFORT KY 40620

TEL: (502) 564-8175
FAX: (502) 564-8192
OFFICE HOURS: 8:00 A.M. TO 5:00 P.M. EASTERN TIME

EXPLANATION OF NOTICE

THE PUBLIC SERVICE COMPANY RETURN WAS RECEIVED AND THE
PROPERTY TAX DUE HAS BEEN CALCULATED. LOCAL PROPERTY
TAXES WILL BE BILLED SEPARATELY BY LOCAL JURISDICTIONS.
KRS 136.180(2)

TAX LIABILITY	TAX LIABILITY
	542,380.57
TOTAL LIABILITY	TOTAL LIABILITY
	542,380.57
TOTAL DUE	TOTAL AMOUNT OF TAX 542,380.57
	BALANCE DUE 542,380.57

<<<< EXPLANATION OF NOTICE CONTINUED ON NEXT PAGE >>>>

DETACH VOUCHER AND RETURN WITH PAYMENT. MAKE CHECK PAYABLE TO KENTUCKY STATE TREASURER.

NOTICE OF TAX DUE

00054238057	VALIDATING NUMBER 000006080	CASE NUMBER 610485002035
-------------	--------------------------------	-----------------------------

#BWNCSLW
#07ATK 1844 110032 3#

* TOTAL DUE AS OF: *
* 11/29/2007 *

\$542,380.57

KENTUCKY AMERICAN WATER CO
GARY AKMENTINS / THOMAS SPITZ
2300 RICHMOND RD
LEXINGTON KY 40502

ENTER AMOUNT PAID:

542,380.57

10A5009911 KENTUCKY DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

77777 610485002 6 035 104387221 5 00054238057 20071231 8

EXPLANATION OF NOTICE, CONTINUED
TAXPAYER ID: 610485002
NOTICE NUMBER: 104387221

PAGE 2

ANY PROTEST MUST BE IN WRITING, STATING REASONS, AND BE
FILED WITH THE DEPARTMENT OF REVENUE AT THE ADDRESS
LISTED ON YOUR NOTICE OF ASSESSMENT BY 11/29/2007 OR
YOU WILL LOSE ALL APPEAL RIGHTS

IMPORTANT REMINDER: INCLUDE YOUR TAXPAYER IDENTIFICATION
NUMBER, TYPE OF TAX, AND TAX PERIOD ON ANY PAYMENT OR
LETTER SENT TO THE DEPARTMENT OF REVENUE. THIS ENABLES THE
DEPARTMENT OF REVENUE TO CORRECTLY CREDIT YOUR ACCOUNT FOR
THE TAX PERIOD AND TYPE TAX FOR WHICH YOU INTENDED.

REPLY TO: JACK W THOMAS
DEPARTMENT OF REVENUE
STATION NUMBER 32
501 HIGH ST
FRANKFORT KY 40620

TEL: (502) 564-8175
FAX: (502) 564-8192
OFFICE HOURS: 8:00 A.M. TO 5:00 P.M. EASTERN TIME

=====
=====

American Water

PO Box 5600
Cherry Hill, NJ 08034

INVOICE NO.
00141179 011108

A/P Phone 1-866-777-8426 (Opt. 2,0,1,2)

COMPANY NO./NAME
12 Kentucky AWW

REMARKS
Owen cnty prop tax

Check No. - 62046314

Check Date - 01/11/08

Stub 1 of 1

INVOICE AMOUNT

322,536.69

322,536.69

7007 0710 0003 8731 7007

40001903 Zemer Hammon-Sheriff of Owen

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

American Water

PO Box 5600
Cherry Hill, NJ 08034

PNC BANK, NA
NEW JERSEY

55-277
312

NO. 62046314

DATE 01/11/08

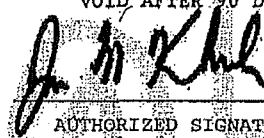
THREE HUNDRED TWENTY TWO THOUSAND FIVE HUNDRED THIRTY SIX AND 69/100 *****

\$***322,536.69

VOID AFTER 90 DAYS

PAY TO THE
ORDER OF :

Zemer Hammon-Sheriff of Owen County
PO Box 496
Owenton KY 40359



AUTHORIZED SIGNATURE



⑆62046314⑆ ⑆031202770⑆ 8013584806⑆

See Reverse Side For Easy Opening Instructions

American Water

PO Box 5600
Cherry Hill, NJ 08034



Zemer Hammon-Sheriff of Owen County
PO Box 496
Owenton KY 40359

Accu-Seal Patent 4,918,128 - 5,233,798 - 5,285,242 - 5,829,670

52684

Solutions for Business • 908-387-8030

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Michael A. Miller/Sheila A. Miller

40. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 9, and Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 9, in Case No. 2007-00143.¹ The 10-year average ratio of actual-to-budgeted capital construction ("slippage factors") for 1998² through 2007 is 123.401 percent for the Recurring Capital Expenditure Projects A-S, and 96.962 percent for the Investment Projects. Recalculate Kentucky-American's forecasted revenue requirement, rate base, and cost-of-service study as follows:
- a. Using the slippage factor of 123.401 percent, adjust all monthly Recurring Capital Expenditure Projects A-S expenditures beginning August 2008 through the end of the forecasted period.
 - b. Using the slippage factor of 96.962 percent, adjust all monthly Investment Project expenditures beginning August 2008 through the end of the forecasted period.
 - c. Provide all documents, state assumptions, and show all calculations used to determine the effect of the slippage factors to each forecasted element of revenue requirement, rate base, and cost-of-service study.

Response:

Please see attached for the exhibits and support documents.

	<u>Original filing</u>	<u>PSC Slippage</u>
Revenue Increase	\$18,494,634	\$18,636,579
Rate Base	305,544,471	304,002,867
Overall return	8.54%	8.56%
AFUDC	3,094,804	3,016,061
Property Taxes	3,113,602	3,132,750
Depreciation	7,901,661	8,041,877

For the electronic version, refer to KAW_R_PSCDR2#40_010809.pdf.

¹ Case No. 2007-00143, Adjustment of Rates of Kentucky-American Water Company (Ky. PSC Nov. 29, 2007), Response to Commission Staff's First Set of Information Requests, Item 9(a).

² Slippage Rate for 1998 was 99.51% for Recurring Capital Expenditures and 66.152% for Investment Projects.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WIP-1 (TOTAL COMPANY)

Line No.	Description	Supporting Schedule Reference	Forecast Jurisdictional Rev Req	Base Period Jurisdictional Rev Req
2				
3				
4	RATE BASE	B-1	\$304,002,567	\$244,120,784
5				
6	FORECASTED OPERATING INCOME AT CURRENT RATES	C-1	14,741,415	13,339,727
7				
8	EARNED RATE OF RETURN		4.85%	5.46%
9				
10	RATE OF RETURN	J-1	8.56%	7.93%
11				
12	REQUIRED OPERATING INCOME		26,022,645	19,358,778
13				
14	OPERATING INCOME DEFICIENCY		11,281,230	6,019,051
15				
16	GROSS REVENUE CONVERSION FACTOR	H-1	1,651,998	1,651,998
17				
18	REVENUE DEFICIENCY (1)		18,636,579	9,943,465
19				
20	ADJUSTED OPERATING REVENUES	C-1	62,161,689	59,470,621
21				
22	REVENUE REQUIREMENT		\$80,798,268	\$69,414,086
23				
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
RATE BASE SUMMARY
AS OF JANUARY 31, 2009

SCHEDULE B-1
PAGE 1 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Rate Base Component	Supporting Schedule Reference	Base Period
1			
2	Utility Plant In Service	B-2	\$373,677,218
3	Property Held for Future Use	B-2.6	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	29,364
5	Accumulated Depreciation	B-3	(92,726,883)
6			
7			
8			
9			
10	Net Utility Plant In Service		280,979,699
11			
12			
13			
14			
15	Construction Work in Progress	B-5	46,005,203
16	Working Capital Allowance	B-5	4,291,000
17	Other Working Capital Allowance	B-5	575,573
18	Contributions in Aid of Construction	B-6	(44,923,325)
19	Customer Advances	B-6	(14,030,864)
20	Deferred Income Taxes	B-6	(31,019,473)
21	Deferred Investment Tax Credits	B-6	(93,534)
22	Deferred Maintenance	W/P-1-10	1,833,038
23	Deferred Debits	W/P-1-11	2,013,859
24	Other Rate Base Elements	W/P-1-11	(1,510,392)
25			
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45	Jurisdictional Rate Base		
46			
47			
48			
49			
50			
			<u>\$244,120,784</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
RATE BASE SUMMARY
AS OF MAY 31, 2010

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD ___
TYPE OF FILING: ___ X ___ ORIGINAL ___ UPDATED ___ REVISED ___
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-1
PAGE 2 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

Line No.	Rate Base Component	Supporting Schedule Reference	End of Period Amount	13 Month Avg Forecasted Period Amount
2	Utility Plant In Service	B-2	\$401,769,240	\$391,763,448
3	Property Held for Future Use	B-2.6	0	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	11,963	18,488
5	Accumulated Depreciation	B-3	(102,506,926)	(98,649,616)
6	Net Utility Plant In Service		299,274,277	293,132,320
7	Construction Work in Progress	B-4 / W/P-1-4	132,751,948	98,411,051
8	Working Capital Allowance	B-5	4,278,000	4,278,000
9	Other Working Capital Allowance	B-5	575,573	575,573
10	Contributions in Aid of Construction	B-6	(47,099,174)	(45,762,726)
11	Customer Advances	B-6	(17,570,387)	(16,090,060)
12	Deferred Income Taxes	B-6	(34,245,669)	(34,156,249)
13	Deferred Investment Tax Credits	B-6	(87,154)	(83,326)
14	Deferred Maintenance	W/P-1-10	3,793,755	2,951,785
15	Deferred Debits	W/P-1-11	1,905,411	1,958,946
16	Other Rate Base Elements	W/P-1-11	(1,015,992)	(1,212,447)
17	Jurisdictional Rate Base		\$342,560,588	\$304,002,867

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PLANT IN SERVICE BY MAJOR GROUPING
AS OF JANUARY 31, 2009

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-2
PAGE 1 of 2
Witness Responsible: S.A. Miller

Line No.	Major Property Group	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	End of Period Adjusted Jurisdiction
1						
2						
3	Intangibles	\$ 615,926	100%	\$ 615,926	-	\$ 615,926
4						
5	Source of Supply	33,225,853		33,225,853	-	33,225,853
6						
7	Water Treatment	39,942,271		39,942,271	-	39,942,271
8						
9	Transmission anc	270,826,862		270,826,862	-	270,826,862
10						
11	General	29,066,306		29,066,306	-	29,066,306
12						
13	Completed Const	-		-	-	-
14						
15	Other	-		-	-	-
16						
17	Total	\$ 373,677,218		\$ 373,677,218	\$ -	\$ 373,677,218
18						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PLANT IN SERVICE BY MAJOR GROUPING
AS OF MAY 31, 2010

DATA: ___ BASE PERIOD ___ X_ FORECASTED PERIOD
TYPE OF FILING: ___ X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-2
PAGE 2 OF 2
Witness Responsible: S.A. Miller

Line No.	Major Property Group	Forecasted Period	Jurisdictional Percent	Jurisdictional	Adjustments	End of Period Adjusted Jurisdiction	13 Month Average
1	Intangibles	\$ 818,181	100%	\$ 818,181	-	\$ 818,181	\$ 733,414
2	Source of Supply	34,266,812		34,266,812	-	34,266,812	33,706,296
3	Water Treatment	40,053,332		40,053,332	-	40,053,332	40,000,046
4	Transmission anc	294,933,627		294,933,627	-	294,933,627	286,521,084
5	General	31,697,288		31,697,288	-	31,697,288	30,802,608
6	Completed Const	-		-	-	-	-
7	Other	-		-	-	-	-
8							
9							
10							
11							
12							
13							
14							
15		\$ 401,769,240		\$ 401,769,240	-	\$ 401,769,240	\$ 391,763,448
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2009

SCHEDULE B-2.1
PAGE 1 of 4
Witness Responsible: S.A. Miller

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WP-1

Line No.	Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction
2		<u>Intangible Plant</u>					
3		Organization	\$ 37,534		\$ 37,534	-	\$ 37,534
4	301	Franchise/Consents	70,261	100%	70,261	-	70,261
5	302	Other P/E Intangibles	8,375		8,375	-	8,375
6	3031	Other P/E Comprehensive Studies	499,756		499,756	-	499,756
7	3036	Total Intangibles	<u>\$ 615,926</u>		<u>\$ 615,926</u>	-	<u>\$ 615,926</u>
8		<u>Source of Supply and Pumping Plant</u>					
9		Land and Land Rights - SS	\$ 335,512		\$ 335,512	-	\$ 335,512
10	310	Structures and Improvements	2,637,041		2,637,041	-	2,637,041
11	311	Collecting and Impounding Reservoirs	1,012,457		1,012,457	-	1,012,457
12	312	Lake, River and Other Intakes	537,098		537,098	-	537,098
13	313	Wells and Springs	0		0	-	0
14	314	Supply Mains	5,138,874		5,138,874	-	5,138,874
15	316	Land and Land Rights - Pumping	91,827		91,827	-	91,827
16	320	Structures and Improvements	5,477,547		5,477,547	-	5,477,547
17	321	Other Power Production Equipment	791,800		791,800	-	791,800
18	323	Electric Pumping Equipment	15,608,879		15,608,879	-	15,608,879
19	325	Diesel Pumping Equipment	724,442		724,442	-	724,442
20	326	Other Pumping Equipment	870,376		870,376	-	870,376
21	328						
22							
23							
24							
25							
26		<u>Total Source of Supply & Pumping</u>	<u>\$ 33,225,853</u>		<u>\$ 33,225,853</u>	-	<u>\$ 33,225,853</u>
27		<u>Water Treatment Plant</u>					
28		Land and Land Rights	\$ 68,164		68,164	-	68,164
29	330	Structures and Improvements	8,719,623		8,719,623	-	8,719,623
30	331	Water Treatment Equipment	31,154,484		31,154,484	-	31,154,484
31	332	Water Treatment - GAC	-		-	-	-
32	334	Total Water Treatment	<u>\$ 39,942,271</u>		<u>\$ 39,942,271</u>	-	<u>\$ 39,942,271</u>
33		<u>Transmission and Distribution Plant</u>					
34		Land and Land Rights	\$ 4,034,999		\$ 4,034,999	-	\$ 4,034,999
35	340	T & D Structures and Improvements	831,753		831,753	-	831,753
36	341	Distribution Reservoirs and Standpipes	12,775,395		12,775,395	-	12,775,395
37	342	Transmission and Distribution Mains	172,738,898		172,738,898	-	172,738,898
38	343	Services	38,743,745		38,743,745	-	38,743,745
39	345	Meters	14,124,061		14,124,061	-	14,124,061
40	346	Meter Installations	15,801,323		15,801,323	-	15,801,323
41	347	Hydrants	11,776,689		11,776,689	-	11,776,689
42	348	Total Transmission and Distribution	<u>\$ 270,826,862</u>		<u>\$ 270,826,862</u>	-	<u>\$ 270,826,862</u>
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CASE NO: 2008-00427
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2009

SCHEDULE B-2.1
PAGE 2 of 4
Witness Responsible: S.A. Miller

DATA: X_BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X_ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WP-1

Line No.	Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction
2							
3		General Plant					
4	3892	Stores Shop & Garage Land	\$ -		\$ -		\$ -
5	390	Structures and Improvements	7,475,160		7,475,160		7,475,160
6	391	Office Furniture and Equipment	9,477,512		9,477,512		9,477,512
7	392	Transportation Equipment	3,673,575		3,673,575		3,673,575
8	393	Stores Equipment	33,927		33,927		33,927
9	394	Tools, Shop and Garage Equipment	2,191,123		2,191,123		2,191,123
10	395	Laboratory Equipment	1,011,670		1,011,670		1,011,670
11	396	Power Operated Equipment	1,592,421		1,592,421		1,592,421
12	397	Communication Equipment	2,195,842		2,195,842		2,195,842
13	398	Miscellaneous Equipment	1,276,591		1,276,591		1,276,591
14	399	Other Tangible Property	138,485		138,485		138,485
15							
16		Total General	<u>\$ 29,066,306</u>		<u>\$ 29,066,306</u>	<u>\$ -</u>	<u>\$ 29,066,306</u>
17							
18							
19							
20		Total Utility Plant in Service	<u>\$ 373,677,218</u>		<u>\$ 373,677,219</u>	<u>\$ -</u>	<u>\$ 373,677,219</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF JANUARY 31, 2009

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-2.2
PAGE 1 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

Line No.	Acct No.	Account Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference Number	Description/Purpose of Adjustment
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Not Applicable

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF MAY 31, 2010

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

SCHEDULE B-2.2
PAGE 2 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

Line No.	Acct No.	Account Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference Number	Description/Purpose of Adjustment
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Not Applicable

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY MERGED OR ACQUIRED
AS OF JANUARY 31, 2009

SCHEDULE B-2.4
PAGE 1 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

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

Line No.	Acct No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date	Explanation of Treatment
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NOT APPLICABLE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY MERGED OR ACQUIRED
AS OF MAY 31, 2010

SCHEDULE B-2.4
PAGE 2 OF 2
Witness Responsible: S.A. Miller / L. Bridwell

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

Line No.	Acct No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date	Explanation of Treatment
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NOT APPLICABLE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
LEASED PROPERTY
AS OF JANUARY 31, 2009

SCHEDULE B-2.5
PAGE 1 OF 2
Witness Responsible: L. Bridwell

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

Line No.	Identification or Ref No.	Description and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property	Explain Method of Capitalization
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KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427
LEASED PROPERTY
AS OF MAY 31, 2010

SCHEDULE B-2.5
PAGE 2 OF 2
Witness Responsible: L. Bridwell

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

Line No.	Identification or Ref No.	Description and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property	Explain Method of Capitalization
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KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF JANUARY 31, 2009

SCHEDULE B-2.6
PAGE 1 OF 2
Witness Responsible: S.A. Miller

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

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized		Expenses Incurred	
						Amount	Acct No.	Amount	Acct No.
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NOT APPLICABLE IN THIS RATE CASE.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF MAY 31, 2010

SCHEDULE B-2.6
PAGE 2 OF 2
Witness Responsible: S.A. Miller

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

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized		Expenses Incurred	
						Amount	Acct No.	Amount	Acct No.
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NOT APPLICABLE IN THIS RATE CASE.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY EXCLUDED FROM RATE BASE
AS OF JANUARY 31, 2009

SCHEDULE B-2.7
PAGE 1 OF 2
Witness Responsible: S.A. Miller

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

Line No.	Acct. No.	Description	In-Service Date	Original Cost	Accumulated Depreciation	Net Original Cost	Period Revenue and Expenses		Reasons for Exclusion
							Amount	Acct No. Description	
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NONE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PROPERTY EXCLUDED FROM RATE BASE
AS OF MAY 31, 2010

SCHEDULE B-2.7
PAGE 2 OF 2
Witness Responsible: S.A. Miller

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

Line No.	Acct. No.	Description	In-Service Date	Original Cost	Accumulated Depreciation	Net Original Cost	Period Revenue and Expenses		Reasons for Exclusion
							Amount	Acct No. Description	
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NONE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2008

DATA: X_BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X_ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WP-1-3

SCHEDULE B-3
PAGE 1 of 4
Witness Responsible: S.A. Miller

Line No.	Acct No.	Account Title	Base Period Total Company	Jurisdictional Percent	Accumulated Reserve Balances Jurisdictional Total	Adjustments	Adjusted Jurisdiction
2							
3	301	Intangible Plant	\$ 37,534		\$ -	\$ -	\$ -
4	302	Organization	70,261		-	-	0
5	3031	Franchise/Consents	8,375	100%	836		836
6	3036	Other P/E Intangibles	499,756		44,308		44,308
7		Other P/E Comprehensive Studies					
8		Total Intangibles	615,926		45,144		45,144
9							
10		Source of Supply and Pumping Plant					
11	310	Land and Land Rights - SS	\$ 335,512		\$ -	\$ -	\$ -
12	311	Structures and Improvements	2,637,041		72,765		72,765
13	312	Collecting and Impounding Reservoirs	1,012,457		346,615		346,615
14	313	Lake, River and Other Intakes	537,098		41,411		41,411
15	314	Wells and Springs	0		0		0
16	316	Supply Mains	5,138,874		1,075,127		1,075,127
17	320	Land and Land Rights - Pumping	91,827		0		0
18	321	Structures and Improvements	5,477,547		1,737,339		1,737,339
19	323	Other Power Production Equipment	791,800		315,830		315,830
20	325	Electric Pumping Equipment	15,608,879		3,272,393		3,272,393
21	326	Diesel Pumping Equipment	724,442		340,690		340,690
22	328	Other Pumping Equipment	870,376		10,251		10,251
23	3541	Collection System Structures - Sewer	-		-		-
24	3711	Electric Pumping Equipment - Sewer	-		-		-
25							
26		Total Source of Supply & Pumping	33,225,853		7,212,421		7,212,421
27							
28		Water Treatment Plant					
29	330	Land and Land Rights	\$ 68,164		\$ -	\$ -	\$ -
30	331	Structures and Improvements	8,719,623		89,769		89,769
31	332	Water Treatment Equipment	31,154,484		14,309,208		14,309,208
32	334	Water Treatment - GAC	-		-		-
33							
34		Total Water Treatment	39,942,271		14,398,977		14,398,977
35							
36		Transmission and Distribution Plant					
37	340	Land and Land Rights	\$ 4,034,999		\$ -	\$ -	\$ -
38	341	T & D Structures and Improvements	831,753		505,618		505,618
39	342	Distribution Reservoirs and Standpipes	12,775,395		3,195,076		3,195,076
40	343	Transmission and Distribution Mains	172,738,898		26,843,394		26,843,394
41	345	Services	38,743,745		15,233,322		15,233,322
42	346	Meters	14,124,061		1,444,163		1,444,163
43	347	Meter Installations	15,801,323		4,260,746		4,260,746
44	348	Hydrants	11,776,689		2,959,828		2,959,828
45							
46		Total Transmission and Distribution	270,826,862		54,442,147		54,442,147
47							
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2008

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD ___
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-3

SCHEDULE B-3
PAGE 2 of 4
Witness Responsible: S.A. Miller

Line No.	Acct No.	Account Title	Base Period		Jurisdictional Percent	Accumulated Reserve Balances		Adjusted Jurisdiction
			Total Company	Total Company		Jurisdictional Total	Adjustments	
2								
3								
4	389.2	General Plant						
5	390	Stores Shop & Garage Land	\$ 7,475,160	\$ 1,544,222		\$ 1,544,222	\$ -	\$ 1,544,222
6	391	Structures and Improvements	9,477,512	8,501,515		8,501,515	-	8,501,515
7	392	Office Furniture and Equipment	3,673,575	2,630,781		2,630,781	-	2,630,781
8	393	Transportation Equipment	33,927	31,306		31,306	-	31,306
9	394	Stores Equipment	2,191,123	764,763	100%	764,763	-	764,763
10	395	Tools, Shop and Garage Equipment	1,011,670	738,159		738,159	-	738,159
11	396	Laboratory Equipment	1,592,421	895,834		895,834	-	895,834
12	397	Power Operated Equipment	2,195,842	777,418		777,418	-	777,418
13	398	Communication Equipment	1,276,591	426,094		426,094	-	426,094
14	399	Miscellaneous Equipment	138,485	318,102		318,102	-	318,102
15		Other Tangible Property						
16		BWA Acquisition						
17		Total General	29,066,306	16,628,194		16,628,194	-	16,628,194
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		Total Utility Plant in Service	\$373,677,218	\$92,726,883		\$92,726,883	-	\$92,726,883

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2008

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

SCHEDULE B-3.1
PAGE 1 OF 2
Witness Responsible: S.A. Miller

Line No.	Adjustment Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
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NONE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
FEBRUARY 1, 2009 TO MAY 31, 2010

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

SCHEDULE B-3.1
PAGE 2 OF 2
Witness Responsible: S.A. Miller

Line No.	Adjustment Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
1						
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NONE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
AS OF JANUARY 31, 2008

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD ___
TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED ___
WORKPAPER REFERENCE NO(S): WIP - 1-3

SCHEDULE B-3.2
PAGE 2 OF 4
Witness Responsible: S.A. Miller

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390.1	Office Structures	4,501,432	929,908	2.01%	90,479	-5%	39.2	R2.5
5	390.2	Stores, Shop & Garage Structures	1,018,771	210,458	2.33%	23,737	0%	32.6	R3
6	390.3	Misc Structures	1,954,957	403,856	4.19%	81,913	0%	21.2	R1.5
7	391.1	Office Furniture	2,676,518	2,400,889	7.48%	200,204	0%	4.8	SQ
8	391.2	Mainframe Computer & Periph Equipment	63,922	57,339	8.04%	5,139	0%	4.5	SQ
9	391.21	Personal Computer & Periph Equipment	881,035	790,306	9.52%	83,875	0%	2.1	SQ
10	391.22	Other Office Machines and Equipment	210,383	188,718	17.49%	36,796	0%	0.0	SQ
11	391.25	Mainframe Software	4,553,519	4,084,596	6.87%	312,827	0%	2.5	SQ
12	391.26	Personal Computer Software	349,991	313,949	0.00%	-	0%	0.0	SQ
13	391.28	Other Software	636,859	571,275	18.00%	114,635	0%	1.0	SQ
14	391.3	Other Office	105,285	94,443	7.17%	7,549	0%	5.1	SQ
15	392.11	Transportation Equipment - Light Trucks	1,862,922	1,334,106	7.22%	134,503	20%	7.1	S2.5
16	392.12	Transportation Equipment - Heavy Trucks	1,114,239	797,947	6.48%	72,203	15%	8.1	S2.5
17	392.2	Transportation Equipment - Cars	347,015	248,510	10.90%	37,825	15%	3.2	R4
18	392.3	Other Transportation Equipment	349,399	250,217	6.39%	22,327	0%	13.7	L2.5
19	393	Stores Equipment	33,927	31,306	5.18%	1,757	0%	5.6	SQ
20	394	Tools, Shop, and Garage Equipment	2,191,123	764,763	5.67%	124,237	0%	12.2	SQ
21	395	Laboratory Equipment	1,011,670	738,159	7.10%	71,829	0%	7.4	SQ
22	396	Power Operated Equipment	1,592,421	895,834	4.45%	70,863	25%	12.5	L2.5
23	397	Communication Equipment	2,124,456	752,144	6.12%	130,017	0%	7.7	SQ
24	397.1	Communication Equipment	71,386	25,274	6.12%	4,369	0%	7.7	SQ
25	397.2	Communication Equipment	-	-	6.12%	-	0%	7.7	SQ
26	398	Misc Equipment	1,276,591	426,094	5.23%	66,766	0%	14.8	SQ
27	399	Other Tangible Property	138,485	318,102	5.55%	7,686	0%	10.8	SQ
28		BWA Acquisition							
29									
30									
31			\$311,505,577	\$92,726,882		\$7,610,975			
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Adjusted jurisdiction plant investment represents UPS net of Non-Depreciable Plant and Contributions In Aid of Construction.
Current depreciation rates based on rates approved by the Commission in Case No. 2007-00143

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-3.2
PAGE 4 OF 4
Witness Responsible: S.A. Miller

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

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390.1	Office Structures	4,511,272	1,086,792	2.01%	90,677	-5%	39.2	R2.5
5	390.2	Stores, Shop & Garage Structures	1,018,771	245,428	2.33%	23,737	0%	32.6	R3
6	390.3	Misc Structures	1,954,957	470,961	4.19%	81,913	0%	21.2	R1.5
7	391.1	Office Furniture	3,474,511	3,192,021	7.48%	259,893	0%	4.8	SQ
8	391.2	Mainframe Computer & Periph Equipment	18,921	17,383	8.04%	1,521	0%	4.5	SQ
9	391.21	Personal Computer & Periph Equipment	921,876	846,924	9.52%	87,763	0%	2.1	SQ
10	391.22	Other Office Machines and Equipment	210,383	193,278	17.49%	36,796	0%	0.0	SQ
11	391.25	Mainframe Software	4,553,519	4,183,302	6.87%	312,827	0%	2.5	SQ
12	391.26	Personal Computer Software	349,991	321,535	0.00%	-	0%	0.0	SQ
13	391.28	Other Software	636,859	585,080	18.00%	114,635	0%	1.0	SQ
14	391.3	Other Office Equipment	105,285	96,725	7.17%	7,549	0%	5.1	SQ
15	392.11	Transportation Equipment - Light Trucks	1,836,133	1,260,064	7.22%	132,569	20%	7.1	S2.5
16	392.12	Transportation Equipment - Heavy Trucks	1,096,863	752,733	6.48%	71,077	15%	8.1	S2.5
17	392.2	Transportation Equipment - Cars	470,417	322,828	10.90%	51,275	15%	3.2	R4
18	392.3	Other Transportation Equipment	614,712	421,852	6.39%	39,280	0%	13.7	L2.5
19	393	Stores Equipment	33,927	33,643	5.18%	1,757	0%	5.6	SQ
20	394	Tools, Shop, and Garage Equipment	3,011,074	884,715	5.67%	170,728	0%	12.2	SQ
21	395	Laboratory Equipment	1,453,542	854,502	7.10%	103,201	0%	7.4	SQ
22	396	Power Operated Equipment	1,592,421	990,314	4.45%	70,863	25%	12.5	L2.5
23	397	Communication Equipment	2,124,456	848,690	6.12%	130,017	0%	7.7	SQ
24	397.1	Communication Equipment	282,322	116,779	6.12%	17,890	0%	7.7	SQ
25	397.2	Communication Equipment	-	-	6.12%	-	0%	7.7	SQ
26	398	Misc Equipment	1,276,591	515,118	5.23%	66,766	0%	14.8	SQ
27	399	Other Tangible Property	138,485	328,343	5.55%	7,686	0%	10.8	SQ
28		BIWA Acquisition							
29									
30			\$335,604,428	\$102,506,927		\$8,274,612			
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Adjusted jurisdiction plant investment represents UPS net of Non-Depreciable Plant and Contributions In Aid of Construction.
Current depreciation rates based on rates approved by the Commission in Case No. 2007-00143

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
CONSTRUCTION WORK IN PROGRESS
AS OF JANUARY 31, 2009

SCHEDULE B-4
PAGE 1 OF 2
Witness Responsible: L. Bridwell

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WIP-1-4

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1						\$310,101	100%	\$310,101	NA
2	DV	Mains	\$310,101	-	-	\$310,101	100%	\$310,101	NA
3	DV	Services	-	-	-	-	-	-	NA
4	DV	Meter Installations	-	-	-	-	-	-	NA
5	DV	Hydrants	-	-	-	-	-	-	NA
6	A	Mains - New	17,698	1,653	-	19,351	-	19,351	NA
7	B	Mains - Planned Replacement / Restored	58,021	3,680	-	61,701	-	61,701	NA
8	C	Mains - Unschedule Replacements	(917)	917	-	-	-	-	NA
9	D	Mains - Relocation	59,325	2,377	-	61,702	-	61,702	NA
10	E	Hydrants, Valves, and Manholes - New	7,349	1,005	-	8,354	-	8,354	NA
11	F	Hydrants, Valves, and Manholes - Replaced	(478)	478	-	-	-	-	NA
12	G	Services and Laterals - New	24,804	-	-	24,804	-	24,804	NA
13	H	Services and Laterals - Replaced	82,875	-	-	82,875	-	82,875	NA
14	I	Meters New	98,318	-	-	98,318	-	98,318	NA
15	J	Meter - Replaced	80,520	-	-	80,520	-	80,520	NA
16	K	ITS Equipment and Systems	-	-	-	-	-	-	NA
17	L	SCADA Equipment and Systems	-	-	-	-	-	-	NA
18	M	Security Equipment and System	-	-	-	-	-	-	NA
19	N	Offices and Operations Centers	111,060	-	-	111,060	-	111,060	NA
20	O	Vehicles	-	-	-	-	-	-	NA
21	P	Tools and Equipment	2,467	-	-	2,467	-	2,467	NA
22	Q	Process Plant Facilities and Equipment	37,952	-	-	37,952	-	37,952	NA
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-	-	-	NA
24	S	Engineering Studies	(2,125)	2,126	-	1	-	1	NA
25	1202-5	Rep N Broadway Water Line	628,161	12,417	-	640,578	-	640,578	0.38%
26	1202-6	US 460 Main Extension	1,312,418	21,337	-	1,333,755	-	1,333,755	50.87%
27	12020204	Development-Reg SOS Solution	1,819,447	75,928	-	1,895,375	-	1,895,375	94.78%
28	12020607	Ins WTR TRT PLT KY River Pool 3	39,426,953	1,507,276	-	40,934,229	-	40,934,229	26.09%
29	12020701	Ins Incline Chain (Replacements)	292,313	9,747	-	302,060	-	302,060	31.02%
30	12020402	Major highway relocations	(39,895)	39,895	-	-	-	-	100.00%
31	12020508	KY Reliability Improvements	(410,083)	410,083	-	-	-	-	100.00%
32	IP-1232-1	Owenton Bulk Storage Design	(13,747)	13,747	-	-	-	-	100.00%
33	12020505	Replace Trac-Vac System	(234)	234	-	-	-	-	100.00%
34	12020506	Sludge Handling Improvement	(195)	195	-	-	-	-	100.00%
35	12020702	Major Highway Relocations	(24,506)	24,506	-	-	-	-	100.00%
36	12020602	Ins 8' DI Yarnallton Road Ext.	(5,358)	5,358	-	-	-	-	54.30%
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						\$43,872,244	\$2,132,959	\$46,005,203	
						\$310,101	100%	\$310,101	
						\$46,005,203		\$46,005,203	

Note: Budget Projects: DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
CONSTRUCTION WORK IN PROGRESS
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-4
PAGE 2 OF 2
Witness Responsible: L. Bridwell

DATA: BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WIP-1-4

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1						\$779,592	100%	\$779,592	N/A
2	DV	Mains	\$779,592	\$0		\$779,592			N/A
3	DV	Services	-	-	-	-			N/A
4	DV	Meter Installations	-	-	-	-			N/A
5	DV	Hydrants	-	-	-	-			N/A
6	A	Mains - New	10,466	4,953	-	15,419		15,419	N/A
7	B	Mains - Planned Replacement / Restored	105,357	8,786	-	114,143		114,143	N/A
8	C	Mains - Unschedule Replacements	9,061	2,092	-	11,153		11,153	N/A
9	D	Mains - Relocation	102,273	8,786	-	111,059		111,059	N/A
10	E	Hydrants, Valves, and Manholes - New	33,846	1,702	-	35,548		35,548	N/A
11	F	Hydrants, Valves, and Manholes - Replaced	17,455	1,333	-	18,788		18,788	N/A
12	G	Services and Laterals - New	107,658	-	-	107,658		107,658	N/A
13	H	Services and Laterals - Replaced	116,288	-	-	116,288		116,288	N/A
14	I	Meters New	67,045	-	-	67,045		67,045	N/A
15	J	Meter - Replaced	256,351	-	-	256,351		256,351	N/A
16	K	ITS Equipment and Systems	21,917	-	-	21,917		21,917	N/A
17	L	SCADA Equipment and Systems	-	-	-	-		-	N/A
18	M	Security Equipment and System	-	-	-	-		-	N/A
19	N	Offices and Operations Centers	13,162	-	-	13,162		13,162	N/A
20	O	Vehicles	4,571	-	-	4,571		4,571	N/A
21	P	Tools and Equipment	67,870	-	-	67,870		67,870	N/A
22	Q	Process Plant Facilities and Equipment	64,156	-	-	64,156		64,156	N/A
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-		-	N/A
24	S	Engineering Studies	3,448	1,241	-	4,689		4,689	N/A
25	1202-5	Rep N Broadway Water Line	(9,533)	9,533	-	-		-	100.00%
26	1202-6	US 460 Main Extension	-	-	-	-		-	100.00%
27	12020204	Development-Reg SOS Solution	1,805,305	156,366	-	1,961,671		1,961,671	98.20%
28	12020607	Ins WTR TRT PLT KY River Pool 3	124,880,352	2,751,904	-	127,632,256		127,632,256	81.94%
29	12020701	Ins Incline Chain (Replacement)	(24,199)	24,199	-	-		-	100.00%
30	12020402	Major highway relocations	-	-	-	-		-	100.00%
31	12020508	KY Reliability Improvements	-	-	-	-		-	100.00%
32	IP-1232-1	Owenton Bulk Storage Design	-	-	-	-		-	100.00%
33	12020505	Replace Trac-Vac System	-	-	-	-		-	100.00%
34	12020506	Sludge Handling Improvement	-	-	-	-		-	100.00%
35	12020702	Major Highway Relocations	(25,323)	25,323	-	-		-	79.20%
36	12020602	Ins 8' DI Yarnallton Road Ext.	-	-	-	-		-	100.00%
37	12020501	Ground Storage Tank	1,328,769	19,843	-	1,348,612		1,348,612	62.45%
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\$129,735,887

\$3,016,061

\$0

\$132,751,948

\$132,751,948

Note: Budget Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE
AS OF JANUARY 31, 2009

SCHEDULE B-4.1
PAGE 1 OF 2
Witness Responsible: L. Bridwell

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1-4

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	DV	NA	NA	NA	NA	NA	310,101	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	-	NA
6	A	NA	NA	NA	NA	NA	19,351	NA
7	B	NA	NA	NA	NA	NA	61,701	NA
8	C	NA	NA	NA	NA	NA	-	NA
9	D	NA	NA	NA	NA	NA	61,702	NA
10	E	NA	NA	NA	NA	NA	8,354	NA
11	F	NA	NA	NA	NA	NA	-	NA
12	G	NA	NA	NA	NA	NA	24,804	NA
13	H	NA	NA	NA	NA	NA	82,875	NA
14	I	NA	NA	NA	NA	NA	98,318	NA
15	J	NA	NA	NA	NA	NA	80,520	NA
16	K	NA	NA	NA	NA	NA	-	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	-	NA
20	O	NA	NA	NA	NA	NA	-	NA
21	P	NA	NA	NA	NA	NA	2,467	NA
22	Q	NA	NA	NA	NA	NA	37,952	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	1	NA
25	1202-5	Apr-08	Jul-09	62.50%	2,850,037	2,770,076	640,578	23.12%
26	1202-6	May-08	Jun-09	64.29%	2,700,000	2,700,000	1,333,755	49.40%
27	12020204	Apr-02	Nov-10	80.77%	600,000	2,000,000	1,895,375	94.77%
28	12020607	Aug-06	Nov-10	61.54%	139,528,531	160,098,063	40,934,229	25.57%
29	12020701	Dec-07	Dec-09	54.17%	1,149,793	1,181,960	302,060	25.56%
30	12020402	NA	NA	NA	700,000	3,178,618	-	0.00%
31	12020508	Jan-06	Dec-08	100.00%	5,000,000	7,407,332	-	0.00%
32	IP-1232-1	Apr-08	Jan-09	100.00%	824,804	936,758	-	0.00%
33	12020505	Nov-05	Dec-08	100.00%	749,000	1,277,875	-	0.00%
34	12020506	Jan-06	Nov-08	100.00%	2,000,000	2,196,412	-	0.00%
35	12020702	Mar-07	Dec-10	50.00%	2,408,191	2,480,731	-	0.00%
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					\$158,510,356	\$186,227,825	\$46,005,203	

Note: Investment Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as three months.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-4.1
PAGE 2 OF 2
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-4

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	DV	NA	NA	NA	NA	NA	\$779,592	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	-	NA
6	A	NA	NA	NA	NA	NA	15,419	NA
7	B	NA	NA	NA	NA	NA	114,143	NA
8	C	NA	NA	NA	NA	NA	11,153	NA
9	D	NA	NA	NA	NA	NA	111,059	NA
10	E	NA	NA	NA	NA	NA	35,548	NA
11	F	NA	NA	NA	NA	NA	18,788	NA
12	G	NA	NA	NA	NA	NA	107,658	NA
13	H	NA	NA	NA	NA	NA	116,288	NA
14	I	NA	NA	NA	NA	NA	67,045	NA
15	J	NA	NA	NA	NA	NA	256,351	NA
16	K	NA	NA	NA	NA	NA	21,917	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	13,162	NA
20	O	NA	NA	NA	NA	NA	4,571	NA
21	P	NA	NA	NA	NA	NA	67,870	NA
22	Q	NA	NA	NA	NA	NA	64,156	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	4,689	NA
25	1202-5	Apr-08	Jul-09	100.00%	2,850,037	2,770,076	-	0.00%
26	1202-6	May-08	Jun-09	100.00%	2,700,000	2,700,000	-	0.00%
27	12020204	Apr-02	Nov-10	94.23%	600,000	2,000,000	1,961,671	98.08%
28	12020607	Aug-06	Nov-10	88.46%	139,528,531	160,098,063	127,632,256	79.72%
29	12020701	Dec-07	Dec-09	100.00%	1,149,793	1,181,960	-	0.00%
30	12020402	NA	NA	100.00%	2,169,181	3,178,618	-	0.00%
31	12020508	Jan-06	Dec-08	100.00%	5,000,000	7,407,332	-	0.00%
32	IP-1232-1	Apr-08	Jan-09	100.00%	824,804	936,758	-	0.00%
33	12020505	Nov-05	Dec-08	100.00%	749,000	1,277,875	-	0.00%
34	12020506	Jan-06	Nov-08	100.00%	1,198,000	2,196,412	-	0.00%
35	12020702	Mar-07	Dec-10	84.78%	2,408,191	2,480,731	-	NA
36	12020602	Jul-06	Dec-08	100.00%	200,000	329,610	-	0.00%
37	12020501	Oct-09	Dec-10	53.33%	1,750,000	1,750,000	1,348,612	77.06%
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\$132,751,948

\$161,127,537 \$188,307,435

Note: Investment Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ALLOWANCE FOR WORKING CAPITAL
AS OF JANUARY 31, 2009

SCHEDULE B-5
PAGE 1 OF 2
Witness Responsible: S.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH 5.1/5.2

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1						
2						
3	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$4,291,000	100.00%	\$4,291,000
4						
5						
6						
7	Materials and Supplies	13 Month Average Balance	B-5.1	\$575,573	100.00%	\$575,573
8						
9						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ALLOWANCE FOR WORKING CAPITAL
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-5
PAGE 2 OF 2
Witness Responsible: S.A. Miller

DATA: ___ BASE PERIOD ___ X_ FORECASTED PERIOD
TYPE OF FILING: ___ X_ ORIGINAL ___ X_ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH 5.1/5.2

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1						
2						
3						
4						
5						
6	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$4,278,000	100.00%	\$4,278,000
7						
8						
9						
10	Materials and Supplies	13 Month Average Balance	B-5.1	\$575,573	100.00%	\$575,573
11						
12						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL COMPONENTS
AS OF JANUARY 31, 2009

SCHEDULE B-5.1
PAGE 1 OF 2
Witness Responsible: S.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1-6

Line No.	Description	Total Company	13 - Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
1							
2							
3	Materials and Supplies						
4							
5							
6	Plant Materials	\$419,912	100.00%	\$419,912	\$	100.00%	\$419,912
7							
8	Chemicals	155,661		155,661	155,661		155,661
9							
10		\$575,573		\$575,573	\$575,573		\$575,573
11							
12							
13							
14							
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL COMPONENTS
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-5.1
PAGE 2 OF 2
Witness Responsible: S.A. Miller

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-6

Line No.	Description	Total Company	13 - Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
1							
2							
3							
4							
5							
6	Materials and Supplies						
7							
8							
9	Plant Materials	\$419,912	100.00%	\$419,912	\$419,912	100.00%	\$419,912
10							
11	Chemicals	155,661		155,661	155,661		155,661
12							
13							
14							
15							
16							
17							
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
AS OF JANUARY 31, 2009

SCHEDULE B-5.2
PAGE 1 OF 6
Witness Responsible: S.A. Miller

DATA: X BASE PERIOD ___ FORECASTED PERIOD ___
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED ___
WORKPAPER REFERENCE NO(S): Sch 5.2

Line No.	Description	Days	Amount
1			
2			
3	Total Operating Funds		<u>\$67,809,642</u>
4			
5	Average Daily Operating Funds		185,780
6			
7	Composite Average Days Interval Between:		
8			
9		42.53	
10			
11	(A) Date Service Furnished and Date Collections Deposited		
12		19.43	
13	(B) Date Expenses Incurred and Date of Payment		
14		23.10	
15	(C) Net Interval		
16			<u>\$4,290,864</u>
17	Total Working Capital		
18			
19	Use		<u>\$4,291,000</u>
20			
21			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
AS OF JANUARY 31, 2009

SCHEDULE B-5.2
PAGE 2 OF 6
Witness Responsible: S.A. Miller

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

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1				
2				
3	Payrolls Charged to Expense - Union/ATS Group	\$4,503,126	12.00	\$54,037,512
4	Payrolls Charged to Expense - Salaried	2,127,016	12.00	25,524,192
5	Fuel, Power and Electric	2,958,624	26.96	79,764,503
6	Chemicals	1,654,395	6.65	11,001,727
7	Service Company Charges	7,670,470	0.40	3,068,188
8	Group Insurance	1,174,852	(6.81)	(8,000,742)
9	Opex	643,497	23.13	14,884,086
10	Pensions	600,317	(5.50)	(3,301,744)
11	Insurance Other than Group	565,537	(44.70)	(25,279,504)
12	Transportation Expense	617,379	13.56	8,371,659
13	Rents	34,970	18.39	643,098
14	Telephone Expense	185,274	10.31	1,910,175
15	Postage Expense	553,426	23.47	12,988,908
16	Stock E	100,242	28.03	2,809,791
17	Maintenance Expense	1,163,615	18.54	21,573,422
18	Amortization	13,051	0.00	-
19	Uncollectibles	502,078	0.00	-
20	Waste Disposal	254,519	25.97	6,609,858
21	Other Operating Expenses	3,584,354	24.44	87,601,609
22	Total O & M Expenses	28,906,742		294,206,738
23				
24				
25	Depreciation and Amortization	8,335,535	0.00	-
26	Taxes, Other than Income			
27	Payroll - FUTA	529	69.86	36,956
28	Payroll - SUTA	2,635	75.14	197,994
29	Payroll - FICA	529,227	15.00	7,938,405
30	Other	2,732,690	70.95	193,884,356
31	Income Taxes - Current - SIT	517,861	52.75	27,317,168
32	Income Taxes - Current - FIT	2,939,576	30.13	88,569,425
33	Deferred Income Taxes	2,179,150	0.00	0
34	Interest Expense - Long - Term Debt	5,582,673	119.64	667,910,939
35	Interest Expense - Short - Term Debt	1,187,284	14.60	17,334,345
36	Preferred Dividends	427,916	46.40	19,855,287
37	Net Income	14,467,825	0.00	-
38	Net Operating Funds	\$67,809,642		\$1,317,251,613
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			19.43
42				
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
AS OF JANUARY 31, 2009

SCHEDULE B-5.2
PAGE 3 OF 6
Witness Responsible: S.A. Miller

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

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5	\$52,725,424	15.21	\$801,953,696
6	2,268,987	34.54	78,370,811
7	3,602,207	(15.26)	(54,969,679)
8			
9	<u>58,596,618</u>		<u>\$825,354,828</u>
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Monthly - Arrears Full Bills			
Other Revenues			
Fire Service			
Total			
Average Median Service Days		14.09	
Number of Days between the Reading Date and the Billing Date		4.17	
Number of Days between the Billing Date and the Date the Bills are Paid		24.27	
Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received		42.53	

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
FEBRUARY 1, 2009 TO MAY 31, 2010

SCHEDULE B-5.2
PAGE 4 OF 6
Witness Responsible: S.A. Miller

DATA: ___ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): Sch 5.2

Line No.	Description	Days	Amount
1			
2			
3	Total Operating Funds		<u>\$81,094,295</u>
4			
5	Average Daily Operating Funds		222,176
6			
7	Composite Average Days Interval Between:		
8			
9	(A) Date Service Furnished and Date Collections Deposited	43.50	
10			
11	(B) Date Expenses Incurred and Date of Payment	<u>24.24</u>	
12			
13	(C) Net Interval	<u>19.26</u>	
14			
15	Total Working Capital		<u><u>\$4,278,328</u></u>
16			
17			
18	Use		<u><u>\$4,278,000</u></u>
19			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

Line No.	DESCRIPTION	Amount	Post Payment or (Lead) Days	Dollar Days
1	Payrolls Charged to Expense - Union/ATS Group	\$4,796,812	12.00	57,561,744
2	Payrolls Charged to Expense - Salaried	2,265,736	12.00	27,188,832
3				
4				
5	Fuel and Power	3,598,619	26.96	97,018,759
6	Chemicals	2,745,061	6.65	18,254,653
7	Service Company Charges	7,612,592	0.40	3,045,037
8	Group Insurance	1,249,992	(6.81)	(8,512,446)
9	Opex	560,278	23.13	12,959,230
10	Pensions	581,701	(5.50)	(3,199,355)
11	Insurance Other than Group	694,598	(44.70)	(31,048,517)
12	Transportation Expense	722,490	13.56	9,796,963
13	Rents	31,968	18.39	587,892
14	Telephone Expense	227,514	10.31	2,345,669
15	Postage Expense	569,610	23.47	13,368,747
16	Stock E	100,242	28.03	2,809,783
17	Maintenance Expense, excluding Amortizations	1,026,359	18.54	19,028,696
18	Amortization	365,759	0.00	-
19	Uncollectibles	431,405	0.00	-
20	Waste Disposal	297,231	25.97	7,719,089
21	Other Operating Expenses	3,882,765	24.44	94,894,778
22	Total O & M Expenses	31,760,731		239,068,978
23				
24				
25	Depreciation and Amortization	8,551,517	0.00	-
26	Taxes, Other than Income			
27	Payroll - FUTA	5,507	69.86	384,719
28	Payroll - SUTA	5,210	75.14	391,479
29	Payroll - FICA	530,568	15.00	7,958,520
30	Other	3,230,395	70.95	229,196,525
31	Income Taxes - Current - SIT	1,416,484	52.75	74,719,531
32	Income Taxes - Current - FIT	7,767,052	30.13	234,021,277
33	Deferred Income Taxes	1,348,182	0.00	-
34	Interest Expense - Long - Term Debt	9,545,690	119.64	1,142,046,352
35	Interest Expense - Short - Term Debt	1,155,211	14.60	16,866,081
36	Preferred Dividends	456,004	46.40	21,158,586
37	Net Income	15,321,744	0.00	-
38	Net Operating Funds	\$81,094,295		\$1,965,812,048
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			24.24
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

Line No.		Revenues Amount	Median Service Days	Dollar Days
1				
2				
3	Monthly - Arrears Full Bills	\$53,180,859	15.21	\$808,880,865
4				
5	Other Revenues	5,305,817	34.54	183,262,919
6				
7	Fire Service	3,675,013	(15.26)	(56,080,698)
8				
9				
10	Total	\$62,161,689		\$936,063,086
11				
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20				
21	Average Median Service Days			15.06
22	Number of Days between the Reading Date and the Billing Date			4.17
23				
24				
25	Number of Days between the Billing Date and the Date the Bills are Paid			24.27
26				
27	Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received			43.50
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF JANUARY 31, 2009

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-6
PAGE 1 OF 2
Witness Responsible: M.A. Miller/S.A. Miller

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
2						
3	252	Customer Advances	W/P-1-7	\$14,030,864		\$14,030,864
4					100.00%	
5	271	Contributions in Aid of Constr	W/P-1-7	\$44,923,325		\$44,923,325
6						
7	255	Investment Tax Credits:	W/P-1-9	\$93,534		\$93,534
8		Pre 1971 3% Credit				
9		1971-1975 4% Credit				
10		1975-12/31/85 10% Credit				
11						
12				\$93,534		\$93,534
13						
14						
15						
16	282	Deferred Taxes:	W/P-1-8	\$29,523,030		\$29,523,030
17		Utility Plant in Service	W/P-1-8	713,051		713,051
18		Deferred Maintenance	W/P-1-8	783,392		783,392
19		Deferred Debits				
20						
21						
22						
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26				\$31,019,473		\$31,019,473
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
FEBRUARY 1, 2009 TO MAY 31, 2010

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

SCHEDULE B-6
PAGE 2 OF 2
Witness Responsible: M.A. Miller/S.A. Miller

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount	13-Month Average Balance
2	252	Customer Advances	W/P-1-7	\$17,570,387	100.00%	\$17,570,387	\$16,090,060
5	271	Contributions in Aid of Constr	W/P-1-7	\$47,099,174		\$47,099,174	\$45,762,726
8	255	Investment Tax Credits: Pre 1971 3% Credit 1971-1975 4% Credit 1975-12/31/85 10% Credit	W/P-1-9	\$87,154		\$87,154	\$83,326
15	282	Deferred Taxes: Utility Plant in Service Deferred Maintenance Deferred Debits	W/P-1-8 W/P-1-8 W/P-1-8	\$32,028,694 1,475,770 741,205		\$32,028,694 1,475,770 741,205	\$32,245,975 1,148,244 762,030
25				\$34,245,669		\$34,245,669	\$34,156,249

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
JURISDICTIONAL PERCENTAGES

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

SCHEDULE B-7
PAGE 1 OF 1
Witness Responsible: S.A. Miller

Line No.	Acct No.	Account Title	Jurisdictional Percentage	Description of Factors And/Or Method of Allocation
1				
2				
3				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
JURISDICTIONAL STATISTICS - RATE BASE

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

SCHEDULE B-7.1
PAGE 1 OF 1
Witness Responsible: S.A. Miller

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Statistic	Statistic For Rate Area	Allocation Factor
1						
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2008-00427
 EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES

SCHEDULE B-7.2
 PAGE 1 OF 1
 Witness Responsible: S.A. Miller

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

Line No.	Acct No.	Description	Procedures Approved In Prior Rate Case	Rationale for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE C-1, PAGE 1 OF 1
Witness Responsible: M.A. Miller/S. A. Miller

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH C-2 (TOTAL COMPANY)

Line No.	Description	Forecasted Return at Current Rates	Proposed Increase	Forecasted Return at Proposed Rates
2	Operating Revenues	\$62,161,689	\$18,636,579	\$80,798,268
3	Operating Expenses			
4	Operation and Maintenance	31,760,731	142,259	31,902,990
5	Depreciation and Amortization	8,538,466	0	8,538,466
6	Taxes Other Than Income	3,771,680	30,769	3,802,449
7	State Income Taxes	499,190	1,107,813	1,607,003
8	Federal Income Taxes	2,850,207	6,074,508	8,924,715
9	Total Operating Expenses	47,420,274	7,355,349	54,775,623
10	Utility Operating Income	\$14,741,415	\$11,281,230	\$26,022,645
11	Rate Base	\$ 304,002,867		\$304,002,867
12	Rate of Return	4.85%		8.56%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010
SCHEDULE C-2, PAGE 1 OF 1
Witness Responsible: M.A. Miller/S. A. Miller

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL X UPDATED X REVISED
WORKPAPER REFERENCE NO(S): W/P-2,3,4,5 & 6 (TOTAL COMPANY)

Line No.	Major Group Classification	Base Year Revenues & Expenses	Adjustments	Schedule Reference	Forecasted Revenues & Expenses
2	Operating Revenues				
3	Water Sales	\$57,201,459	(\$345,587)	Sch D-1	\$ 56,855,872
4	Other Operating Revenues	2,269,162	3,036,655	Sch D-1	5,305,817
5		59,470,621	2,691,068		62,161,689
6	Operating Expenses				
7	Labor	6,630,142	432,406	Sch D-1	7,062,548
8	Purchased Water	326,689	(212,103)	Sch D-1	114,586
9	Fuel and Power	2,958,624	639,995	Sch D-1	3,598,619
10	Chemicals	1,654,395	1,090,666	Sch D-1	2,745,061
11	Waste Disposal	254,519	42,712	Sch D-1	297,231
12	Management Fees	7,670,470	(57,878)	Sch D-1	7,612,592
13	Group Insurance	1,818,349	(8,079)	Sch D-1	1,810,270
14	Pensions	600,317	(18,616)	Sch D-1	581,701
15	Regulatory Expense	353,239	2,343	Sch D-1	355,582
16	Insurance Other than Group	565,537	129,061	Sch D-1	694,598
17	Customer Accounting	1,554,943	43,805	Sch D-1	1,598,748
18	Rents	34,970	(3,002)	Sch D-1	31,968
19	General Office Expense	507,707	68,549	Sch D-1	576,256
20	Miscellaneous	2,813,226	475,628	Sch D-1	3,288,854
21	Maintenance - Other	1,163,615	228,503	Sch D-1	1,392,118
22					
23	Total O & M Expenses	28,906,742	2,853,989		31,760,731
24					
25	Depreciation	7,851,307	190,570	Sch D-1	8,041,877
26	Amortization	471,177	25,412	Sch D-1	496,589
27	General Taxes				
28	Property and Capital Stock	2,637,334	495,417	Sch D-1	3,132,751
29	Gross Receipts and Sales	0	97,644	Sch D-1	97,644
30	Payroll	532,391	8,894	Sch D-1	541,285
31	Miscellaneous	95,356	(95,356)	Sch D-1	0
32	State Income Taxes				
33	Current	517,861	(209,190)	Sch E-1.5	308,671
34	Deferred	353,738	(163,219)	Sch E-1.5	190,519
35					
36					
37	Federal Income Taxes				
38	Current	2,939,576	(1,247,032)	Sch E-1.5	1,692,544
39	Deferred	1,910,207	(667,747)	Sch E-1.5	1,242,460
40	Deferred - ITC	(84,795)	(2)	Sch E-1.5	(84,797)
41					
42					
43					
44	Total Operating Expenses	46,130,894	1,289,380		47,420,274
45					
46	Utility Operating Income	\$13,339,727	\$1,401,688		\$14,741,415
47					
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010
SCHEDULE C-2.1, PAGE 1 OF 1
Witness Responsible: M.A. Miller/S. A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH D-1 (TOTAL COMPANY)

Line No.	Major Group Classification	Base Year		Jurisdictional Percent	Base Year		Jurisdictional Method/Description
		Revenues & Expenses			Unadjusted Jurisdiction		
2	Operating Revenues						
3	Water Sales	\$57,201,459			\$57,201,459		
4	Other Operating Revenues	2,269,162		100.00%	2,269,162		
5		59,470,621			59,470,621		
6	Operating Expenses						
7	Labor	6,630,142			6,630,142		
8	Purchased Water	326,689			326,689		
9	Fuel and Power	2,958,624			2,958,624		
10	Chemicals	1,654,395			1,654,395		
11	Waste Disposal	254,519			254,519		
12	Management Fees	7,670,470			7,670,470		
13	Group Insurance	1,818,349			1,818,349		
14	Pensions	600,317			600,317		
15	Regulatory Expense	353,239			353,239		
16	Insurance Other than Group	565,537			565,537		
17	Customer Accounting	1,554,943			1,554,943		
18	Rents	34,970			34,970		
19	General Office Expense	507,707			507,707		
20	Miscellaneous	2,813,226			2,813,226		
21	Maintenance - Other	1,163,615			1,163,615		
22							
23	Total O & M Expenses	28,906,742			28,906,742		
24							
25	Depreciation	7,851,307			7,851,307		
26	Amortization	471,177			471,177		
27	General Taxes						
28	Property and Capital Stock	2,637,334			2,637,334		
29	Gross Receipts and Sales	0			0		
30	Payroll	532,391			532,391		
31	Miscellaneous	95,356			95,356		
32	State Income Taxes						
33	Current	517,861			517,861		
34	Deferred	353,738			353,738		
35							
36							
37	Federal Income Taxes						
38	Current	2,939,576			2,939,576		
39	Deferred	1,910,207			1,910,207		
40	Deferred - ITC	(84,795)			(84,795)		
41							
42							
43							
44	Total Operating Expenses	46,130,894			46,130,894		
45							
46	Utility Operating Income	\$13,339,727			\$13,339,727		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

SCHEDULE D-1
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	\$ 30,526,232	\$ 62,103	\$ 0	\$ 0	\$62,103
3	461110	Residential - Unbilled	214,240	(214,240)	0	0	(214,240)
4	461200	Commercial - Billed	14,809,999	246,533	0	0	246,533
5	461210	Commercial - Unbilled	41,593	(41,593)	0	0	(41,593)
6	461300	Industrial - Billed	1,706,360	(82,917)	0	0	(82,917)
7	461310	Industrial - Unbilled	7,541	(7,541)	0	0	(7,541)
8	461400	Miscellaneous - Billed	7,814	6,876	0	0	6,876
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	1,300,207	(54,090)	0	0	(54,090)
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	2,331,769	97,127	0	0	97,127
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	4,734,077	(225,185)	0	0	(225,185)
15	464210	OPA - Unbilled	129,897	(129,897)	0	0	(129,897)
16	466000	Sales for Resale - Billed	1,349,598	39,369	0	0	39,369
17	466100	Sales for Resale - Unbilled	42,132	(42,132)	0	0	(42,132)
18		Total Water Revenues	57,201,459	(345,587)	0	0	(345,587)
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	1,163,735	0	1	0	1
32	471200	Other Miscellaneous Service Revenues	22,950	0	(1,362)	0	(1,362)
33	472000	Rents from Water Property	92,085	0	1,935	0	1,935
34	474100	Billing & Collection Services	987,227	0	23,185	0	23,185
35	474300	Other Water Revenues	3,165	0	(3,165)	0	(3,165)
36		AFUDC	0	0	0	3,016,061	3,016,061
37		TOTAL OTHER OPERATING REVENUES	2,269,162	0	20,594	3,016,061	3,036,655
38							
39		TOTAL OPERATING REVENUES	\$59,470,621	(\$345,587)	\$20,594	\$3,016,061	\$0
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE D-1
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 _____ REVISED
WORKPAPER REFERENCE NO(S): SCH D-2.3 (TOTAL COMPANY)

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
		PUMPING EXPENSES											
1	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	2,958,624	0	639,995	0	0	0	0	0	0	0	639,995
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	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
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	3,479	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	Rents-Electric	0	0	0	0	0	0	0	0	0	0	0
18	627300	Rents-Other	0	0	0	0	0	0	0	0	0	0	0
19	630200	Maint Sup & Eng-Electric Ord	68,652	128,445	0	0	0	0	0	0	0	0	128,445
20	630210	Maint Sup & Eng-Electric Prg	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
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	3,030,755	128,445	639,995	0	0	0	0	0	0	0	768,440

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL _X_ UPDATED _X_ REVISED
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
WATER TREATMENT EXPENSES (WT)													
1	640000	Operation Supervision & Engineering	\$0	\$815,083	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$815,083
2	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0	0	0
3	641100	General Chemicals	1,654,395	0	0	0	0	0	0	0	0	0	1,090,666
4	641200	Softening Chemicals	0	0	1,090,666	0	0	0	0	0	0	0	0
5	642100	General WT Labor	1,607,350	(450,693)	0	0	0	0	0	0	0	0	(450,693)
6	642200	Softening Labor	0	0	0	0	0	0	0	0	0	0	0
7	642300	General WT Expenses	147,954	0	0	0	0	0	0	0	0	0	0
8	642390	General WT Administration	0	0	0	0	0	0	0	0	0	0	0
9	642400	Softening Expenses	0	0	0	0	0	0	0	0	0	0	0
10	643100	Misc Expenses	76,899	0	0	0	0	0	0	0	0	0	0
11	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0	0	0
12	643200	Misc Labor	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	158,894	0	0	0	28,337	0	0	0	0	0	28,337
15	643310	Amort Waste Disposal Expenses	95,625	0	0	0	14,375	0	0	0	0	0	14,375
16	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
17	650000	Maint Supervision & Engineering Ord	93,965	(93,965)	0	0	0	0	0	0	0	0	(93,965)
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	194,098	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	157,073	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	4,186,253	270,425	0	1,090,666	42,712	0	0	0	0	0	1,403,803

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE D-1
Page 6 of 19
Witness Responsible: M.A. Miller/S. A. Miller

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _X_ UPDATED _X_ REVISED
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
TRANS & DIST EXPENSES (T&D)													
1	660000	Operation Supervision & Engineering	\$0	\$483,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$483,175
2	661100	Storage Facilities - Expenses	0	0	0	0	0	0	0	0	0	0	0
3	661200	Storage Facilities - Labor	0	0	0	0	0	0	0	0	0	0	0
4	662100	T&D Lines - Expenses	18,295	0	0	0	0	0	0	0	0	0	0
5	662200	T&D Lines - Labor	2,140,696	(1,308,930)	0	0	0	0	0	0	0	0	(1,308,930)
6	663100	Meter Expenses-Remove and Reset-Exp	0	0	0	0	0	0	0	0	0	0	0
7	663200	Meter Expenses-Misc Meter Labor	0	0	0	0	0	0	0	0	0	0	0
8	663300	Meter Expenses-Misc Meter Exp	0	0	0	0	0	0	0	0	0	0	0
9	663400	Customer Installation - Labor	0	0	0	0	0	0	0	0	0	0	0
10	664100	Customer Installation - Expenses	0	0	0	0	0	0	0	0	0	0	0
11	664200	Customer Installation - Labor	0	0	0	0	0	0	0	0	0	0	0
12	665100	Maps and Records - Expenses	0	0	0	0	0	0	0	0	0	0	0
13	665100	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0	0	0
14	665190	Maps and Records - Expenses Computer	0	0	0	0	0	0	0	0	0	0	0
15	665200	Maps and Records - Labor	0	35,818	0	0	0	0	0	0	0	0	35,818
16	665300	Misc Expenses	318,255	0	0	0	0	0	0	0	0	0	0
17	665400	Misc Labor	0	0	0	0	0	0	0	0	0	0	0
18	666000	Rents	5,660	0	0	0	0	0	0	0	0	0	0
19	670000	Maint Supervision & Engineering Ord	13,834	(13,834)	0	0	0	0	0	0	0	0	(13,834)
20	670010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
21	671100	Maint Struct & Improvements-Materials Ord	0	0	0	0	0	0	0	0	0	0	0
22	671110	Maint Struct & Improvements-Materials Prg	0	0	0	0	0	0	0	0	0	0	0
23	671200	Maint Struct & Improvements-Labor Ord	13,973	(13,973)	0	0	0	0	0	0	0	0	(13,973)
24	671210	Maint Struct & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
25	672100	Maint Res & Standpipes - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
26	672110	Maint Res & Standpipes - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
27	672120	Amort Res & Standpipes	118,676	0	0	0	0	0	0	0	0	0	0
28	672200	Maint Res & Standpipes - Labor Ord	21,491	(21,491)	0	0	0	0	0	0	0	0	(21,491)
29	672210	Maint Res & Standpipes - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
30	673100	Maint T&D Mains - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
31	673110	Maint T&D Mains - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
32	673120	Amort T&D Mains	0	0	0	0	0	0	0	0	0	0	0
33	673200	Maint T&D Mains - Labor Ord	272,455	610,514	0	0	0	0	0	0	0	0	610,514
34	673210	Maint T&D Mains - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
35	675100	Maint Services - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
36	675110	Maint Services - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
37	675200	Maint Services - Labor Ord	192,257	202,938	0	0	0	0	0	0	0	0	202,938
38	675210	Maint Services - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
39	676100	Maint Meter - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
40	676110	Maint Meter - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
41	676200	Maint Meter - Labor Ord	41,496	43,902	0	0	0	0	0	0	0	0	43,902
42	676210	Maint Meter - Labor Prg	0	0	0	0	0	0	0	0	0	0	0
43	676300	Maint Meter Installation - Materials Ord	0	0	0	0	0	0	0	0	0	0	0
44	676310	Maint Meter Installation - Materials Prg	0	0	0	0	0	0	0	0	0	0	0
45	676400	Maint Meter Installation - Labor Ord	0	0	0	0	0	0	0	0	0	0	0
46	676410	Maint Meter Installation - Labor Prg	0	0	0	0	0	0	0	0	0	0	0

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _X_ UPDATED _X_ REVISED
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
ADMINISTRATIVE & GENERAL EXP(A&G) - CONT													
REGULATORY COMMISSION EXPENSES													
2		Amort Expense of Rate Proceedings	\$345,884	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,565)	\$0	(\$7,565)
3	928100	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
4	928110	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
5	928200	Amort of Other Regulatory Expenses	7,355	0	0	0	0	0	0	0	9,908	0	9,908
6	928300	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0	0	0
7	928400	Amort Misc Charges	0	0	0	0	0	0	0	0	0	0	0
8	930200	Misc General Expenses Current	444,436	0	0	0	0	0	0	0	0	0	0
9	930210	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0	0	0
10	930220	Amort Misc General Expenses	32,205	0	0	0	0	0	0	0	0	0	0
11	930230	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0	0	0
12	930240	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0	0	0
13	930250	Meals & Travel Expenses - Taxable	20,024	0	0	0	0	0	0	0	0	0	0
14	930260	Donations	0	0	0	0	0	0	0	0	0	0	0
15	930270	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0	0	0
16	930290	Research & Development Expenses	0	0	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	0	0
18	930390	Non-deductible Penalties	0	0	0	0	0	0	0	0	0	0	0
19	930500	Lobbying Expenses	0	0	0	0	0	0	0	0	0	0	0
20	930510	Transportation Expenses	617,379	0	0	0	0	0	0	0	0	0	0
21	930600	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
22	930610	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
23	930620	Transportation Cap (H)	0	0	0	0	0	0	0	0	0	0	0
24	930630	Misc Gen Exp - Company Dues	52,199	0	0	0	0	0	0	0	0	0	0
25	930880	Misc Gen Exp - Other	34,281	0	0	0	0	0	0	0	0	0	0
26	930890	Misc General Exp-Taxable Co Dues	0	0	0	0	0	0	0	0	0	0	0
27	930980	Rents	29,310	0	0	0	0	0	0	0	0	0	0
28	931000	Maint A&G Struc & Improv-Material Ord	153,822	0	0	0	0	0	0	0	0	0	0
29	932100	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0	0	0
30	932110	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
31	932120	Maint A&G Struc & Improv-Labor Prg	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 Com Equip-Labor Ord	0	0	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	0	0
41	932700	Maint A&G Misc Property-Material Ord	29,582	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	15,173,677	46,004	0	0	0	(57,878)	(8,079)	(18,616)	2,343	129,061	92,834
46		Total O & M Expenses	\$28,906,742	\$432,406	\$639,995	\$1,090,666	\$42,712	(\$57,878)	(\$8,079)	(\$18,616)	\$2,343	\$129,061	\$2,252,609

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

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	\$8,147,814	(\$105,937)	\$0	\$0	(\$105,937)
2	403100	Depreciation - CIAC	(296,507)	296,507	\$0	\$0	296,507
3			\$7,851,307	\$190,570	\$0	\$0	\$190,570
4							
5							
6		State Income Tax Impact	6.00%	\$11,434	\$0	\$0	\$11,434
7		Federal Income Tax Impact	35.00%	\$62,698	\$0	\$0	\$62,698
8		Net Operating Income Impact		\$116,438	\$0	\$0	\$116,438
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	45,385	0	25,961	0	25,961
14	406000	Amortization Utility Plant Acquisition Adj	12,607	0	444	0	444
15	407000	Amortization Property Losses	413,185	0	(993)	0	(993)
16		TOTAL AMORTIZATION	\$471,177	\$0	\$25,412	\$0	\$25,412
17							
18		State Income Tax Impact	6.00%	\$0	\$1,525	\$0	\$1,525
19		Federal Income Tax Impact	35.00%	\$0	\$8,360	\$0	\$8,360
20		Net Operating Income Impact		\$0	\$15,527	\$0	\$15,527
21							
22							
23							
24		TAXES, OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$2,637,334	\$0	\$0	\$495,417	\$495,417
26	408110	Gross Income & Receipts Taxes	0	0	0	97,644	97,644
27	408120	Invested Capital Tax	0	0	0	0	0
28	408030	Other General Taxes	95,356	0	0	(95,356)	(95,356)
29	408140	FUTA	529	0	0	19,257	19,257
30	408150	FUTA Capitalized - (A Work Order)	0	0	0	(14,279)	(14,279)
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	529,227	0	0	137,891	137,891
34	408170	FICA Capitalized - (A Work Order)	0	0	0	(136,550)	(136,550)
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	2,635	0	0	11,501	11,501
38	408190	SUTA Capitalized - (A Work Order)	0	0	0	(8,926)	(8,926)
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			\$3,265,081	\$0	\$0	\$506,599	\$506,599
43							
44		State Income Tax Impact	6.00%	\$0	\$0	\$30,396	\$30,396
45		Federal Income Tax Impact	35.00%	\$0	\$0	\$187,948	\$187,948
46		Net Operating Income Impact		\$0	\$0	\$288,255	\$288,255
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

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	W/P-2	\$30,588,335
3		Base Period Amount		30,526,232
4		Pro Forma Adjustment		\$62,103
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	W/P-2	\$15,056,532
8		Base Period Amount		14,809,999
9		Pro Forma Adjustment		\$246,533
10				
11		INDUSTRIAL		
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$1,623,443
13		Base Period Amount		1,706,360
14		Pro Forma Adjustment		(\$82,917)
15				
16		OTHER PUBLIC AUTHORITY		
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$4,508,892
18		Base Period Amount		4,734,077
19		Pro Forma Adjustment		(\$225,185)
20				
21		SALES FOR RESALE (OWU)		
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$1,388,967
23		Base Period Amount		1,349,598
24		Pro Forma Adjustment		\$39,369
25				
26		PUBLIC FIRE SERVICE		
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$2,428,896
28		Base Period Amount		2,331,769
29		Pro Forma Adjustment		\$97,127
30				
31		PRIVATE FIRE SERVICE		
32	To adjust Private Fire Service billed revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$1,246,117
33		Base Period Amount		1,300,207
34		Pro Forma Adjustment		(\$54,090)
35				
36		MISCELLANEOUS		
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.	Forecasted Amount	W/P-2	\$14,690
38		Base Period Amount		7,814
39		Pro Forma Adjustment		\$6,876
40				
41				
42				
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.	Total Billed Water Revenue Adjustment		\$89,816
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

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	W/P-2	\$0
3		Base Period Amount		214,240
4		Pro Forma Adjustment		(\$214,240)
5				
6		COMMERCIAL		
7	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	W/P-2	\$0
8		Base Period Amount		41,593
9		Pro Forma Adjustment		(\$41,593)
10				
11		INDUSTRIAL		
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.	Forecasted Amount	W/P-2	\$0
13		Base Period Amount		7,541
14		Pro Forma Adjustment		(\$7,541)
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	W/P-2	\$0
18		Base Period Amount		129,897
19		Pro Forma Adjustment		(\$129,897)
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	W/P-2	\$0
23		Base Period Amount		42,132
24		Pro Forma Adjustment		(\$42,132)
25				
26		PUBLIC FIRE SERVICE		
27		Forecasted Amount	W/P-2	\$0
28		Base Period Amount		0
29		Pro Forma Adjustment		\$0
30				
31		PRIVATE FIRE SERVICE		
32		Forecasted Amount	W/P-2	\$0
33		Base Period Amount		0
34		Pro Forma Adjustment		\$0
35				
36		MISCELLANEOUS		
37		Forecasted Amount	W/P-2	\$0
38		Base Period Amount		0
39		Pro Forma Adjustment		\$0
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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		(\$435,403)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

SCHEDULE D-2.1
Page 3 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 Residential billed sewer revenue for forecasted test period.	Forecasted Amount	W/P-2	\$0
3		Base Period Amount		0
4		Pro Forma Adjustment		\$0
5				
6		COMMERCIAL		
7	To eliminate Commercial billed sewer revenue for the forecasted test period.	Forecasted Amount	W/P-2	\$0
8		Base Period Amount		0
9		Pro Forma Adjustment		\$0
10				
11		INDUSTRIAL		
12	To eliminate Industrial billed sewer revenue for the forecasted test period.	Forecasted Amount	W/P-2	\$0
13		Base Period Amount		0
14		Pro Forma Adjustment		\$0
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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		(\$345,587)
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To adjust Activation Fees and reconnection fees for the forecast period.		
3		RECONNECTION FEES/ACTIVATION FEES	\$1,163,736
4		W/P-2-3	1,163,735
5		Forecasted Amount	
6		Base Period Amount	\$1
7	To adjust Returned Check Charges for the forecasted test period level of bad checks.		
8		OTHER MISC SERV REVENUES	\$21,588
9		W/P-2-3	22,950
10		Forecasted Amount	
11		Base Period Amount	(\$1,362)
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.		
13		OTHER REVENUES	\$1,104,432
14		W/P-2-3	1,082,477
15		Forecasted Amount	
16		Base Period Amount	\$21,955
17		Pro Forma Adjustment	
18		Total Other Revenue Adjustment	\$20,594
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.		
24		AFUDC Adjustment D-3	\$3,016,061
25		W/P-1-5	0
26		Forecasted Amount	
27		Base Period Amount	
28		Pro Forma Adjustment	
29			
30			
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32			
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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: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

SCHEDULE D-2.3
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 4% for non-union employees to become effective April 1, 2009 and 2010. Also included are allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	<u>Labor Adjustment D-4</u> W/P-3-1	\$7,062,548 6,630,142 <u>\$432,406</u>
3			
4			
5			
6	Fuel and Power expense is being adjusted to reflect the forecasted sales.	<u>Fuel & Power Adjustment D-5</u> W/P-3-2	\$3,598,619 2,958,624 <u>\$639,995</u>
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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> W/P-3-3	\$2,745,061 1,654,395 <u>\$1,090,666</u>
13			
14			
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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> W/P-3-4	\$297,231 254,519 <u>\$42,712</u>
18			
19			
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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 Eastern Region Service Company office, Shared Services Center, and the Customer Call Center. Also included are allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	<u>Management Fees Adjustment D-8</u> W/P-3-5	\$7,612,592 7,670,470 <u>(\$57,878)</u>
23			
24			
25			
26	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> W/P-3-6	\$1,810,270 1,818,349 <u>(\$8,079)</u>
27			
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31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	<u>Pensions Adjustment D-10</u> W/P-3-7	\$581,701 600,317 <u>(\$18,616)</u>
33			
34			
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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> W/P-3-8	\$355,582 353,239 <u>\$2,343</u>
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44			
45	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, workers compensation and property insurance based upon the Company's projections for the forecast. Also included are allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	<u>Insurance Other than Group Adjustment D-12</u> W/P-3-9	\$694,598 565,537 <u>\$129,061</u>
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50	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL 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 from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-10	\$1,598,748
3			1,554,943
4			<u>\$43,805</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.	W/P-3-11	\$31,968
8			34,970
9			<u>(\$3,002)</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 KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass O&M Contract.	W/P-3-12	\$576,256
13			507,707
14			<u>\$68,549</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 KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-13	\$3,288,854
18			2,813,226
19			<u>\$475,628</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 KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-14	\$1,392,118
23			1,163,615
24			<u>\$228,503</u>
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Carroll County Water & Gallatin County Water.	W/P-3-15	\$114,586
28			326,689
29			<u>(\$212,103)</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: 2008-00427
DETAILED ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-4 & W/P-5 (TOTAL COMPANY)

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			\$8,041,877
4			7,851,307
5			<u>\$190,570</u>
6			
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on the equity gross-up of AFUDC.		
8			\$496,589
9			471,177
10			<u>\$25,412</u>
11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees calculated for the forecasted test year.		
13			\$3,771,680
14			3,265,081
15			<u>\$506,599</u>
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: 2008-00427
 SUMMARY OF JURISDICTIONAL FACTORS
 FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

DATA: X_ BASE PERIOD X_ 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: 2008-00427
 JURISDICTIONAL STATISTICS
 FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE D-4
 Page 1 of 1

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL 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: 2008-00427
 EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES
 FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE D-5
 Page 1 of 1

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL ___ 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: 2008-00427
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
TOTAL COMPANY

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.1
PAGE 1 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2	Operating Revenues	\$59,470,621	\$0	\$59,470,621
3				
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	28,906,742	0	28,906,742
7	Depreciation & Amortization	8,322,484	0	8,322,484
8	Taxes other than Income	3,265,081	0	3,265,081
9	State Income Taxes - Current	517,861	0	517,861
10	Federal Income Taxes	0	0	0
11	Net below the line income (loss)	(2,487,200)	2,487,200	0
12	Total Operating Expenses before FIT	38,524,968	0	41,012,168
13				
14	Operating Income before Federal Income Taxes	20,945,653	0	18,458,453
15	Reconciling Items:			
16	Interest Charges	(7,050,418)	0	(7,050,418)
17	Permanent differences			
18	Taxable Meals/lobbying	6,935	0	6,935
19	Nondeductible penalties & dividend mandatory red	222,666	0	222,666
20	Medicare Subsidy	(77,828)	0	(77,828)
21		151,773	0	151,773
22	Book Depreciation	7,851,307	0	7,851,307
23	Tax Depreciation	(10,819,198)	0	(10,819,198)
24	Taxable Customer Adv and CIAC	(643,126)	0	(643,126)
25	Other Amortizations	174,258	0	174,258
26	Tax AFUDC	(2,217,223)	0	(2,217,223)
27	Deferred Maintenance	125,499	0	125,499
28	Abandonment losses	(548,824)	0	(548,824)
29	Misc Deferred Debits	(39,769)	0	(39,769)
30	Uncollectible	(19,681)	0	(19,681)
31	Vacation Pay	(52,520)	0	(52,520)
32	All other	522,585	0	522,585
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36				
37	Total Reconciling Items	(5,666,692)	0	(5,666,692)
38	less current year NOL	(18,472)		
39	Federal Taxable Income	8,398,788	0	8,398,788
40				
41	Federal Income Tax Rate	35.00%	35.00%	35.00%
42	Federal Income Tax Liability	2,939,576	0	2,939,576
43	Adjustment of Prior Year	0	0	0
44				
45	Federal Income Taxes - Current	2,939,576	\$0	2,939,576
46				
47				
48	The Company uses an effective tax rate for budgeting income taxes. The full detail			
49	for the base period reconciling items will not be available until the Company provides			
50	the update to the base period data.			

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
TOTAL COMPANY

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.1
PAGE 2 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1	Deferred Income Taxes:			
2				
3				
4	Def FIT Regulatory Asset/Liability	194,982	\$0	\$194,982
5	Def FIT Other	1,715,225	0	1,715,225
6	Def FIT Prior Year	0	0	0
7		<u>1,910,207</u>	<u>0</u>	<u>1,910,207</u>
8	Amort Deferred ITC	<u>(84,795)</u>	<u>0</u>	<u>(84,795)</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$1,825,412</u>	<u>\$0</u>	<u>\$1,825,412</u>
11				
12	Total Federal Income Taxes	<u>\$4,764,988</u>	<u>\$0</u>	<u>\$4,764,988</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
TOTAL COMPANY

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.2
PAGE 1 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2	Operating Revenues	\$59,470,621	\$0	\$59,470,621
3				
4	Operating Expenses			
5	Operation & Maintenance Expenses	28,906,742	0	28,906,742
6	Depreciation & Amortization	8,322,484	0	8,322,484
7	Taxes other than Income	3,265,081	0	3,265,081
8	State Income Taxes - Current	0	0	0
9	Federal Income Taxes	0	0	0
10	Net below the line income (loss)	(2,487,200)	2,487,200	0
11	Total Operating Expenses before SIT	38,007,107	2,487,200	40,494,307
12				
13	Operating Income before State Income Taxes	21,463,514	0	21,463,514
14	Reconciling Items:			
15	Interest Charges	(7,050,418)	0	(7,050,418)
16	Permanent differences			
17	Taxable Meals/lobbying	6,935	0	6,935
18	Non-deductible penalties & dividend mandatory red	222,666	0	222,666
19	Medicare Subsidy	(77,828)	0	(77,828)
20		151,773		151,773
21	Book Depreciation	7,851,307	0	7,851,307
22	Tax Depreciation	(10,819,198)	0	(10,819,198)
23	Taxable Customer Adv and CIAC	(643,126)	0	(643,126)
24	Other Amortizations	174,258	0	174,258
25	Tax AFUDC	(2,217,223)	0	(2,217,223)
26	Deferred Maintenance	125,499	0	125,499
27	Abandonment losses	(548,824)	0	(548,824)
28	Misc Deferred Debits	(39,769)	0	(39,769)
29	Uncollectible	(19,681)	0	(19,681)
30	Vacation Pay	(52,520)	0	(52,520)
31	All other	712,626	0	712,626
32	Reserved	0	0	0
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36	Total Reconciling Items	(5,476,651)	0	(5,476,651)
37	State Taxable Income	9,088,218	0	9,088,218
38	State Depr in excess of Federal	(457,196)	0	(457,196)
39	State Income Tax Rate	6.00%	6.00%	6.00%
40	State Income Tax Liability	517,861	0	517,861
41				
42	State Income Taxes - Current	517,861	0	517,861
43	Less: Prior Year Adjustment	0	0	0
44		\$517,861	\$0	\$517,861
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The Company uses an effective tax rate for budgeting income taxes. The full detail for the base period reconciling items will not be available until the Company provides the update to the base period data.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
TOTAL COMPANY

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.2
PAGE 2 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes:			
4	Def SIT Regulatory Asset/Liability	(\$25,979)	-	\$ (25,979)
5	Def SIT Other	379,717	0	379,717
6	Def SIT Prior Year Adj	0	0	0
7		<u>353,738</u>	<u>0</u>	<u>353,738</u>
8	Amort Deferred ITC	0	0	0
9		<u>0</u>	<u>0</u>	<u>0</u>
10		<u>\$ 353,738</u>	<u>\$ -</u>	<u>\$ 353,738</u>
11	Total Deferred State Income Taxes			
12		<u>\$ 353,738</u>	<u>\$ -</u>	<u>\$ 353,738</u>
13		<u>\$ 871,599</u>	<u>\$ -</u>	<u>\$ 871,599</u>
14	Total State Income Taxes			
15		<u>\$ 871,599</u>	<u>\$ -</u>	<u>\$ 871,599</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: MAY 2010
TOTAL COMPANY

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.3
PAGE 1 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$62,161,689	\$0	\$62,161,689	\$18,636,579	\$80,798,268
3						
4	Operating Expenses				142,259	31,902,990
5	Operation & Maintenance Expenses	31,760,731	0	31,760,731		8,538,466
6	Depreciation & Amortization	8,538,466	0	8,538,466	0	3,802,449
7	Taxes other than Income	3,771,680	0	3,771,680	30,769	1,416,484
8	State Income Taxes - Current	308,671	0	308,671	1,107,813	
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	44,379,548	0	44,379,548	1,280,841	45,660,389
12						
13	Operating Income before Federal Income Taxes	17,782,141	0	17,782,141	17,355,738	35,137,879
14	Reconciling Items;					
15	Interest Charges	(10,700,901)	0	(10,700,901)	0	(10,700,901)
16						
17	Permanent Differences					
18	Taxable meals/lobbying	6,935	0	6,935	0	6,935
19	Nondeductible donations	0	0	0	0	0
20	Medicare Subsidy	(156,133)	0	(156,133)	0	(156,133)
21		(149,198)	0	(149,198)	0	(149,198)
22						
23	Book Depreciation	8,041,877	0	8,041,877	0	8,041,877
24	Tax Depreciation	(13,797,021)	0	(13,797,021)	0	(13,797,021)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	1,522,808	0	1,522,808	0	1,522,808
27	Deferred Debits	449,128	0	449,128	0	449,128
28	Amortization of UPAA	13,051	0	13,051	0	13,051
29	Deferred Maintenance	365,759	0	365,759	0	365,759
30	Property Losses	0	0	0	0	0
31	Amort Regulatory Assets / Liabilities	71,346	0	71,346	0	71,346
32	Taxable Advances and CIAC	1,236,850	0	1,236,850	0	1,236,850
33	Reserved	0	0	0	0	0
34	Reserved	0	0	0	0	0
35	Reserved	0	0	0	0	0
36	Reserved	0	0	0	0	0
37						
38	Total Reconciling Items	(2,096,202)	0	(2,096,202)	0	(2,096,202)
39						
40	Federal Taxable Income	4,835,840	0	4,835,840	17,355,738	22,191,578
41						
42	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
43						
44	Federal Income Tax - Current	1,692,544	0	1,692,544	6,074,508	7,767,052
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
FEDERAL INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: MAY 2010
TOTAL COMPANY

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.3
PAGE 2 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def FIT Regulatory Asset/Liability	\$232,447	\$0	\$232,447	\$0	\$232,447
4	Def FIT UPIS	1,282,400	0	1,282,400	0	1,282,400
5	Def FIT Deferred Maintenance	(120,335)	0	(120,335)	0	(120,335)
6	Def FIT Deferred Debits	(152,052)	0	(152,052)	0	(152,052)
7	Def FIT Property Losses	0	0	0	0	0
8						
9						
10		1,242,460	0	1,242,460	0	1,242,460
11	Amort Deferred ITC	(84,797)	0	(84,797)	0	(84,797)
12						
13	Total Deferred Federal Income Taxes	1,157,663	0	1,157,663	0	1,157,663
14						
15	Total Federal Income Taxes	\$2,850,207	\$0	\$2,850,207	\$6,074,508	\$8,924,715
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: MAY 2010
TOTAL COMPANY

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4
PAGE 1 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$ 62,161,689	\$ -	\$ 62,161,689	\$ 18,636,579	\$ 80,798,268
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 31,760,731	\$ -	\$ 31,760,731	\$ 142,259	\$ 31,902,990
6	Depreciation & Amortization	8,538,466	0	8,538,466	0	8,538,466
7	Taxes other than Income	3,771,680	0	3,771,680	30,769	3,802,449
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 44,070,877	\$ -	\$ 44,070,877	\$ 173,028	\$ 44,243,905
12						
13	Operating Income before Federal Income Taxes	\$ 18,090,812	\$ -	\$ 18,090,812	\$ 18,463,551	\$ 36,554,363
14	Reconciling Items;					
15	Interest Charges	(10,700,901)	0	(10,700,901)	0	(10,700,901)
16						
17	Permanent differences					
18	Taxable meals/lobbying	6,935	0	6,935	0	6,935
19	Nondeductible donations	0	0	0	0	0
20	Medicare Subsidy	(156,133)	0	(156,133)	0	(156,133)
21		(149,198)	0	(149,198)	0	(149,198)
22						
23	Book Depreciation	8,041,877	0	8,041,877	0	8,041,877
24	Tax Depreciation	(13,797,021)	0	(13,797,021)	0	(13,797,021)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	1,522,808	0	1,522,808	0	1,522,808
27	Deferred Debits	449,128	0	449,128	0	449,128
28	Amortization of UPAA	13,051	0	13,051	0	13,051
29	Deferred Maintenance	365,759	0	365,759	0	365,759
30	Property Losses	0	0	0	0	0
31	Amort Regulatory Assets / Liabilities	71,346	0	71,346	0	71,346
32	Taxable Advances and CIAC	1,236,850	0	1,236,850	0	1,236,850
33	Reserved	0	0	0	0	0
34	Reserved	0	0	0	0	0
35	Reserved	0	0	0	0	0
36	Reserved	0	0	0	0	0
37						
38	Total Reconciling Items	\$ (2,096,202)	\$ -	\$ (2,096,202)	\$ -	\$ (2,096,202)
39						
40	State Taxable Income	\$ 5,144,511	\$ -	\$ 5,144,511	\$ 18,463,551	\$ 23,608,062
41						
42	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%
43						
44	State Income Tax Liability	\$ 308,671	\$ -	\$ 308,671	\$ 1,107,813	\$ 1,416,484
45						
46						
47	State Income Taxes - Current	\$ 308,671	\$ -	\$ 308,671	\$ 1,107,813	\$ 1,416,484
48						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
STATE INCOME TAX CALCULATION
FOR THE TWELVE MONTHS ENDED: MAY 2010
TOTAL COMPANY

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.4
PAGE 2 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def SIT Regulatory Asset/Liability	\$6,326	\$0	\$6,326	\$0	\$6,326
4	Def SIT UPIS	233,872	0	233,872	0	233,872
5	Def SIT Deferred Maintenance	(21,947)	0	(21,947)	0	(21,947)
6	Def SIT Deferred Debits	(27,732)	0	(27,732)	0	(27,732)
7	Def SIT Property Losses	0	0	0	0	0
8						
9						
10		190,519	0	190,519	0	190,519
11	Amort Deferred ITC	0	0	0	0	0
12						
13	Total Deferred State Income Taxes	190,519	0	190,519	0	190,519
14						
15	Total State Income Taxes	\$499,190	\$0	\$499,190	\$1,107,813	\$1,607,003
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SUMMARY OF INCOME TAX ADJUSTMENTS
TOTAL COMPANY

DATA: __X__BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: __X__ ORIGINAL __ __ UPDATED __ __ REVISED
WORKPAPER REFERENCE NO(S): W/P-6

SCHEDULE E-1.5
PAGE 1 of 1
Witness Responsible: M.A. Miller

Line No.	Reference Base Period	Description	Forecasted Period	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
3	Sch E-1.2	State Income Taxes				
4	Sch E-1.2	Current	Sch E-1.4	\$517,861	\$ 308,671	(\$209,190)
5	Sch E-1.2	Deferred	Sch E-1.4	353,738	190,519	(163,219)
6		Reserved		0	0	0
7		Reserved		0	0	0
9		Total State Income Taxes		\$ 871,599	\$ 499,190	\$ (372,409)
13	Sch E-1.1	Federal Income Taxes				
14	Sch E-1.1	Current	Sch E-1.3	2,939,576	\$ 1,692,544	(\$1,247,032)
15	Sch E-1.1	Deferred - ITC	Sch E-1.3	1,910,207	1,242,460	(667,747)
16	Sch E-1.1	Reserved	Sch E-1.3	(84,795)	(84,797)	(2)
17		Reserved		0	0	0
18		Reserved		0	0	0
19		Total Federal Income Taxes		\$ 4,764,988	\$ 2,850,207	\$ (1,914,781)
23		Total Income Taxes		\$ 5,636,587	\$ 3,349,397	\$ (2,287,190)

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED: MAY 2010
TOTAL COMPANY

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

SCHEDULE E-2
PAGE 1 of 1
Witness Responsible: M.A. Miller

Line No.	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code / Explanation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-3

SCHEDULE H
PAGE 1 OF 1
Witness Responsible: S.A. Miller

Line No.	Description	
1		
2		
3	Operating Revenues	100.000000%
4	Less: Uncollectibles	0.763330%
5		
6	Less: PSC Fees	0.16510%
7		
8	Net Revenues	99.0716%
9		
10	SIT Rate:	6.00%
11		
12	Income before Federal Income Taxes	93.12728%
13		
14	FIT Rate:	35.00%
15		
16	Operating Income Percentage	60.53273%
17		
18	Gross Revenue Conversion Factor (1)	1.6519988
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(1) CALCULATED BY DIVIDING 100% BY THE OPERATING INCOME PERCENTAGE

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
OVERALL FINANCIAL SUMMARY
May 31, 2010

SCHEDULE J-1
PAGE 1 of 2
Witness Responsible: M.A. Miller

DATA: ___ BASE PERIOD ___ X_ FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR
TYPE OF FILING: ___ X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7

Line No.	Class of Capital	Reference	Net Carrying Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Terminal Weighted Cost	13 Month Average Weighted Cost
2	Short-Term Debt	J-2, Page 1	\$31,341,766	9.200%	\$85,520	\$31,427,286	3.850%	0.350%	0.380%
4	Long-Term Debt	J-3, Page 1	157,411,068	46.000%	427,601	157,838,669	6.850%	3.150%	3.140%
6	Preferred Stock	J-4, Page 1	5,935,166	1.700%	15,803	5,950,969	7.750%	0.130%	0.150%
8	Common Equity		147,218,136	43.100%	400,644	147,618,780	11.500%	4.960%	4.890%
10	Total Capital		\$341,906,136	100.000%	\$ 929,568	\$342,835,704		8.590%	8.560%
16	(1) JDITC	\$ 929,568							

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
COST OF CAPITAL SUMMARY
AS OF JANUARY 31, 2009

SCHEDULE J-1
PAGE 2 of 2
Witness Responsible: M.A. Miller

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): _W/P-7

Line No.	Class of Capital	Reference	Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Terminal Weighted Cost
2	Short-Term Debt	J-2, Page 2	\$62,333,176	25.902%	\$ 267,416	\$62,600,592	3.850%	1,000%
4	Long-Term Debt	J-3, Page 2	79,067,045	32.855%	339,200	79,406,245	6.930%	2,280%
6	Preferred Stock	J-4, Page 2	5,934,142	2.466%	25,459	5,959,601	7.750%	0.190%
8	Common Equity		93,320,160	38.778%	400,341	93,720,501	11.500%	4,460%
10	Total Capital		<u>\$240,654,523</u>	100.001%	<u>\$ 1,032,416</u>	<u>\$241,686,939</u>		<u>7.930%</u>

(1) JDITC: \$ 1,032,416

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
COST OF CAPITAL SUMMARY AT CURRENT AND PROPOSED RATES
13 MONTH AVERAGE

SCHEDULE J-1.1/J-1.2
PAGE 1 of 1
Witness Responsible: M.A. Miller

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: AVERAGE FOR FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7

Line No.	Class of Capital	13 Month Average Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Average Weighted Cost
2	Short-Term Debt	\$29,979,279	9.881%	\$ 95,662	\$30,074,941	3.850%	0.38%
4	Long-Term Debt	138,462,871	45.638%	441,838	138,904,709	6.870%	3.14%
6	Preferred Stock	5,934,782	1.956%	18,937	5,953,719	7.750%	0.15%
8	Common Equity	129,013,668	42.524%	411,690	129,425,358	11.500%	4.89%
	Total Capital	<u>\$303,390,600</u>	<u>99.999%</u>	<u>\$ 968,127</u>	<u>\$304,358,727</u>		<u>8.56%</u>

(1) JDITC: \$ 968,136

KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2008-00427
 EMBEDDED COST OF SHORT-TERM DEBT
 FROM FEBRUARY 1, 2008 TO MAY 31, 2010

SCHEDULE J-2
 PAGE 1 of 2
 Witness Responsible: M.A. Miller

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
 WORKPAPER REFERENCE NO(S): W/P-7

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 31,341,766	3.850%	\$ 1,206,658
5				
6				
7	Weighted Cost of Short-Term Debt	3.850%		
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KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2008-00427
 EMBEDDED COST OF SHORT-TERM DEBT
 AS OF JANUARY 31, 2009

SCHEDULE J-2
 PAGE 2 of 2
 Witness Responsible: M.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD
 DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S): W/P-7

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	<u>\$62,333,176</u>	<u>3.850%</u>	<u>\$2,399,827</u>
5				
6				
7	Weighted Cost of Short-Term Debt	<u>3.850%</u>		
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
EMBEDDED COST OF PREFERRED STOCK
May 31, 2010

SCHEDULE J-4
PAGE 1 of 2
Witness Responsible: M.A. Miller

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7

Line No.	Dividend Rate, Type & Par Value	Date issued	Amount Outstanding	Premium or Discount	Unamortized Issue Expense	Gain or Loss on Reacquired Stock	Net Proceeds	Annual Amort. of Issue Expense	Cost Rate at Issue	Cost Rate at Maturity	Annualized Dividends
2											
3											
4											
5	Series B, 5 3/4%, \$100 Par	11/21/57	388,800	0	0	0	388,800	0	5.750%	5.750%	22,356
6											
7	Series C, 5 1/2%, \$100 Par	11/22/63	486,000	0	0	0	486,000	0	5.500%	5.500%	26,730
8											
9	Series D, 5%, \$100 Par	05/10/63	580,800	0	0	0	580,800	0	5.000%	5.000%	29,040
10											
11											
12											
13	8.47% Series, \$100 Par	01/24/92	4,500,000	0	20,434	0	4,479,566	768	8.470%	8.526%	381,928
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	Total		\$5,955,600	\$0	\$20,434	\$0	\$5,935,166	\$768			\$460,054
	Annualized Cost Rate								7.750%		

KENTUCKY-AMERICAN WATER COMPANY
SHORT TERM DEBT

Line No.	Amount @ Jul-2008	Amount @ Aug-2008	Amount @ Sep-2008	Amount @ Oct-2008	Amount @ Nov-2008	Amount @ Dec-2008	Amount @ Jan-2009	Amount @ Feb-2009	Amount @ Mar-2009	Amount @ Apr-2009	Amount @ May-2009	Amount @ Jun-2009
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10	\$ 12,169,482	\$ 15,632,131	\$ 26,388,301	\$ 33,340,709	\$ 38,565,230	\$ 45,423,916	\$ 62,333,176	\$ 69,533,344	\$ 56,572,921	\$ 63,986,072	\$ 24,302,187	\$ 28,663,519
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PROMISSORY NOTE

KENTUCKY-AMERICAN WATER COMPANY
SHORT TERM DEBT

Line No.	Amount @ Jul-2009	Amount @ Aug-2009	Amount @ Sep-2009	Amount @ Oct-2009	Amount @ Nov-2009	Amount @ Dec-2009	Amount @ Jan-2010	Amount @ Feb-2010	Amount @ Mar-2010	Amount @ Apr-2010	Amount @ May-2010	13 Month Average
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10 PROMISSORY NOTE \$ 31,953,802 \$ 35,266,370 \$ 43,784,763 \$ 14,472,369 \$ 20,209,965 \$ 31,428,844 \$ 35,740,439 \$ 38,956,619 \$ 32,059,661 \$ 41,571,158 \$ 31,341,766 \$ 29,979,279

Forecast rate base 305,544,471
Forecast rate base (Slippage) \$304,002,867
1,541,604

KENTUCKY-AMERICAN WATER COMPANY												
SCHEDULE OF CUSTOMER ADVANCES AND CONTRIBUTIONS												
FORECASTED T.Y.:												
BASE TEST YEAR:												
JDE Account	Account	AWWW Account	DESCRIPTION	Balance @ Jul-2008	Balance @ Aug-2008	Balance @ Sep-2008	Balance @ Oct-2008	Balance @ Nov-2008	Balance @ Dec-2008	Balance @ Jan-2009	Balance @ Feb-2009	Balance @ Mar-2009
252120	252110		ADV FOR CONST - NT EXT	\$ 13,972,666	\$ 13,855,076	\$ 13,901,714	\$ 13,873,503	\$ 13,764,589	\$ 13,838,100	\$ 14,024,801	\$ 14,513,437	\$ 14,659,913
252130	252200		ADV FOR CONST - NT SERVICES	-	0	0	0	0	0	0	0	0
252140	252400		ADV FOR CONST - NT METERS	-	0	0	0	0	0	0	0	0
252150	252300		ADV FOR CONST - NT HYDRANTS	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063
252160	252500		ADV FOR CONST - NT OTHER	-	0	0	0	0	0	0	0	0
252220			ADV FOR CONST - TAX EXT	-	-	-	-	-	-	-	-	-
252205.15	252500		ADVANCE FOR CONSTRUCTION - 88-89	-	-	-	-	-	-	-	-	-
252205.20	252710		ADVANCE FOR CONSTRUCTION - 90-92	-	-	-	-	-	-	-	-	-
252205.25	252720		ADVANCE FOR CONSTRUCTION - 93-96	-	-	-	-	-	-	-	-	-
252225	252710		ADVANCE FOR CONSTRUCTION - TAXABLE SERV	-	-	-	-	-	-	-	-	-
252230	252710		ADVANCE FOR CONSTRUCTION - TAXABLE HYD	-	-	-	-	-	-	-	-	-
252240	252370		ADVANCE FOR CONSTRUCTION - TAXABLE METERS	-	-	-	-	-	-	-	-	-
			TOTAL CUSTOMER ADVANCES	\$ 13,978,729	\$ 13,861,139	\$ 13,907,777	\$ 13,879,566	\$ 13,760,652	\$ 13,844,163	\$ 14,030,864	\$ 14,519,500	\$ 14,665,976
271110	271110		CIAC - NT - MAINS	15,964,408	15,964,408	15,964,408	15,964,408	15,964,408	15,964,408	15,964,408	15,964,408	15,964,408
271120	271120		CIAC - NT - EXT DEP	10,545,555	10,545,555	10,545,555	10,545,555	10,545,555	10,545,555	10,545,555	10,545,555	10,668,956
271130	271200		CIAC - NT - SERVICES	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465
271140	271300		CIAC - NT - METERS	545,639	545,639	545,639	545,639	545,639	545,639	545,639	545,639	545,639
271150	271400		CIAC - NT - HYDRANTS	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164
271160	271500		CIAC - NT - OTHER	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457
				0	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0	0
271210	271711		CIAC - TAX - MAINS	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493
271220	271711		CIAC - TAX - EXT DEP	766,586	766,586	766,586	766,586	766,586	766,586	766,586	766,586	766,586
271230	271210		CIAC - TAX - SERVICES	6,434,874	6,600,848	6,717,585	6,836,420	6,924,528	7,022,262	7,108,890	7,176,761	7,289,673
271240	271310		CIAC - TAX - METERS	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299
271250	271470		CIAC - TAX - HYDRATXS	487,487	487,487	487,487	487,487	487,487	487,487	487,487	487,487	487,487
271260	271570		CIAC - TAX - OTHER	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903
				0	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0	0
272000	272100		DEPRECIATION CONTR. PROPERTY	(11,968,606)	(12,074,895)	(12,181,433)	(12,288,297)	(12,395,275)	(12,502,568)	(12,610,020)	(12,717,504)	(12,826,486)
				0	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0	0
			TOTAL CIAC	\$ 44,890,723	\$ 44,950,408	\$ 44,960,607	\$ 44,972,578	\$ 44,963,708	\$ 44,944,149	\$ 44,923,325	\$ 44,883,712	\$ 45,011,043

KENTUCKY-AMERICAN WATER COMPANY												
SCHEDULE OF CUSTOMER ADVANCES AND CONTRIBUTIONS												
FORECASTED T.Y.:												
BASE TEST YEAR:												
JDE Account	AMWW Account	DESCRIPTION	Balance @ Apr-2009	Balance @ May-2009	Balance @ Jun-2009	Balance @ Jul-2009	Balance @ Aug-2009	Balance @ Sep-2009	Balance @ Oct-2009	Balance @ Nov-2009	Balance @ Dec-2009	
252120	252110	ADV FOR CONST - NT EXT	\$ 14,789,741	\$ 15,321,537	\$ 15,605,976	\$ 15,437,660	\$ 15,415,870	\$ 15,562,000	\$ 15,515,335	\$ 15,638,980	\$ 16,077,920	
252130	252200	ADV FOR CONST - NT SERVICES	0	0	0	0	0	0	0	0	0	
252140	252400	ADV FOR CONST - NT METERS	0	0	0	0	0	0	0	0	0	
252150	252300	ADV FOR CONST - NT HYDRANTS	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	
252160	252500	ADV FOR CONST - NT OTHER	0	0	0	0	0	0	0	0	0	
252220		ADV FOR CONST - TAX EXT	0	0	0	0	0	0	0	0	0	
252205.15	252500	ADVANCE FOR CONSTRUCTION - 88-89										
252205.20	252710	ADVANCE FOR CONSTRUCTION - 90-92										
252205.25	252720	ADVANCE FOR CONSTRUCTION - 93-96										
252225	252710	ADVANCE FOR CONSTRUCTION - TAXABLE SERV										
252230	252710	ADVANCE FOR CONSTRUCTION - TAXABLE HYD										
252240	252370	ADVANCE FOR CONSTRUCTION - TAXABLE METERS										
		TOTAL CUSTOMER ADVANCES	\$ 14,795,804	\$ 15,327,600	\$ 15,612,039	\$ 15,443,713	\$ 15,421,933	\$ 15,568,063	\$ 15,521,398	\$ 15,645,043	\$ 16,083,983	
271110	271110	CIAC - NT - MAINS	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 15,964,408	\$ 16,766,515	
271120	271200	CIAC - NT - EXT DEP	10,668,956	10,668,956	10,792,357	10,792,357	10,792,357	10,977,459	10,977,459	10,977,459	11,131,710	
271130	271200	CIAC - NT - SERVICES	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	
271140	271300	CIAC - NT - METERS	545,639	545,639	545,639	545,639	545,639	545,639	545,639	545,639	545,639	
271150	271400	CIAC - NT - HYDRANTS	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	
271160	271500	CIAC - NT - OTHER	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	
			0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
271210	271711	CIAC - TAX - MAINS	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	
271220	271711	CIAC - TAX - EXT DEP	766,586	766,586	766,586	766,586	766,586	766,586	766,586	766,586	766,586	
271230	271210	CIAC - TAX - SERVICES	7,417,270	7,531,046	7,647,660	7,756,500	7,898,535	7,998,366	8,100,048	8,175,446	8,259,112	
271240	271310	CIAC - TAX - METERS	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	
271250	271470	CIAC - TAX - HYDRATXS	487,487	487,487	487,487	487,487	487,487	487,487	487,487	487,487	487,487	
271260	271570	CIAC - TAX - OTHER	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	
			0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
272000	272100	DEPRECIATION CONTR. PROPERTY	(12,935,289)	(13,044,232)	(13,154,552)	(13,265,611)	(13,377,053)	(13,489,093)	(13,601,155)	(13,713,314)	(13,829,714)	
		TOTAL CIAC	\$ 45,029,837	\$ 45,034,670	\$ 45,164,365	\$ 45,162,146	\$ 45,192,739	\$ 45,365,632	\$ 45,355,252	\$ 45,318,491	\$ 46,242,115	

KENTUCKY-AMERICAN WATER COMPANY												
SCHEDULE OF CUSTOMER ADVANCES AND CONTRIBUTIONS												
FORECASTED T.Y.:												
BASE TEST YEAR:												
January-09												
JDE Account	AWW Account	DESCRIPTION	Balance @ Jan-2010	Balance @ Feb-2010	Balance @ Mar-2010	Balance @ Apr-2010	Balance @ May-2010	Average Balance				
252120	252110	ADV FOR CONST - NT EXT	\$ 16,265,017	\$ 16,754,435	\$ 16,901,383	\$ 17,031,534	\$ 17,564,324	\$ 16,083,997				
252130	252200	ADV FOR CONST - NT SERVICES	0	0	0	0	0	0				
252140	252400	ADV FOR CONST - NT METERS	0	0	0	0	0	0				
252150	252300	ADV FOR CONST - NT HYDRANTS	6,063	6,063	6,063	6,063	6,063	6,063				
252160	252500	ADV FOR CONST - NT OTHER	0	0	0	0	0	0				
252220		ADV FOR CONST - TAX EXT	0	0	0	0	0	0				
252205.15	252500	ADVANCE FOR CONSTRUCTION - 88-89										
252205.20	252710	ADVANCE FOR CONSTRUCTION - 90-92										
252205.25	252720	ADVANCE FOR CONSTRUCTION - 93-96										
252225	252710	ADVANCE FOR CONSTRUCTION - TAXABLE SERV										
252230	252710	ADVANCE FOR CONSTRUCTION - TAXABLE HYD										
252240	252370	ADVANCE FOR CONSTRUCTION - TAXABLE METERS										
TOTAL CUSTOMER ADVANCES			\$ 16,271,080	\$ 16,760,498	\$ 16,907,446	\$ 17,037,597	\$ 17,570,387	\$ 16,090,060				
271110	271110	CIAC - NT - MAINS	\$ 16,766,515	\$ 16,766,515	\$ 16,766,515	\$ 16,766,515	\$ 17,568,622	\$ 16,396,312				
271120	271120	CIAC - NT - EXT DEP	11,131,710	11,131,710	11,255,111	11,255,111	11,255,111	11,010,682				
271130	271200	CIAC - NT - SERVICES	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465	14,848,465				
271140	271300	CIAC - NT - METERS	545,639	545,639	545,639	545,639	545,639	545,639				
271150	271400	CIAC - NT - HYDRANTS	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164	1,326,164				
271160	271500	CIAC - NT - OTHER	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457	3,497,457				
271210	271711	CIAC - TAX - MAINS	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493	1,998,493				
271220	271711	CIAC - TAX - EXT DEP	766,586	766,586	766,586	766,586	766,586	766,586				
271230	271210	CIAC - TAX - SERVICES	8,345,740	8,413,611	8,526,523	8,654,120	8,767,896	8,159,585				
271240	271310	CIAC - TAX - METERS	3,299	3,299	3,299	3,299	3,299	3,299				
271250	271470	CIAC - TAX - HYDRANTS	487,487	487,487	487,487	487,487	487,487	487,487				
271260	271570	CIAC - TAX - OTHER	440,903	440,903	440,903	440,903	440,903	440,903				
272000	272100	DEPRECIATION CONTR - PROPERTY	(13,943,060)	(14,056,437)	(14,171,313)	(14,286,009)	(14,406,947)	(13,718,346)				
TOTAL CIAC			\$ 46,215,397	\$ 46,169,891	\$ 46,291,328	\$ 46,304,229	\$ 47,099,174	\$ 45,762,726				

KENTUCKY-AMERICAN WATER COMPANY												
SCHEDULE OF CUSTOMER ADVANCES AND CONTRIBUTIONS												
FORECASTED T.Y.:												
BASE TEST YEAR:												
January-09												
JDE Account	Account	DESCRIPTION	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	
			Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	
			CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	
252120	252110	ADV FOR CONST - NT EXT										
252130	252200	ADV FOR CONST - NT SERVICES										
252140	252400	ADV FOR CONST - NT METERS										
252150	252300	ADV FOR CONST - NT HYDRANTS										
252160	252500	ADV FOR CONST - NT OTHER										
252220		ADV FOR CONST - TAX EXT										
252205.15	252500	ADVANCE FOR CONSTRUCTION - 88-89										
252205.20	252710	ADVANCE FOR CONSTRUCTION - 90-92										
252205.25	252720	ADVANCE FOR CONSTRUCTION - 93-96										
252225	252710	ADVANCE FOR CONSTRUCTION - TAXABLE SERV										
252230	252710	ADVANCE FOR CONSTRUCTION - TAXABLE HYD										
252240	252370	ADVANCE FOR CONSTRUCTION - TAXABLE METERS										
		TOTAL CUSTOMER ADVANCES										
			Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	Depre on	
			CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	CIAC	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	
271110	271110	CIAC - NT - MAINS	15,233	14,551	14,551	15,575	14,929	14,929	15,314	15,057	15,057	
271120	271120	CIAC - NT - EXT DEP	39,269	39,269	39,269	39,269	40,091	40,091	40,091	40,091	40,091	
271130	271200	CIAC - NT - SERVICES	1,249	1,249	1,249	1,249	1,278	1,278	1,278	1,278	1,278	
271140	271300	CIAC - NT - METERS	1,810	1,810	1,810	1,810	1,901	1,901	1,901	1,901	1,901	
271150	271400	CIAC - NT - HYDRANTS	5,525	5,525	5,525	5,525	4,838	4,838	4,838	4,838	4,838	
271160	271500	CIAC - NT - OTHER										
271210	271711	CIAC - TAX - MAINS	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	
271220	271711	CIAC - TAX - EXT DEP	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	
271230	271210	CIAC - TAX - SERVICES	19,577	20,080	20,220	20,573	20,796	21,179	21,392	21,671	21,768	
271240	271310	CIAC - TAX - METERS	8	8	8	8	8	8	8	8	8	
271250	271470	CIAC - TAX - HYDRATXS	699	699	699	699	699	699	699	699	699	
271260	271570	CIAC - TAX - OTHER	610	610	610	610	610	610	610	610	610	
272000	272100	DEPRECIATION CONTR. PROPERTY										
		TOTAL CIAC	\$ 108,982	\$ 108,803	\$ 108,943	\$ 110,320	\$ 111,059	\$ 111,442	\$ 112,040	\$ 112,062	\$ 112,159	

KENTUCKY-AMERICAN WATER COMPANY														
SCHEDULE OF CUSTOMER ADVANCES AND CONTRIBUTIONS														
FORECASTED T.Y.:														
BASE TEST YEAR:														
JDE Account AWW Account DESCRIPTION														
May-10														
January-09														
Dec-09														
Jan-10														
Feb-10														
Mar-10														
Apr-10														
May-10														
Balance Dec-07														
Forecasted Test Period														
252205.15	252500	ADVANCE FOR CONSTRUCTION - 88-89	\$ 25,413	22,639	22,639	22,639	22,639	22,639	22,639	22,639	22,639	22,639	14,652,257	276,308
252205.20	252710	ADVANCE FOR CONSTRUCTION - 90-92	15,698	15,164	15,164	15,932	15,249	15,249	15,249	15,249	15,249	15,249	10,368,051	183,317
252205.25	252720	ADVANCE FOR CONSTRUCTION - 93-96	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	14,239,812	480,270
252225	252710	ADVANCE FOR CONSTRUCTION - TAXABLE SERV	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	521,259	15,307
252230	252710	ADVANCE FOR CONSTRUCTION - TAXABLE HYD	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,199,649	22,721
252240	252370	ADVANCE FOR CONSTRUCTION - TAXABLE METERS	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,489,931	58,743
TOTAL CUSTOMER ADVANCES														
271110	271110	CIAC - NT - MAINS	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	1,998,493	33,180
271120	271120	CIAC - NT - EXT DEP	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	766,586	12,720
271130	271200	CIAC - NT - SERVICES	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	40,091	14,239,812	480,270
271140	271300	CIAC - NT - METERS	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	521,259	15,307
271150	271400	CIAC - NT - HYDRANTS	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,199,649	22,721
271160	271500	CIAC - NT - OTHER	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,489,931	58,743
271210	271711	CIAC - TAX - MAINS	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	1,998,493	33,180
271220	271711	CIAC - TAX - EXT DEP	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	766,586	12,720
271230	271210	CIAC - TAX - SERVICES	22,039	22,293	22,324	23,055	23,558	23,697	23,697	23,697	23,697	23,697	6,308,695	264,345
271240	271310	CIAC - TAX - METERS	8	8	8	8	8	8	8	8	8	8	3,299	96
271250	271470	CIAC - TAX - HYDRATXS	699	699	699	699	699	699	699	699	699	699	487,487	8,388
271260	271570	CIAC - TAX - OTHER	610	610	610	610	610	610	610	610	610	610	440,903	7,320
272000	272100	DEPRECIATION CONTR. PROPERTY												
TOTAL CIAC			\$ 116,400	\$ 113,346	\$ 113,377	\$ 114,876	\$ 114,696	\$ 120,938	\$ 114,696	\$ 120,938	\$ 114,696	\$ 120,938	\$ 43,585,315	\$ 1,362,715

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

Acct No.	Account Title	Forecasted Depreciation Expense on End of Forecasted Test Year Plant						Forecasted Depreciation Expense on End of Base Test Year Plant						Forecasted Depreciation Expense on Average Test Year Plant					
		Balance May 31, 2010	Less CIAC May 31, 2010	Net UPLS	Depr Rates	Depr Exp		Balance Jan-09	Less CIAC Jan-09	Net UPLS	Depr Rates	Depr Exp		Average Balance	Less Avg CIAC	Net UPLS	Depr Rates	Depr Exp	
3031	OTHER PIE INTANGIBLES	8,375		8,375	19.96%	\$	8,375		8,375	19.96%	\$	8,375		8,375		8,375	19.96%	\$	
3036	OTHER PIE COMPREHENSIVE STUDIES	702,011		702,011	19.96%	140,121	489,756		489,756	19.96%	98,751	617,244		617,244		617,244	19.96%	123,502	
311	SS STRUCTURES & IMPROVEMENTS	3,678,000		3,678,000	3.03%	111,443	2,637,041		2,637,041	3.03%	79,902	3,117,484		3,117,484		3,117,484	3.03%	94,460	
312	COLL & IMPOUNDING RESERY	1,012,457		1,012,457	1.50%	15,187	1,012,457		1,012,457	1.50%	15,187	1,012,457		1,012,457		1,012,457	1.50%	15,187	
313	LAKE, RIVER, & OTHER INTAKES	537,098		537,098	2.29%	12,300	537,098		537,098	2.29%	12,300	537,098		537,098		537,098	2.29%	12,300	
314	WELLS & SPRINGS				0.00%	0				0.00%	0						0.00%	0	
316	SUPPLY MAINS	5,138,874		5,138,874	1.82%	93,528	5,138,874		5,138,874	1.82%	93,528	5,138,874		5,138,874		5,138,874	1.82%	93,528	
321	PUMPING STRUCTURES & IMPROVEMENT	5,477,547		5,477,547	1.94%	106,264	5,477,547		5,477,547	1.94%	106,264	5,477,547		5,477,547		5,477,547	1.94%	106,264	
3232	OTHER POWER PROD EQPT	791,800		791,800	3.16%	25,021	791,800		791,800	3.16%	25,021	791,800		791,800		791,800	3.16%	25,021	
325	ELECTRIC PUMPING EQUIPMENT	15,608,879		15,608,879	2.45%	382,418	15,608,879		15,608,879	2.45%	382,418	15,608,879		15,608,879		15,608,879	2.45%	382,418	
326	DIESEL PUMPING EQUIPMENT	724,442		724,442	2.47%	17,894	724,442		724,442	2.47%	17,894	724,442		724,442		724,442	2.47%	17,894	
3282	HYDRAULIC PUMPING EQPT				0	0				0	0						0	0	
3283	OTHER PUMPING EQUIPMENT	870,376		870,376	2.31%	20,106	870,376		870,376	2.31%	20,106	870,376		870,376		870,376	2.31%	20,106	
331	WT STRUCTURES & IMPROVMENT	8,719,623		8,719,623	1.91%	166,545	8,719,623		8,719,623	1.91%	166,545	8,719,623		8,719,623		8,719,623	1.91%	166,545	
332	WATER TREATMENT EQUIPMENT	31,263,945		31,263,945	2.21%	689,969	31,154,484		31,154,484	2.21%	689,969	31,212,259		31,212,259		31,212,259	2.21%	689,969	
334	GAC				0.00%	0				0.00%	0						0.00%	0	
341	T & D STRUCTURES & IMP	831,753		831,753	4.34%	36,098	831,753		831,753	4.34%	36,098	831,753		831,753		831,753	4.34%	36,098	
342	DIST RES & STANDPIPES	12,775,395		12,775,395	2.25%	287,446	12,775,395		12,775,395	2.25%	287,446	12,775,395		12,775,395		12,775,395	2.25%	287,446	
343	T & D MAINS	188,670,000	35,527,172	153,142,828	1.66%	2,542,171	172,739,898		139,525,486	1.66%	2,316,123	183,496,705	34,110,433	149,386,272		149,386,272	1.66%	2,479,812	
345	SERVICES	41,828,406		41,828,406	3.24%	590,070	38,743,745		21,957,355	3.24%	543,879	40,614,837		17,606,050		17,606,050	3.24%	570,460	
346	METERS	105,721		105,721	2.78%	2,939	105,721		105,721	2.78%	2,939	105,721		105,721		105,721	2.78%	2,939	
3461	METERS - BRONZE CASE	4,156,077		4,156,077	2.86%	118,864	3,483,196		3,483,196	2.86%	98,619	3,883,497		3,883,497		3,883,497	2.86%	111,068	
3462	METERS - PLASTIC CASE	1,319,851		1,319,851	2.87%	37,880	1,429,573		1,429,573	2.87%	41,029	1,364,150		1,364,150		1,364,150	2.87%	39,151	
3463	METERS - OTHER	12,707,663	548,938	12,158,725	2.81%	341,660	9,105,571		548,938	2.81%	140,441	11,248,474	548,938	10,699,536		10,699,536	2.81%	300,657	
347	METER INSTALLATIONS	16,239,743		16,239,743	2.92%	474,200	15,801,323		15,801,323	2.92%	461,399	16,062,091		16,062,091		16,062,091	2.92%	469,013	
348	HYDRANTS	12,243,625	1,813,651	10,429,975	1.72%	179,396	11,776,689		9,963,039	1.72%	171,364	12,084,636		12,084,636		12,084,636	1.72%	176,661	
3901	OFFICE STRUCTURES	4,514,272		4,514,272	2.01%	90,677	4,501,432		4,501,432	2.01%	90,479	4,505,024		4,505,024		4,505,024	2.01%	90,551	
3902	STORES, SHOP & GAR STRUCT	1,018,771		1,018,771	2.33%	23,737	1,018,771		1,018,771	2.33%	23,737	1,018,771		1,018,771		1,018,771	2.33%	23,737	
3903	MISC STRUCTURES	1,954,957		1,954,957	4.19%	81,913	1,954,957		1,954,957	4.19%	81,913	1,954,957		1,954,957		1,954,957	4.19%	81,913	
3911	OFFICE FURNITURE	3,474,511		3,474,511	7.48%	259,683	2,676,516		2,676,516	7.48%	200,204	3,377,382		3,377,382		3,377,382	7.48%	252,629	
3912	MAINFRAME COMP & PERIPH EQPT	16,921		16,921	8.04%	1,521	63,922		63,922	8.04%	5,139	37,051		37,051		37,051	8.04%	2,979	
39121	PERSONAL COMP & PERIPH EQPT	921,876		921,876	9.52%	87,763	881,035		881,035	9.52%	83,875	905,370		905,370		905,370	9.52%	86,191	
39122	OTHER OFFICE MACH & EQPT	210,383		210,383	17.49%	36,796	210,383		210,383	17.49%	36,796	210,383		210,383		210,383	17.49%	36,796	
39123	MAINFRAME SOFTWARE	4,553,519		4,553,519	6.87%	312,827	4,553,519		4,553,519	6.87%	312,827	4,553,519		4,553,519		4,553,519	6.87%	312,827	
39126	PERSONAL COMP SOFTWARE	349,991		349,991	0.00%	0	349,991		349,991	0.00%	0	349,991		349,991		349,991	0.00%	0	
39128	OTHER SOFTWARE	636,859		636,859	18.00%	114,635	636,859		636,859	18.00%	114,635	636,859		636,859		636,859	18.00%	114,635	
3913	OTHER OFFICE EQUIPMENT	108,285		108,285	7.17%	7,549	108,285		108,285	7.17%	7,549	108,285		108,285		108,285	7.17%	7,549	
39211	TRANS EQUIP - LIGHT TRUCKS	1,836,133		1,836,133	7.22%	132,569	1,862,922		1,862,922	7.22%	134,503	1,845,267		1,845,267		1,845,267	7.22%	133,228	
39212	TRANS EQUIP - HEAVY TRUCKS	1,096,863		1,096,863	6.48%	71,077	1,114,239		1,114,239	6.48%	72,003	1,093,049		1,093,049		1,093,049	6.48%	70,830	
3922	TRANS EQUIP - CARS	470,417		470,417	10.90%	51,275	347,015		347,015	10.90%	37,825	399,224		399,224		399,224	10.90%	43,515	
3923	OTHER TRANS EQUIP	614,712		614,712	6.39%	39,280	349,399		349,399	6.39%	22,327	472,990		472,990		472,990	6.39%	30,224	
393	STORES EQUIPMENT	33,927		33,927	5.18%	1,757	33,927		33,927	5.18%	1,757	33,927		33,927		33,927	5.18%	1,757	
394	TOOLS, SHOP & GARAGE EQUIP	3,011,074		3,011,074	5.67%	170,728	2,191,123		2,191,123	5.67%	124,237	2,710,235		2,710,235		2,710,235	5.67%	153,670	
395	LABORATORY EQUIPMENT	1,453,542		1,453,542	7.10%	103,201	1,011,670		1,011,670	7.10%	71,829	1,263,873		1,263,873		1,263,873	7.10%	89,735	
396	POWER OPERATED EQUIPMENT	1,592,421		1,592,421	4.45%	70,863	1,592,421		1,592,421	4.45%	70,863	1,592,421		1,592,421		1,592,421	4.45%	70,863	
397	COMMUNICATION EQUIPMENT	2,124,456		2,124,456	6.12%	130,017	2,124,456		2,124,456	6.12%	130,017	2,124,456		2,124,456		2,124,456	6.12%	130,017	
3971	COMMUNICATION EQUIPMENT	292,322		292,322	6.12%	17,680	71,386		71,386	6.12%	4,369	197,468		197,468		197,468	6.12%	12,086	
3972	COMMUNICATION EQUIPMENT				0	0				0	0						0	0	
398	MISC EQUIPMENT	1,276,591		1,276,591	5.23%	66,766	1,276,591		1,276,591	5.23%	66,766	1,276,591		1,276,591		1,276,591	5.23%	66,766	
399	OTHER TANGIBLE PROPERTY	138,485		138,485	5.55%	7,686	138,485		138,485	5.55%	7,686	138,485		138,485		138,485	5.55%	7,686	
TOTAL		\$ 397,110,549	\$ 61,506,121	\$ 335,604,428		\$ 8,274,612	\$ 369,038,922	\$ 57,533,345	\$ 311,505,577		\$ 7,610,975	\$ 387,106,325	\$ 59,481,072	\$ 327,625,253		\$ 8,041,877			
		401,769,240	4,658,692	4,658,692			373,677,218	4,638,297	373,677,218			391,763,448	4,657,123	391,763,448		391,763,448			
		-4,658,692				2.47%	-4,638,297		-4,638,297		2.44%	-4,657,123		-4,657,123		-4,657,123			
																		2.42%	
																		0 LAND	
																		0 LAND	
																		Composite Rate ----->	

KENTUCKY-AMERICAN WATER COMPANY			
DEFERRED INCOME TAXES			
CASE NO: 2008-00427			
LEXINGTON			
Deferred Debits			
	<u>Base</u>	<u>Forecasted</u>	<u>Avg Forecast</u>
Deferred Taxes			
SIT Liability	120,832	114,325	117,537
FIT Liability	662,560	626,880	644,493
Total	783,392	741,205	762,030
Deferred Maintenance			
	<u>Base</u>	<u>Forecasted</u>	<u>Avg Forecast</u>
Deferred Taxes			
SIT Liability	109,982	227,625	177,107
FIT Liability	603,069	1,248,145	971,137
Total	713,051	1,475,770	1,148,244
Deferred Tax Info for UPIS			
	<u>Base</u>	<u>Forecasted</u>	<u>Avg Forecast</u>
Deferred Taxes			
SIT & FIT Liability	34,559,170	38,395,997	38,046,054
Subtotal	34,559,170	38,395,997	38,046,054
Reg Assets/Liab	(5,036,140)	(6,367,303)	(5,800,079)
Total	29,523,030	32,028,694	32,245,975

Kentucky-American Water Company Schedule of Forecasted Capital Expenditures																															
Base Per	01/31/09	Fore Per	05/31/10	Code	Description	Code	123.40%	96.96%	IP's	Estimated Dates		JDE Account	Book Y/N	AFUDC	Amount in CWIP & Transfer Expenditures	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09							
										Month	Year														Month	Year	Year	Year	Year	Year	Year
N	1				Misc Equipment					VAR	VAR	VAR	347000	N		0	0	0	0	0	0	0	0	0	0						
N	1				Office Structures					VAR	VAR	VAR	304500	N	12.334	0	0	0	0	0	0	0	0	0	0						
N	1				Misc Structures					VAR	VAR	VAR	304800	N	0	0	0	0	0	0	0	0	0	0	0						
N	1				Office Furniture and Equipment					VAR	VAR	VAR	340100	N	0	262,246	389,246	389,246	0	0	212,210	90,000	92,000	85,000	83,000						
N	1				Tools, Shop. & Garage Equipment					VAR	VAR	VAR	343000	N	0	0	0	0	0	0	0	0	0	0	0						
N	1				Other P/E CPS					VAR	VAR	VAR	339600	N	70,012	0	0	0	0	0	0	0	0	0	0						
O	1				Trans Equipment Light Trucks					VAR	VAR	VAR	341100	N	0	1,648	11,431	51,656	81,264	0	2,500	0	0	0	0						
O	1				Trans Equipment Other					VAR	VAR	VAR	341400	N	0	0	0	0	100,000	0	0	0	0	0	0						
O	1				Trans Equipment Autos					VAR	VAR	VAR	341300	N	0	0	0	0	50,000	0	0	0	0	0	0						
O	1				Trans Equipment Heavy Trucks					VAR	VAR	VAR	341200	N	0	0	0	0	50,000	0	0	0	0	0	0						
O	1				Power Operated Equipment					VAR	VAR	VAR	345000	N	0	0	0	0	0	0	0	0	0	0	0						
P	1				Electric pumping equipment					VAR	VAR	VAR	311200	N	0	0	0	0	0	0	0	0	0	0	0						
P	1				WT equipment non-media					VAR	VAR	VAR	320100	N	0	0	0	0	0	0	0	0	0	0	0						
P	1				Tools, Shop. & Garage Equipment					VAR	VAR	VAR	343000	N	0	26,557	44,595	33,446	99,855	2,000	12,500	60,500	72,800	0							
P	1				Laboratory Equipment					VAR	VAR	VAR	344000	N	0	0	0	0	0	0	0	0	0	0	0						
P	1				Miscellaneous Equipment					VAR	VAR	VAR	347000	N	0	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. SS					VAR	VAR	VAR	304100	N	3,232	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. P					VAR	VAR	VAR	304200	N	(175)	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. WT					VAR	VAR	VAR	304300	N	13,903	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. AG					VAR	VAR	VAR	304500	N	68,128	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. Office					VAR	VAR	VAR	304600	N	(37)	0	0	0	0	0	0	0	0	0	0						
Q	1				Struct. & Imp. Misc.					VAR	VAR	VAR	310000	N	(363)	0	0	0	0	0	0	0	0	0	0						
Q	1				Power Generation Equip.					VAR	VAR	VAR	310000	N	685	0	0	0	0	0	0	0	0	0	0						
Q	1				Pumping Equipment SS					VAR	VAR	VAR	311520	N	53,305	0	0	0	0	0	0	0	0	0	0						
Q	1				Water Treatment Non-Media					VAR	VAR	VAR	320100	N	54,691	0	0	0	0	0	0	0	0	0	0						
Q	1				Dist Reservoirs & Standpipe					VAR	VAR	VAR	330000	N	2,137	0	0	0	0	0	0	0	0	0	0						
Q	1				Laboratory Equipment					VAR	VAR	VAR	344000	N	7,570	30,922	19,310	22,343	20,777	12,302	18,409	0	5,127	0							
Q	1				Power Operated Equipment					VAR	VAR	VAR	345000	N	2,611	0	0	0	0	0	0	0	0	0	0						
Q	1				Tools, Shop. & Garage Equipment					VAR	VAR	VAR	343000	N	0	30,922	19,310	22,343	20,777	12,302	18,409	0	5,127	0							
Q	1				Communication Equipment					VAR	VAR	VAR	346190	N	0	15,461	11,172	11,172	10,389	6,151	9,204	0	2,563	0							
R	1				Distribution Reservoirs & Standpipes					VAR	VAR	VAR	330000	N	0	0	0	0	0	0	0	0	0	0	0						
R	1				Elevated Tanks & Standpipes					VAR	VAR	VAR	330100	N	26,015	14,254	14,195	13,185	13,185	0	0	0	0	0	0						
S	1				Engineering Studies					VAR	VAR	VAR	339600	Y	70,247	43,399	43,399	42,899	40,819	0	2,550	14,850	3,450	0							

Kentucky-American Water Company													
Schedule of Forecasted Capital Expenditures													
Base Per	01/31/09												
Fore Per	05/31/10												
Item 80 - 94	123.40%												
IP's	96.96%												
Investment		Estimated Dates											
Item	Code	Description	Month	Year	Month	Year	Month	Year	Month	Year	Month	Year	Book
			VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	AFUDC
			VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	Y/N
			VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	Account
			VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	JDE
			VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	VAR	AFUDC
N	1	Misc Equipment	VAR	0	0	0	0	0	0	0	0	0	
N	1	Office Structures	VAR	0	0	0	0	0	0	0	0	0	
N	1	Office Structures	VAR	0	0	0	0	0	0	0	0	0	
N	1	Office Furniture and Equipment	VAR	85,000	55,000	0	0	0	0	0	0	0	
N	1	Tools, Shop, & Garage Equipment	VAR	0	0	0	0	0	0	0	0	0	
N	1	Other P/E CPS	VAR	0	0	0	0	0	0	0	0	0	
O	1	Trans Equipment Light Trucks	VAR	6,500	0	0	0	0	0	0	0	0	
O	1	Trans Equipment Other	VAR	1,000	0	0	0	0	0	0	0	0	
O	1	Trans Equipment Autos	VAR	0	0	0	0	0	0	0	0	0	
O	1	Trans Equipment Heavy Trucks	VAR	0	0	0	0	0	0	0	0	0	
O	1	Power Operated Equipment	VAR	0	0	0	0	0	0	0	0	0	
P	1	Electric pumping equipment	VAR	0	0	0	0	0	0	0	0	0	
P	1	WT equipment non-media	VAR	0	0	0	0	0	0	0	0	0	
P	1	Tools, Shop, & Garage Equipment	VAR	80,000	13,000	0	0	0	0	0	0	0	
P	1	Laboratory Equipment	VAR	0	0	0	0	0	0	0	0	0	
P	1	Miscellaneous Equipment	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. SS	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. P	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. WT	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. AG	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. Office	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Struct. & Imp. Misc.	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Power Generation Equip.	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Pumping Equipment SS	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Water Treatment Non-Media	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Dist Reservoirs & Standpipe	VAR	19,573	24,932	13,706	40,528	0	0	0	0	0	
Q	1	Laboratory Equipment	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Power Operated Equipment	VAR	0	0	0	0	0	0	0	0	0	
Q	1	Tools, Shop, & Garage Equipment	VAR	19,573	24,932	13,706	40,528	0	0	0	0	0	
Q	1	Communication Equipment	VAR	9,786	12,466	6,853	20,264	7,248	14,492	54,955	6,536	9,780	
R	1	Distribution Reservoirs & Standpipes	VAR	0	0	0	0	0	0	0	0	0	
R	1	Elevated Tanks & Standpipes	VAR	0	0	0	0	0	0	0	0	0	
S	1	Engineering Studies	VAR	5,700	6,750	4,350	16,500	34,650	21,600	39,600	0	1,700	

Kentucky-American Water Company															
Schedule of Forecasted Capital Expenditures															
Base Per	01/31/09														
Fore Per	05/31/10														
Item 80 - 94	123.40%														
IP's	96.96%														
Investment		Code		Description		Starting Date		Completion Date		Book		AFUDC			
Item	N	1	1	Month	Year	Month	Year	Year	Account	Y/N	Y/N	2008	2009	2010	Total
				VAR	VAR	VAR	VAR	VAR	347000	N	N	0	0	0	0
	N	1	Misc Equipment	VAR	VAR	VAR	VAR	0	0	0	0	0	0	0	0
	N	1	Office Structures	VAR	VAR	VAR	VAR	0	304500	N	N	12,334	0	0	12,334
	N	1	Misc Structures	VAR	VAR	VAR	VAR	0	304800	N	N	0	0	0	0
	N	1	Office Furniture and Equipment	VAR	VAR	VAR	VAR	11,333	340100	N	N	1,572,894	600,000	57,333	2,230,227
	N	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	0	343000	N	N	0	0	0	0
	N	1	Other P/E CPS	VAR	VAR	VAR	VAR	0	339600	N	N	70,012	0	0	70,012
	O	1	Trans Equipment Light Trucks	VAR	VAR	VAR	VAR	0	341100	N	N	167,424	135,000	12,963	315,386
	O	1	Trans Equipment Other	VAR	VAR	VAR	VAR	0	341400	N	N	100,000	215,000	0	315,000
	O	1	Trans Equipment Autos	VAR	VAR	VAR	VAR	0	341300	N	N	50,000	100,000	0	150,000
	O	1	Trans Equipment Heavy Trucks	VAR	VAR	VAR	VAR	0	341200	N	N	50,000	50,000	0	100,000
	O	1	Power Operated Equipment	VAR	VAR	VAR	VAR	0	345000	N	N	0	0	0	0
	P	1	Electric pumping equipment	VAR	VAR	VAR	VAR	0	311200	N	N	0	0	0	0
	P	1	WT equipment non-media	VAR	VAR	VAR	VAR	0	320100	N	N	0	0	0	0
	P	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	40,000	343000	N	N	50,200	257,200	168,200	671,923
	P	1	Laboratory Equipment	VAR	VAR	VAR	VAR	0	344000	N	N	0	0	0	0
	P	1	Miscellaneous Equipment	VAR	VAR	VAR	VAR	0	347000	N	N	0	0	0	0
	Q	1	Struct. & Imp. SS	VAR	VAR	VAR	VAR	0	304100	N	N	3,232	0	0	3,232
	Q	1	Struct. & Imp. P	VAR	VAR	VAR	VAR	0	304200	N	N	(175)	0	0	(175)
	Q	1	Struct. & Imp. WT	VAR	VAR	VAR	VAR	0	304300	N	N	13,903	0	0	13,903
	Q	1	Struct. & Imp. AG	VAR	VAR	VAR	VAR	0	304500	N	N	68,128	0	0	68,128
	Q	1	Struct. & Imp. Office	VAR	VAR	VAR	VAR	0	304600	N	N	(37)	0	0	(37)
	Q	1	Struct. & Imp. Misc.	VAR	VAR	VAR	VAR	0	304800	N	N	(363)	0	0	(363)
	Q	1	Power Generation Equip.	VAR	VAR	VAR	VAR	0	310000	N	N	685	0	0	685
	Q	1	Pumping Equipment SS	VAR	VAR	VAR	VAR	0	311520	N	N	53,305	0	0	53,305
	Q	1	Water Treatment Non-Media	VAR	VAR	VAR	VAR	0	320100	N	N	54,691	0	0	54,691
	Q	1	Dist Reservoirs & Standpipe	VAR	VAR	VAR	VAR	0	330000	N	N	2,137	0	0	2,137
	Q	1	Laboratory Equipment	VAR	VAR	VAR	VAR	0	344000	N	N	123,266	320,000	58,874	502,140
	Q	1	Power Operated Equipment	VAR	VAR	VAR	VAR	0	345000	N	N	2,611	0	0	2,611
	Q	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	5,447	343000	N	N	115,696	320,000	58,874	494,570
	Q	1	Communication Equipment	VAR	VAR	VAR	VAR	2,724	346190	N	N	57,848	160,000	29,437	247,285
	R	1	Distribution Reservoirs & Standpipes	VAR	VAR	VAR	VAR	0	330000	N	N	0	0	0	0
	R	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	VAR	0	330100	N	N	104,602	0	0	104,602
	S	1	Engineering Studies	VAR	VAR	VAR	VAR	9,900	339600	Y	Y	284,664	150,000	17,700	452,364
								4,500							0
								3,800							0
								2,300							0
								2,300							0
								9,900							0
								2,300							0
								3,800							0
								4,500							0
								17,700							0
								150,000							0
								284,664							0
								452,364							0

Kentucky-American Water Company																	
Schedule of Forecasted Capital Expenditures																	
Base Per	01/31/09																
Fore Per	05/31/10																
Item 80 - 94	123.40%																
IP's	96.96%																
Investment																	
Code																	
Description																	
IP-1202-11	2	Install 19,000' of 12" along I-75															
IP-1202-12	2	Install 16,000' of 12" Russell Cave Rd															
IP-1202-13	2	Install 14,700' of 12" & 3,800' of 8"															
12020601	2	Ground Storage Tankl															

Feb-10 Jan-10 Dec-09 Nov-09 Oct-09 Sep-09 Aug-09 Jul-09 Jun-09 May-09

Kentucky-American Water Company																	
Schedule of Forecasted Capital Expenditures																	
Base Per	01/31/09																
Fore Per	05/31/10																
		Code															
		Code	Description	Month	Year	Starting Date	Completion Date	JDE Account	Book	Mar-10	Apr-10	May-10	Jun-10	Aug - Dec 2008	2009 Jan - Dec	2010 Jan-May	CWIP @ 7/08 & Aug 08 - May 10 Total
IP's	96.96%			12	2008			331001	Y	0	0	0	0	0	0	0	0
Investment																	
Item																	
IP-1202-11	2		Install 19,000' of 12" along I-75														
IP-1202-12	2		Install 16,000' of 12" Russell Cave Rd		12	2009		331001	Y	0	0	0	0	0	0	0	0
IP-1202-13	2		Install 14,700' of 12" & 3,800' of 8"		12	2012		331001	Y	0	0	0	0	0	0	0	0
12020501	2		Ground Storage Tankl		12	2010		330200	Y	300,000	300,000	300,000	300,000	0	122,870	970,000	1,092,870
										7,616,612	6,812,721	7,688,832	8,406,410	61,390,142	87,812,014	33,801,628	183,003,785
										7,616,612	6,812,721	7,688,832	8,406,410	61,390,143	87,812,014	33,801,628	183,003,785
										0	0	0	0	0	(1)	0	(1)

Calculation of CWIP			
	Forecasted Test Year:	01/31/09	
	Base Test Year:	05/31/10	
Balance	46,005,202	106,163,624	132,463,007
Budget	CWIP at	CWIP at	CWIP at
Item	Jan-09	Dec-09	5/31/2010
DV	310,102	903,293	779,592
DV	0	0	0
DV	0	0	0
DV	0	0	0
DV	0	0	0
DV	0	0	0
DV	0	0	0
A	19,349	269,508	15,419
A	0	0	0
A	0	0	0
A	0	0	0
A	0	0	0
A	0	0	0
B	61,701	114,516	114,146
B	0	0	0
B	0	0	0
B	0	0	0
B	0	0	0
B	0	0	0
C	0	72,098	11,153
C	0	0	0
C	0	0	0
C	0	0	0
C	0	0	0
C	0	0	0
D	61,701	111,431	111,061
D	0	0	0
D	0	0	0
D	0	0	0
D	0	0	0
D	0	0	0
E	8,352	28,215	35,547
F	0	0	18,788
G	24,804	197,485	107,660
0	0	0	0
0	0	0	0
0	0	0	0
H	82,875	397,103	116,287
0	0	0	0
0	0	0	0
I	13,928	37,328	9,497
I	74,559	199,825	50,839
I	0	0	0
I	9,831	26,350	6,704
I	0	0	0
J	11,407	76,817	36,315
J	61,062	411,220	194,402
J	8,052	54,227	25,635
J	0	0	0
J	0	0	0

Calculation of CWIP			
Forecasted Test Year:		01/31/09	
Base Test Year:		05/31/10	
Balance	46,005,202	106,163,624	132,463,007
Budget Item	CWIP at Jan-09	CWIP at Dec-09	CWIP at 5/31/2010
K	0	0	0
K	0	55,456	21,917
K	0	0	0
K	0	0	0
K	0	0	0
L	0	19,136	0
L	0	0	0
L	0	0	0
L	0	0	0
M	0	0	0
M	0	0	0
M	0	0	0
M	0	0	0
M	0	0	0
M	0	12,340	0
M	0	0	0
M	0	0	0
N	0	0	0
N	0	0	0
N	0	0	0
N	111,061	0	13,163
N	0	0	0
N	0	0	0
O	0	112,295	4,570
O	0	123,401	0
O	0	61,701	0
O	0	61,701	0
O	0	0	0
P	0	0	0
P	0	0	0
P	2,468	0	67,871
P	0	0	0
P	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	0	0	0
Q	15,181	135,629	25,663
Q	0	0	0
Q	15,181	135,629	25,663
Q	7,591	67,815	12,831
R	0	0	0
R	0	0	0
S	0	48,867	4,689
1202-5	640,578	0	0
	0		

Calculation of CWIP			
Forecasted Test Year:		01/31/09	
Base Test Year:		05/31/10	
Balance	46,005,202	106,163,624	132,463,007
Budget Item	CWIP at Jan-09	CWIP at Dec-09	CWIP at 5/31/2010
1202-6	1,313,360 20,395	0	0
12020105	0 0 0 0	0 0 0 0	0 0 0 0
12020201	0 0	0 0	0 0
12020204	1,895,375	1,951,975	1,961,671
12020301	0 0 0	0 0 0	0 0 0
12020303	0 0	0 0	0 0
12020402	0 0	0 0	0 0
12020508	0 0 0 0	0 0 0 0	0 0 0 0
12020602	0 0	0 0	0 0
12020607	8,836,216 0 3,878 0 1,905,218 771,566 2,384,687 824,177 8,207,965 27,565 71,115 601,015 1,412,433 1,694,206 14,194,188	12,400,069 3,878 0 1,905,218 1,212,269 7,523,673 2,424,050 18,776,823 27,565 943,773 3,703,799 6,357,495 3,785,447 41,295,067	16,619,512 3,878 0 1,905,218 1,212,269 11,208,229 2,424,050 23,140,113 27,565 1,018,348 3,792,401 10,872,835 3,785,447 51,622,391
12020701	302,060 0	0	0
12020702	0 0	0 0	0 0
IP-1232-1	0	0	0
12020505	0	0	0

Calculation of CWIP				
Forecasted Test Year:		01/31/09		
Base Test Year:		05/31/10		
Balance	46,005,202		106,163,624	132,463,007
Budget Item	CWIP at Jan-09		CWIP at Dec-09	CWIP at 5/31/2010
12020506	0		0	0
12300403	0		0	0
IP-1202-11	0		0	0
IP-1202-12	0		0	0
IP-1202-13	0		0	0
12020501	0		119,137	1,059,668
Totals	46,005,202		106,163,624	132,463,007

Kentucky-American Water Company		Utility Plant Placed into Service											
Schedule of Plant Additions		01/31/09	05/31/10	8	9	10	11	12	1	2	3	4	
Base Per	Fore Per												
		2,627,111	50,540,778										
		(2,627,111)	\$ 53,167,888										
		-	53,167,888										
Budget Item	NUMERIC	STRING	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	2009	
DV	331001	ACCT1	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	2009	
DV	333000	331001	119,079	340,842	416,841	341,992	251,289	422,864	310,102	612,037	369,877	2009	
DV	334130	334130	8,291	8,291	0	0	0	0	0	0	0	2009	
DV	334200	334200	(925)	(925)	0	0	0	0	0	0	0	2009	
DV	335000	335000	21,100	21,100	0	0	0	0	0	0	0	2009	
DV	303500	303500	16,095	16,095	0	0	0	0	0	0	0	2009	
DV	303500	303500	0	0	0	0	0	0	0	0	0	2009	
DV	330100	330100	0	0	0	0	0	0	0	0	0	2009	
A	331001	331001	0	61,538	61,538	54,936	13,608	45,401	19,349	13,130	22,805	2009	
A	333000	333000	0	0	0	0	0	0	0	0	0	2009	
A	335000	335000	0	0	0	0	0	0	0	0	0	2009	
A	303500	303500	0	0	0	0	0	0	0	0	0	2009	
A	334130	334130	0	0	0	0	0	0	0	0	0	2009	
A	334200	334200	0	0	0	0	0	0	0	0	0	2009	
B	331001	331001	13,364	101,847	114,891	96,381	96,381	102,574	61,701	61,701	61,701	2009	
B	333000	333000	0	0	0	0	0	0	0	0	0	2009	
B	335000	335000	925	925	0	0	0	0	0	0	0	2009	
B	303500	303500	0	0	0	0	0	0	0	0	0	2009	
B	334130	334130	0	0	0	0	0	0	0	0	0	2009	
B	334200	334200	0	0	0	0	0	0	0	0	0	2009	
C	331001	331001	18,173	42,400	21,590	14,557	27,057	22,252	0	9,623	67	2009	
C	333000	333000	0	0	0	0	0	0	0	0	0	2009	
C	335000	335000	0	0	0	0	0	0	0	0	0	2009	
C	303500	303500	0	0	0	0	0	0	0	0	0	2009	
C	334130	334130	0	0	0	0	0	0	0	0	0	2009	
C	334200	334200	0	0	0	0	0	0	0	0	0	2009	
D	331001	331001	67,912	83,337	48,189	52,918	52,918	52,918	61,701	61,701	74,041	2009	
D	333000	333000	0	0	0	0	0	0	0	0	0	2009	
D	335000	335000	0	0	0	0	0	0	0	0	0	2009	
D	303500	303500	0	0	0	0	0	0	0	0	0	2009	
D	334130	334130	0	0	0	0	0	0	0	0	0	2009	
D	334200	334200	0	0	0	0	0	0	0	0	0	2009	
E	335000	335000	476	30,479	24,680	24,680	24,680	41,131	8,352	27,975	17,211	2009	
F	335000	335000	5,974	17,344	11,370	10,241	15,314	14,177	0	9,255	2,036	2009	

Kentucky-American Water Company			Utility Plant Placed into Service												
Schedule of Plant Additions															
Base Per	01/31/09	05/31/10													
Fore Per	LEXINGTON											2010			
	50,540,778	CHECK TOT.	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2010
	(2,627,111)	\$ 53,167,888	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
DV	331001	NUMERIC	253,229	778,598	631,241	140,177	317,573	666,333	323,538	493,848	903,293				
DV	333000	STRING	0	0	0	0	0	0	0	0	0				
DV	334130	ACCT1	0	0	0	0	0	0	0	0	0				
DV	334200	ACCT2	0	0	0	0	0	0	0	0	0				
DV	335000		0	0	0	0	0	0	0	0	0				
DV	303500		0	0	0	0	0	0	0	0	0				
DV	330100		0	0	0	0	0	0	0	0	0				
A	331001		69,105	14,512	32,479	34,552	89,145	15,894	53,211	57,357	269,508				
A	333000		0	0	0	0	0	0	0	0	0				
A	335000		0	0	0	0	0	0	0	0	0				
A	303500		0	0	0	0	0	0	0	0	0				
A	334130		0	0	0	0	0	0	0	0	0				
A	334200		0	0	0	0	0	0	0	0	0				
B	331001		98,721	114,146	120,316	120,316	126,486	120,316	120,316	120,316	114,516				
B	333000		0	0	0	0	0	0	0	0	0				
B	335000		0	0	0	0	0	0	0	0	0				
B	303500		0	0	0	0	0	0	0	0	0				
B	334130		0	0	0	0	0	0	0	0	0				
B	334200		0	0	0	0	0	0	0	0	0				
C	331001		5,486	11,153	74,435	13,644	57,143	24,593	19,350	7,830	72,098				
C	333000		0	0	0	0	0	0	0	0	0				
C	335000		0	0	0	0	0	0	0	0	0				
C	303500		0	0	0	0	0	0	0	0	0				
C	334130		0	0	0	0	0	0	0	0	0				
C	334200		0	0	0	0	0	0	0	0	0				
D	331001		111,061	111,061	117,231	117,231	123,401	117,231	117,231	117,231	111,431				
D	333000		0	0	0	0	0	0	0	0	0				
D	335000		0	0	0	0	0	0	0	0	0				
D	303500		0	0	0	0	0	0	0	0	0				
D	334130		0	0	0	0	0	0	0	0	0				
D	334200		0	0	0	0	0	0	0	0	0				
E	335000		10,522	34,126	33,657	14,492	11,562	17,933	17,032	15,853	28,215				
F	335000		185	16,104	42,203	10,551	33,318	60,343	0	11,106	0				

Kentucky-American Water Company																
Schedule of Plant Additions																
Base Per	01/31/09															
Fore Per	LEXINGTON	05/31/10														
2,627,111	50,540,778	CHECK TOT,														
(2,627,111)	\$ 53,167,888															
-	53,167,888															
Budget Item	NUMERIC	STRING	2010		2010		2010		2010		2010		2010		Additions	
DV	ACCT1	ACCT2	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sept-10	Oct-10	Nov-10	Dec-10	Total	CWIP @5/10 plus Additions	
	331001	331001	310,488	612,819	370,349	253,552	0	0	0	0	0	0	0	9,239,971	10,019,563	8,164,678
DV	333000	333000	0	0	0	0	16,582	0	0	0	0	0	0	16,582	16,582	16,581
DV	334130	334130	0	0	0	0	(1,850)	0	0	0	0	0	0	(1,850)	(1,850)	(1,850)
DV	334200	334200	0	0	0	0	0	0	0	0	0	0	0	42,200	42,200	42,199
DV	335000	335000	0	0	0	0	0	0	0	0	0	0	0	32,190	32,190	32,190
DV	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DV	330100	330100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	331001	331001	20,559	13,950	24,230	73,424	0	0	0	0	0	0	0	1,060,231	1,075,650	871,670
A	333000	333000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	335000	335000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	334130	334130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	334200	334200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	331001	331001	61,701	61,701	61,701	98,721	0	0	0	0	0	0	0	2,049,814	2,163,960	1,758,666
B	333000	333000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	335000	335000	0	0	0	0	0	0	0	0	0	0	0	1,850	1,850	1,849
B	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	334130	334130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	334200	334200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	331001	331001	0	9,623	67	5,486	0	0	0	0	0	0	0	456,627	467,780	385,965
C	333000	333000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	335000	335000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	334130	334130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	334200	334200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	331001	331001	61,701	61,701	74,041	111,061	0	0	0	0	0	0	0	1,907,248	2,018,309	1,661,324
D	333000	333000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	335000	335000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	334130	334130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	334200	334200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E	335000	335000	8,700	29,141	17,929	10,961	0	0	0	0	0	0	0	449,767	485,334	393,479
F	335000	335000	0	10,788	2,375	216	0	0	0	0	0	0	0	272,910	291,698	238,648

Kentucky-American Water Company		Utility Plant Placed into Service														
Schedule of Plant Additions		01/31/09														
Base Per	Fore Per	LEXINGTON	50,540,778													
			2,627,111	50,540,778												
			(2,627,111)	\$ 53,167,888	CHECK TOTAL											
			-	53,167,888												
Budget Item		NUMERIC	STRING	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09				
		ACCT1	ACCT2	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009				
G	333000	333000		1,904	73,058	41,328	58,072	83,215	34,726	24,804	61,253	92,765				
	0	333000		0	0	0	0	0	0	0	0	0				
	0	333000		0	0	0	0	0	0	0	0	0				
	0	333000		0	0	0	0	0	0	0	0	0				
	0	340230		0	0	0	0	0	0	0	0	0				
	0															
	0															
H	333000	333000		15,682	54,859	41,305	40,497	47,099	47,096	82,875	87,997	11,934				
	0	333000		0	0	0	0	0	0	0	0	0				
	0	340230		0	0	0	0	0	0	0	0	0				
I	334110	334120		471,310	506,617	35,360	35,307	35,307	35,759	13,928	23,714	13,707				
	334130	334130		0	189,008	189,292	189,008	189,008	191,425	74,559	126,944	73,375				
	334131	334131		0	0	0	0	0	0	0	0	0				
	334200	334200		0	24,923	24,962	24,923	24,923	25,243	9,831	16,739	9,676				
	334200	334200		0	0	0	0	0	0	0	0	0				
J	334110	343000		1,177,226	1,187,633	10,782	10,408	10,595	10,221	11,407	14,896	17,007				
	334130	343130		12,909	68,624	57,717	55,714	56,716	54,715	61,062	79,743	91,042				
	334200	343200		677	8,024	7,611	7,347	7,479	7,215	8,052	10,515	12,006				
	343000	343000		0	0	0	0	0	0	0	0	0				
	334200	334200		0	0	0	0	0	0	0	0	0				
K	340210	340210		0	0	0	0	0	0	0	0	0				
	340220	340220		611	11,625	23,557	18,275	18,276	18,510	0	1,117	5,194				
	340300	340300		2,500	2,500	0	0	0	0	0	0	0				
	320100	320100		0	0	0	0	0	0	0	0	0				
	346100	346100		90,089	90,089	0	0	0	0	0	0	0				
L	320100	310000		0	3,569	3,569	3,569	3,569	3,569	0	0	0				
	311200	311200		0	0	0	0	0	0	0	0	0				
	320100	320100		0	0	0	0	0	0	0	0	0				
	346100	346190		1,607	1,607	0	0	0	0	0	0	0				

Kentucky-American Water Company		Utility Plant Placed into Service											
Schedule of Plant Additions		01/31/09											
Base Per	05/31/10												
Fore Per		2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2010
		May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
Budget Item	ACCT1	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Feb-2010	Mar-2010	Apr-2010
2,627,111	50,540,778												
(2,627,111)	\$ 53,167,888												
-	53,167,888												
	NUMERIC												
	ACCT1												
	STRING												
	ACCT2												
G	333000	22,935	107,660	127,748	67,040	120,377	195,852	92,439	98,973	197,485			
0	333000	0	0	0	0	0	0	0	0	0			
0	333000	0	0	0	0	0	0	0	0	0			
0	333000	0	0	0	0	0	0	0	0	0			
0	340230	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	333000	74,913	108,534	187,359	136,907	135,379	208,793	147,308	148,511	397,103			
0	333000	0	0	0	0	0	0	0	0	0			
0	340230	0	0	0	0	0	0	0	0	0			
I	334110	8,550	9,616	12,605	18,857	19,978	21,224	26,684	6,211	37,328			
I	334130	45,772	51,476	67,477	100,947	106,946	113,617	142,848	33,251	199,825			
I	334131	0	0	0	0	0	0	0	0	0			
I	334200	6,036	6,788	8,898	13,311	14,102	14,982	18,837	4,384	26,350			
I	334200	0	0	0	0	0	0	0	0	0			
J	334110	3,693	33,013	39,687	0	25,177	27,130	44,472	56,321	76,817			
J	334130	19,770	176,729	212,452	0	134,778	145,231	238,070	301,501	411,220			
J	334200	2,607	23,304	28,016	0	17,772	19,151	31,393	39,759	54,227			
J	343000	0	0	0	0	0	0	0	0	0			
J	334200	0	0	0	0	0	0	0	0	0			
K	340210	0	0	0	0	0	0	0	0	0			
K	340220	6,153	22,355	6,105	15,478	0	354	1,398	12,259	55,456			
K	340300	0	0	0	0	0	0	0	0	0			
K	320100	0	0	0	0	0	0	0	0	0			
K	346100	0	0	0	0	0	0	0	0	0			
L	320100	0	0	0	0	0	11,917	80,008	0	19,136			
L	311200	0	0	0	0	0	0	0	0	0			
L	320100	0	0	0	0	0	0	0	0	0			
L	346100	0	0	0	0	0	0	0	0	0			

Kentucky-American Water Company																
Schedule of Plant Additions																
Base Per	01/31/09															
Fore Per	LEXINGTON	05/31/10														
2,627,111	50,540,778	CHECK TOT,														
(2,627,111)	\$ 53,167,888															
-	53,167,888															
Budget Item	NUMERIC	STRING	2010		2010		2010		2010		2010		CWIP @5/10 plus Additions			
	ACCT1	ACCT2	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Total		
G	333000		24,804	61,253	92,765									1,703,391	1,811,051	1,468,335
0	333000		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	333000		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	333000		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	340230		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0			0	0	0	0	0	0	0	0	0	0	0	0	0	0
0			0	0	0	0	0	0	0	0	0	0	0	0	0	0
H	333000		88,795	94,282	12,787									80,264	2,366,566	1,923,733
0	333000		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	340230		0	0	0	0	0	0	0	0	0	0	0	0	0	0
0			0	0	0	0	0	0	0	0	0	0	0	0	0	0
I	334110		13,755	23,420	13,537									8,444	1,391,218	1,313,845
I	334130		73,636	125,372	72,466									45,205	2,401,457	1,987,259
I	334131		0	0	0	0	0	0	0	0	0	0	0	0	0	0
I	334200		9,710	16,532	9,566									5,962	316,668	262,052
I	334200		0	0	0	0	0	0	0	0	0	0	0	0	0	0
J	334110		12,547	16,386	18,708									4,062	2,808,188	2,844,503
J	334130		67,168	87,717	100,146									21,747	2,454,771	2,151,696
J	334200		8,858	11,566	13,206									2,868	321,653	347,288
J	343000		0	0	0	0	0	0	0	0	0	0	0	0	0	0
J	334200		0	0	0	0	0	0	0	0	0	0	0	0	0	0
K	340210		0	0	0	0	0	0	0	0	0	0	0	0	0	0
K	340220		0	1,096	5,092									6,032	228,943	250,860
K	340300		0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000
K	320100		0	0	0	0	0	0	0	0	0	0	0	0	0	0
K	346100		0	0	0	0	0	0	0	0	0	0	0	180,178	180,178	180,178
L	320100		0	0	0	0	0	0	0	0	0	0	0	0	0	0
L	311200		0	0	0	0	0	0	0	0	0	0	0	128,906	128,906	104,460
L	320100		0	0	0	0	0	0	0	0	0	0	0	0	0	0
L	346100		0	0	0	0	0	0	0	0	0	0	0	3,214	3,214	3,214

Kentucky-American Water Company			Utility Plant Placed into Service											
Schedule of Plant Additions														
Base Per														
Fore Per	01/31/09	05/31/10												
	2,627,111	50,540,778												
	(2,627,111)	\$ 53,167,888												
	-	53,167,888												
Budget Item	NUMERIC	STRING	2008	8	9	10	11	12	1	2	3	4		
	ACCT1	ACCT2	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-09	2009		
	304100	304100	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	2009		
			0	0	0	0	0	0	0	0	0	0		
M	304200		0	0	0	0	0	0	0	0	0	0		
M	304300		0	0	0	0	0	0	0	0	0	0		
M	304400		0	0	0	0	0	0	0	0	0	0		
M	304500		0	0	0	0	0	0	0	0	0	0		
M	304600		0	1,234	1,234	7,404	1,234	1,234	1,234	0	0	0		
M	304700		0	0	0	0	0	0	0	0	0	0		
M	304800		0	0	0	0	0	0	0	0	0	0		
N	347000		0	0	0	0	0	0	0	0	0	0		
N	304500		6,167	6,167	0	0	0	0	0	0	0	0		
N	304800		0	0	0	0	0	0	0	0	0	0		
N	340100		0	323,614	542,034	480,333	333,116	261,870	111,061	113,529	104,891	104,891		
N	343000		0	0	0	0	0	0	0	0	0	0		
N	339600		35,006	35,006	0	0	0	0	0	0	0	0		
O	341100		0	2,033	26,438	14,106	63,744	100,281	0	0	3,085	0		
O	341400		0	0	0	0	0	123,401	0	0	0	0		
O	341300		0	0	0	0	0	61,701	0	0	0	0		
O	341200		0	0	0	0	0	61,701	0	0	0	0		
O	345000		0	0	0	0	0	0	0	0	0	0		
P	311200		0	0	0	0	0	0	0	0	0	0		
P	320100		0	0	0	0	0	0	0	0	0	0		
P	343000		0	32,771	51,916	55,031	41,272	123,223	2,468	15,425	74,658	74,658		
P	344000		0	0	0	0	0	0	0	0	0	0		
P	347000		0	0	0	0	0	0	0	0	0	0		
Q	304100		1,616	1,616	0	0	0	0	0	0	0	0		
Q	304200		(88)	(88)	0	0	0	0	0	0	0	0		
Q	304300		6,952	6,952	0	0	0	0	0	0	0	0		
Q	304500		34,064	34,064	0	0	0	0	0	0	0	0		
Q	304600		(19)	(19)	0	0	0	0	0	0	0	0		
Q	304800		(181)	(181)	0	0	0	0	0	0	0	0		
Q	310000		342	342	0	0	0	0	0	0	0	0		
Q	311520		26,653	26,653	0	0	0	0	0	0	0	0		
Q	320100		27,346	27,346	0	0	0	0	0	0	0	0		
Q	330000		1,068	1,068	0	0	0	0	0	0	0	0		
Q	344000		3,785	41,943	23,829	27,572	27,572	25,639	15,181	22,717	0	0		
Q	345000		1,305	1,305	0	0	0	0	0	0	0	0		
Q	343000		0	38,158	23,829	27,572	27,572	25,639	15,181	22,717	0	0		
Q	346190		0	19,079	11,915	13,786	13,786	12,820	7,591	11,358	0	0		

Kentucky-American Water Company		Utility Plant Placed into Service											
Schedule of Plant Additions		01/31/09											
Base Per	LEXINGTON	05/31/10											
Fore Per	50,540,778	CHECK TOT.											
	(2,627,111)	\$ 53,167,888											
	-	53,167,888											
Budget	NUMERIC	STRING	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2010
Item	ACCT1	ACCT2	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Jan-10	
	304100	304100	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Jan-2010	
M	304100	304100	0	0	0	0	0	0	0	0	0	0	
M	304200	304200	0	0	0	0	0	0	0	0	0	0	
M	304300	304300	0	0	0	0	0	0	0	0	0	0	
M	304400	304400	0	0	0	0	0	0	0	0	0	0	
M	304500	304500	0	0	0	0	0	0	0	0	0	0	
M	304600	304600	0	0	0	0	0	0	0	0	0	12,340	
M	304700	304700	0	0	0	0	0	0	0	0	0	0	
M	304800	304800	0	0	0	0	0	0	0	0	0	0	
N	347000	347000	0	0	0	0	0	0	0	0	0	0	
N	304600	304600	0	0	0	0	0	0	0	0	0	0	
N	304800	304800	0	0	0	0	0	0	0	0	0	0	
N	340100	340100	102,423	98,721	104,891	67,871	37,020	0	0	0	0	0	
N	343000	343000	0	0	0	0	0	0	0	0	0	0	
N	339600	343000	0	0	0	0	0	0	0	0	0	0	
O	341100	341100	0	1,234	8,021	0	36,403	0	5,553	0	112,295	0	
O	341400	341400	0	0	0	0	0	69,105	0	72,807	123,401	0	
O	341300	341300	0	0	0	0	0	0	0	61,701	61,701	0	
O	341200	341200	0	0	0	0	0	0	0	0	0	61,701	
O	345000	345000	0	0	0	0	0	0	0	0	0	0	
P	311200	311200	0	0	0	0	0	0	0	0	0	0	
P	320100	320100	0	0	0	0	0	0	0	0	0	0	
P	343000	343000	89,836	20,238	98,721	16,042	0	0	0	0	0	0	
P	344000	344000	0	0	0	0	0	0	0	0	0	0	
P	347000	347000	0	0	0	0	0	0	0	0	0	0	
Q	304100	304100	0	0	0	0	0	0	0	0	0	0	
Q	304200	304200	0	0	0	0	0	0	0	0	0	0	
Q	304300	304300	0	0	0	0	0	0	0	0	0	0	
Q	304500	304500	0	0	0	0	0	0	0	0	0	0	
Q	304600	304600	0	0	0	0	0	0	0	0	0	0	
Q	304800	304800	0	0	0	0	0	0	0	0	0	0	
Q	310000	310000	0	0	0	0	0	0	0	0	0	0	
Q	311520	311520	0	0	0	0	0	0	0	0	0	0	
Q	320100	320100	0	0	0	0	0	0	0	0	0	0	
Q	330000	330000	0	0	0	0	0	0	0	0	0	0	
Q	344000	344000	6,327	24,153	30,767	16,913	50,012	17,888	39,529	35,767	135,629	0	
Q	345000	345000	0	0	0	0	0	0	0	0	0	0	
Q	343000	343000	6,327	24,153	30,767	16,913	50,012	17,888	39,529	35,767	135,629	0	
Q	346190	346190	3,163	12,077	15,383	8,457	25,006	8,944	19,764	17,884	67,815	0	

Kentucky-American Water Company														
Schedule of Plant Additions														
Base Per	01/31/09													
Fore Per	LEXINGTON	05/31/10												
2,627,111	50,540,778	CHECK TOT,												
(2,627,111)	\$ 53,167,888													
-	53,167,888													
Budget Item	NUMERIC	STRING	2010		2010		2010		2010		2010		CWIP @5/10 plus Additions	
	ACCT1	ACCT2	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	
	304100	304100	0	0	0	0	0	0	0	0	0	0	0	0
M	304200	304200	0	0	0	0	0	0	0	0	0	0	0	0
M	304300	304300	0	0	0	0	0	0	0	0	0	0	0	0
M	304400	304400	0	0	0	0	0	0	0	0	0	0	0	0
M	304500	304500	0	0	0	0	0	0	0	0	0	0	0	0
M	304600	304600	0	0	0	0	0	0	0	0	0	0	0	0
M	304700	304700	0	0	0	0	0	0	0	0	0	0	0	0
M	304800	304800	0	0	0	0	0	0	0	0	0	0	0	0
N	347000	347000	0	0	0	0	0	0	0	0	0	0	0	0
N	304500	304600	0	0	0	0	0	0	0	0	0	0	0	0
N	304800	304800	0	0	0	0	0	0	0	0	0	0	0	0
N	340100	340100	14,808	15,137	13,985	13,656	2,738,960	2,752,123	2,230,227	0	0	0	0	0
N	343000	343000	0	0	0	0	0	0	0	0	0	0	0	0
N	339600	343000	0	0	0	0	0	0	0	0	0	0	0	0
O	341100	341100	0	11,426	0	0	0	384,619	389,189	315,386	0	0	0	0
O	341400	341400	0	0	0	0	0	388,714	388,714	315,000	0	0	0	0
O	341300	341300	0	0	0	0	0	185,103	185,103	150,000	0	0	0	0
O	341200	341200	0	0	0	0	0	123,402	123,402	100,000	0	0	0	0
O	345000	345000	0	0	0	0	0	0	0	0	0	0	0	0
P	311200	311200	0	0	0	0	0	0	0	0	0	0	0	0
P	320100	320100	0	0	0	0	0	0	0	0	0	0	0	0
P	343000	343000	6,170	22,212	49,360	61,947	761,290	829,161	671,923	0	0	0	0	0
P	344000	344000	0	0	0	0	0	0	0	0	0	0	0	0
P	347000	347000	0	0	0	0	0	0	0	0	0	0	0	0
Q	304100	304100	0	0	0	0	0	3,232	3,232	3,232	0	0	0	0
Q	304200	304200	0	0	0	0	(176)	(176)	(176)	(175)	0	0	0	0
Q	304300	304300	0	0	0	0	13,904	13,904	13,904	13,903	0	0	0	0
Q	304500	304500	0	0	0	0	68,128	68,128	68,128	68,128	0	0	0	0
Q	304600	304600	0	0	0	0	(38)	(38)	(38)	(37)	0	0	0	0
Q	304800	304800	0	0	0	0	(362)	(362)	(362)	(363)	0	0	0	0
Q	311520	311520	0	0	0	0	684	684	684	685	0	0	0	0
Q	320100	320100	0	0	0	0	53,306	53,306	53,306	53,305	0	0	0	0
Q	330000	330000	0	0	0	0	2,136	2,136	2,136	2,137	0	0	0	0
Q	344000	344000	16,130	24,137	0	6,722	592,212	617,875	502,140	0	0	0	0	0
Q	345000	345000	0	0	0	0	2,610	2,610	2,611	0	0	0	0	0
Q	343000	343000	16,130	24,137	0	6,722	584,642	610,305	494,570	0	0	0	0	0
Q	346190	346190	8,065	12,068	0	3,361	292,322	305,153	247,285	0	0	0	0	0

Kentucky-American Water Company		Utility Plant Placed into Service											
Schedule of Plant Additions		01/31/09	05/31/10	08	9	10	11	12	1	2	3	4	
Base Per				2008	2008	2008	2008	2008	2009	2009	2009	2009	
Fore Per	LEXINGTON		CHECK TOTAL	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-2009	Feb-2009	Mar-2009	Apr-09	
				Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	
2,627,111	50,540,778												
(2,627,111)	\$ 53,167,888												
-	53,167,888												
Budget	NUMERIC	STRING		Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	
Item	ACCT1	ACCT2		Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	
R	330000			0	0	0	0	0	0	0	0	0	
R	330100			13,008	30,596	29,331	17,517	16,270	16,270	0	0	0	
S	339600			35,123	88,679	54,172	53,555	52,938	50,372	0	3,147	18,325	
1202-5	331001			0	0	0	0	0	0	0	0	0	
1202-6	331001			0	0	0	0	0	0	0	0	0	
	303500			0	0	0	0	0	0	0	0	0	
12020105	331001			9	0	0	0	0	0	0	0	0	
	311540			55	0	0	0	0	0	0	0	0	
	330200			36	0	0	0	0	0	0	0	0	
	330000			249	0	0	0	0	0	0	0	0	
12020201	331001			135,810	0	0	0	0	0	0	0	0	
12020201	303500			15,145	0	0	0	0	0	0	0	0	
12020204	304100			0	0	0	0	0	0	0	0	0	
12020301	330100			398	0	0	0	0	0	0	0	0	
12020303	311200			337	0	0	0	0	0	0	0	0	
12020402	331001			0	0	0	0	402,749	0	0	0	0	

Kentucky-American Water Company			Utility Plant Placed into Service																
Schedule of Plant Additions																			
Base Per	01/31/09	05/31/10																	
Fore Per	CHECK TOTAL																		
2,627,111	50,540,778																		
(2,627,111)	\$ 53,167,888																		
-	53,167,888																		
Budget Item	NUMERIC	STRING	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2009	2009	2009	2009	2009	2009
12020602	ACCT1	ACCT12	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
12020608	311200	311200	7,405,842	370	370	370	370	370	370	370	370	370	370	0	0	0	0	0	0
12020602	331001	331001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12020602	335000	335000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12020607	301000	300000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	303200	303200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	303300	303300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	303400	303400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	303500	303500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	304100	304100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	304200	304200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	304300	304300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	306000	306000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	309000	309000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	311200	311200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	320100	320100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	330000	330000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	331001	331001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12020701	304100	304100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12020702	331001	331001	0	0	0	0	0	0	0	0	0	0	822,448	0	0	0	0	0	0
0	331001	331001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IP-1232-1	320100	320100	0	0	0	0	0	0	0	0	0	0	0	773,392	0	0	0	0	0

Kentucky-American Water Company															
Schedule of Plant Additions															
Base Per	01/31/09														
Fore Per	LEXINGTON	05/31/10													
2,627,111	50,540,778	CHECK TOT,													
(2,627,111)	\$ 53,167,888														
-	53,167,888														
Budget Item	NUMERIC ACCT1	STRING ACCT2	2010 Feb-10	2010 Mar-10	2010 Apr-10	2010 May-10	2010 Total	CWIP @5/10 plus Additions						Additions	
12020505	304300	304300	0	0	0	0	39,027	39,027							39,999
12020506	304300	304300	0	0	0	0	11,636	11,636							12,000
12300403	331001	331001	0	0	0	0	466	466							466
IP-1202-11	331001	331001	0	0	0	0	0	0							0
IP-1202-12	331001	331001	0	0	0	0	0	0							0
IP-1202-13	331001	331001	0	0	0	0	0	0							0
12020501	330200	330200	0	0	0	0	1,059,668	1,059,668							1,092,870
			823,735	1,348,572	964,517	846,186	53,167,888	185,630,895							183,003,785

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Budget Item	Code	Description	Estimated Dates		Tax		Book		BOOK		Mar-09	Apr-09	May-09	
			Starting Date	Completion Date	AFUDC	AFUDC	AFUDC	AFUDC						
			Month	Year	Year	Month	Year	Year	Year					
DV	1	Mains	VAR	VAR	VAR	VAR	Y	331001	N	0	0	0	0	
DV	1	Services	VAR	VAR	VAR	VAR	Y	333000	N	0	0	0	0	
DV	1	Meters	VAR	VAR	VAR	VAR	Y	334130	N	0	0	0	0	
DV	1	Meter Installations	VAR	VAR	VAR	VAR	Y	334200	N	0	0	0	0	
DV	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	N	0	0	0	0	
DV	1	Land	VAR	VAR	VAR	VAR	Y	303500	N	0	0	0	0	
DV	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	VAR	Y	334130	N	0	0	0	0	
DV	1		VAR	VAR	VAR	VAR	Y	334200	N	0	0	0	0	
A	1	Mains	VAR	VAR	VAR	VAR	Y	331001	Y	206	198	120	308	280
A	1	Services	VAR	VAR	VAR	VAR	Y	333000	Y	0	0	0	0	0
A	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	Y	0	0	0	0	0
A	1	Land	VAR	VAR	VAR	VAR	Y	303500	Y	0	0	0	0	0
A	1	Meters	VAR	VAR	VAR	VAR	Y	334130	Y	0	0	0	0	0
A	1	Meter Installations	VAR	VAR	VAR	VAR	Y	334200	Y	0	0	0	0	0
B	1	Mains	VAR	VAR	VAR	VAR	Y	331001	Y	386	666	413	537	713
B	1	Services	VAR	VAR	VAR	VAR	Y	333000	Y	0	0	0	0	0
B	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	Y	6	0	0	0	0
B	1	Land	VAR	VAR	VAR	VAR	Y	303500	Y	0	0	0	0	0
B	1	Meters	VAR	VAR	VAR	VAR	Y	334130	Y	0	0	0	0	0
B	1	Meter Installations	VAR	VAR	VAR	VAR	Y	334200	Y	0	0	0	0	0
C	1	Mains	VAR	VAR	VAR	VAR	Y	331001	Y	203	165	32	19	56
C	1	Services	VAR	VAR	VAR	VAR	Y	333000	Y	0	0	0	0	0
C	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	Y	0	0	0	0	0
C	1	Land	VAR	VAR	VAR	VAR	Y	303500	Y	0	0	0	0	0
C	1	Meters	VAR	VAR	VAR	VAR	Y	334130	Y	0	0	0	0	0
C	1	Meter Installations	VAR	VAR	VAR	VAR	Y	334200	Y	0	0	0	0	0
D	1	Mains	VAR	VAR	VAR	VAR	Y	331001	Y	506	354	454	620	744
D	1	Services	VAR	VAR	VAR	VAR	Y	333000	Y	0	0	0	0	0
D	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	Y	0	0	0	0	0
D	1	Land	VAR	VAR	VAR	VAR	Y	303500	Y	0	0	0	0	0
D	1	Meters	VAR	VAR	VAR	VAR	Y	334130	Y	0	0	0	0	0
D	1	Meter Installations	VAR	VAR	VAR	VAR	Y	334200	Y	0	0	0	0	0
E	1	Hydrants	VAR	VAR	VAR	VAR	Y	335000	Y	104	220	151	93	150

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Budget Item	Code	Description	Estimated Dates		Tax		Book		Jan-10	Feb-10	Mar-10
			Starting Date	Completion Date	AFUDC	Y/N	Account	Y/N			
			Month	Year	Year						
DV	1	Mains	VAR	VAR	VAR	Y	331001	N	0	0	0
DV	1	Services	VAR	VAR	VAR	Y	333000	N	0	0	0
DV	1	Meters	VAR	VAR	VAR	Y	334130	N	0	0	0
DV	1	Meter Installations	VAR	VAR	VAR	Y	334200	N	0	0	0
DV	1	Hydrants	VAR	VAR	VAR	Y	303500	N	0	0	0
DV	1	Land	VAR	VAR	VAR	Y	303500	N	0	0	0
DV	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	Y	330100	N	0	0	0
A	1	Mains	VAR	VAR	VAR	Y	331001	Y	372	245	392
A	1	Services	VAR	VAR	VAR	Y	333000	Y	0	0	0
A	1	Hydrants	VAR	VAR	VAR	Y	335000	Y	0	0	0
A	1	Land	VAR	VAR	VAR	Y	303500	Y	0	0	0
A	1	Meters	VAR	VAR	VAR	Y	334130	Y	0	0	0
A	1	Meter Installations	VAR	VAR	VAR	Y	334200	Y	0	0	0
B	1	Mains	VAR	VAR	VAR	Y	331001	Y	874	852	852
B	1	Services	VAR	VAR	VAR	Y	333000	Y	0	0	0
B	1	Hydrants	VAR	VAR	VAR	Y	335000	Y	0	0	0
B	1	Land	VAR	VAR	VAR	Y	303500	Y	0	0	0
B	1	Meters	VAR	VAR	VAR	Y	334130	Y	0	0	0
B	1	Meter Installations	VAR	VAR	VAR	Y	334200	Y	0	0	0
C	1	Mains	VAR	VAR	VAR	Y	331001	Y	251	156	96
C	1	Services	VAR	VAR	VAR	Y	333000	Y	0	0	0
C	1	Hydrants	VAR	VAR	VAR	Y	335000	Y	0	0	0
C	1	Land	VAR	VAR	VAR	Y	303500	Y	0	0	0
C	1	Meters	VAR	VAR	VAR	Y	334130	Y	0	0	0
C	1	Meter Installations	VAR	VAR	VAR	Y	334200	Y	0	0	0
D	1	Mains	VAR	VAR	VAR	Y	331001	Y	852	830	830
D	1	Services	VAR	VAR	VAR	Y	333000	Y	0	0	0
D	1	Hydrants	VAR	VAR	VAR	Y	335000	Y	0	0	0
D	1	Land	VAR	VAR	VAR	Y	303500	Y	0	0	0
D	1	Meters	VAR	VAR	VAR	Y	334130	Y	0	0	0
D	1	Meter Installations	VAR	VAR	VAR	Y	334200	Y	0	0	0
E	1	Hydrants	VAR	VAR	VAR	Y	335000	Y	104	124	116

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Budget Item	Code	Description	Estimated Dates				Tax		Book		Bk AFUDC Forecast Amount	
			Starting Date	Completion Date	Year	Month	Year	Month	AFUDC Y/N	Account Y/N		
F	1	Hydrants	VAR	VAR	VAR	VAR	VAR	Y	335000	Y	67	1,333
G	1	Services	VAR	VAR	VAR	VAR	VAR	N	333000	N	0	0
0	1		VAR	VAR	VAR	VAR	VAR	N	333000	N	0	0
0	1		VAR	VAR	VAR	VAR	VAR	N	333000	N	0	0
0	0		-	-	-	-	-	0	0	-	0	0
H	1	Services	VAR	VAR	VAR	VAR	VAR	N	333000	N	0	0
0	1		VAR	VAR	VAR	VAR	VAR	N	333000	N	0	0
0	1		VAR	VAR	VAR	VAR	VAR	N	340230	N	0	0
I	1	Meters Bronze Case	VAR	VAR	VAR	VAR	VAR	N	334110	N	0	0
I	1	Meter Other	VAR	VAR	VAR	VAR	VAR	N	334130	N	0	0
I	1	Meters Rem Read	VAR	VAR	VAR	VAR	VAR	N	334131	N	0	0
I	1	Meter Installations	VAR	VAR	VAR	VAR	VAR	N	334200	N	0	0
I	1	Meter Installations	VAR	VAR	VAR	VAR	VAR	N	334200	N	0	0
J	1	Meter Other	VAR	VAR	VAR	VAR	VAR	N	334130	N	0	0
J	1	Meter Installations	VAR	VAR	VAR	VAR	VAR	N	334200	N	0	0
J	1		VAR	VAR	VAR	VAR	VAR	N	343000	N	0	0
J	1		VAR	VAR	VAR	VAR	VAR	N	334200	N	0	0
K	1	Computers & Periph Mainframe	VAR	VAR	VAR	VAR	VAR	Y	340210	Y	0	0
K	1	Computers & Periph Personal	VAR	VAR	VAR	VAR	VAR	Y	340220	Y	0	0
K	1	Computer Software	VAR	VAR	VAR	VAR	VAR	Y	340300	Y	0	0
K	1	SCADA Equipment and System	VAR	VAR	VAR	VAR	VAR	Y	320100	Y	0	0
K	1	Communication Equipment	VAR	VAR	VAR	VAR	VAR	Y	346100	Y	0	0
L	1	SCADA Equipment and System	VAR	VAR	VAR	VAR	VAR	Y	320100	Y	0	0
L	1	Electric pumping equipment	VAR	VAR	VAR	VAR	VAR	Y	311200	Y	0	0
L	1	WT equipment non-media	VAR	VAR	VAR	VAR	VAR	Y	320100	Y	0	0
L	1	Communication Equipment - Instrumer	VAR	VAR	VAR	VAR	VAR	Y	346100	Y	0	0

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Budget Item	Code	Description	Estimated Dates				Tax		Book		Bk AFUDC Forecast Amount
			Starting Date	Completion Date	Year	Y/N	AFUDC	Account	Y/N		
			Month	Year	Month	Year	Month	Year	Month	Year	
M	1	Structure & Imp Misc	VAR	VAR	VAR	VAR	Y	304100	Y	0	0
M	1	Structure & Impr - PU	VAR	VAR	VAR	VAR	Y	304200	Y	0	0
M	1	Structure & Impr - WT	VAR	VAR	VAR	VAR	Y	304300	Y	0	0
M	1	Structure & Impr - TD	VAR	VAR	VAR	VAR	Y	304400	Y	0	0
M	1	Structure & Impr - Ag	VAR	VAR	VAR	VAR	Y	304500	Y	0	0
M	1	Structure & Impr - Offices	VAR	VAR	VAR	VAR	Y	304600	Y	0	0
M	1	Structure & Impr - Stores, Shop, & Ga	VAR	VAR	VAR	VAR	Y	304700	Y	0	0
M	1	Structure & Impr - Misc	VAR	VAR	VAR	VAR	Y	304800	Y	0	0
N	1	Misc Equipment	VAR	VAR	VAR	VAR	Y	347000	Y	0	0
N	1	Office Structures	VAR	VAR	VAR	VAR	Y	304500	Y	0	0
N	1	Misc Structures	VAR	VAR	VAR	VAR	Y	304800	Y	0	0
N	1	Office Furniture and Equipment	VAR	VAR	VAR	VAR	Y	340100	Y	0	0
N	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	Y	343000	Y	0	0
N	1	Other P/E CPS	VAR	VAR	VAR	VAR	Y	339600	Y	0	0
O	1	Trans Equipment Light Trucks	VAR	VAR	VAR	VAR	N	341100	N	0	0
O	1	Trans Equipment Other	VAR	VAR	VAR	VAR	N	341400	N	0	0
O	1	Trans Equipment Autos	VAR	VAR	VAR	VAR	N	341300	N	0	0
O	1	Trans Equipment Heavy Trucks	VAR	VAR	VAR	VAR	N	341200	N	0	0
O	1	Power Operated Equipment	VAR	VAR	VAR	VAR	N	345000	N	0	0
P	1	Electric pumping equipment	VAR	VAR	VAR	VAR	N	311200	N	0	0
P	1	WT equipment non-media	VAR	VAR	VAR	VAR	N	320100	N	0	0
P	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	N	343000	N	0	0
P	1	Laboratory Equipment	VAR	VAR	VAR	VAR	N	344000	N	0	0
P	1	Miscellaneous Equipment	VAR	VAR	VAR	VAR	N	347000	N	0	0
Q	1	Struct. & Imp. SS	VAR	VAR	VAR	VAR	Y	304100	Y	0	0
Q	1	Struct. & Imp. P	VAR	VAR	VAR	VAR	Y	304200	Y	0	0
Q	1	Struct. & Imp. WT	VAR	VAR	VAR	VAR	Y	304300	Y	0	0
Q	1	Struct. & Imp. AG	VAR	VAR	VAR	VAR	Y	304500	Y	0	0
Q	1	Struct. & Imp. Office	VAR	VAR	VAR	VAR	Y	304600	Y	0	0
Q	1	Struct. & Imp. Misc.	VAR	VAR	VAR	VAR	Y	304800	Y	0	0
Q	1	Power Generation Equip.	VAR	VAR	VAR	VAR	Y	310000	Y	0	0
Q	1	Pumping Equipment SS	VAR	VAR	VAR	VAR	Y	311520	Y	0	0
Q	1	Water Treatment Non-Media	VAR	VAR	VAR	VAR	Y	320100	Y	0	0
Q	1	Dist Reservoirs & Standpipe	VAR	VAR	VAR	VAR	Y	330000	Y	0	0
Q	1	Laboratory Equipment	VAR	VAR	VAR	VAR	Y	344000	Y	0	0
Q	1	Power Operated Equipment	VAR	VAR	VAR	VAR	Y	345000	Y	0	0
Q	1	Tools, Shop, & Garage Equipment	VAR	VAR	VAR	VAR	Y	343000	Y	0	0
Q	1	Communication Equipment	VAR	VAR	VAR	VAR	Y	346190	Y	0	0

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Budget Item	Code	Description	Estimated Dates		Tax Y/N	Book AFUDC Account Y/N	Book AFUDC Y/N	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09		
			Starting Date	Completion Date															
			Month Year	Month Year															
R	1	Distribution Reservoirs & Standpipes	VAR	VAR	VAR	Y	330000	Y	0	0	0	0	0	0	0	0	0	0	
R	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	Y	330100	Y	0	0	0	0	0	0	0	0	0	0	
S	1	Engineering Studies	VAR	VAR	VAR	Y	339600	Y	415	478	361	346	169	11	72	76	38	38	
1202-5	2	Rep N Broadway Water Line	-	-	7 2009	Y	331001	Y	298	775	1,560	3,226	3,884	4,777	5,832	7,049	8,348	8,348	
1202-6	2	US 460 Main Extension	-	-	6 2009	Y	331001	Y	521	1,270	2,210	5,314	7,585	10,070	12,622	14,869	16,625	16,625	
12020105	2	Ins 1MG Storage Tnk/3MG Boos S	-	-	12 2005	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0
12020201	2	Design Leestown Road	-	-	12 2005	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0
12020204	2	Development-Reg SOS Solution	-	-	10 2010	Y	304100	Y	12,649	12,650	12,650	12,654	12,674	12,711	12,749	12,787	12,825	12,825	
12020301	2	Ins 2.0 MG Elev Storage Tank	-	-	12 2005	Y	330100	Y	0	0	0	0	0	0	0	0	0	0	0
12020303	2	Ins Electr. Reliability Improv.	-	-	12 2005	Y	311200	Y	0	0	0	0	0	0	0	0	0	0	0
12020402	2	Major Highway Relocations	-	-	12 2008	Y	331001	Y	2,576	2,603	2,630	2,657	2,687	2,711	2,749	2,787	2,825	2,825	

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Budget Item	Code	Description	Starting Date		Completion Date		AFUDC		Tax		Book		Jan-10	Feb-10	Mar-10
			Month	Year	Month	Year	Y/N	Account	Y/N	AFUDC	AFUDC				
R	1	Distribution Reservoirs & Standpipr	VAR	VAR	VAR	VAR	Y	Y	330000	Y	0	0	0	0	0
R	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	VAR	Y	Y	330100	Y	0	0	0	0	0
S	1	Engineering Studies	VAR	VAR	VAR	VAR	Y	Y	339600	Y	54	49	173	7	51
1202-5	2	Rep N Broadway Water Line	-	-	7	2009	Y	Y	331001	Y	9,533	0	0	0	0
1202-6	2	US 460 Main Extensior	-	-	6	2009	Y	Y	331001	Y	0	0	0	0	0
12020105	2	Ins 1MG Storage Tnk/3MG Boos S	-	-	12	2005	Y	Y	331001	Y	0	0	0	0	0
			-	-	12	2005	Y	Y	311540	Y	0	0	0	0	0
			-	-	12	2005	Y	Y	330200	Y	0	0	0	0	0
			-	-	12	2005	Y	Y	330000	Y	0	0	0	0	0
12020201	2	Design Leestown Road	-	-	12	2005	Y	Y	331001	Y	0	0	0	0	0
0	2		-	-	12	2005	Y	Y	303500	Y	0	0	0	0	0
12020204	2	Development-Reg SOS Solution	-	-	10	2010	Y	Y	304100	Y	12,863	12,900	13,071	13,104	13,136
0	2		-	-	-	-	Y	Y	-	Y	0	0	0	0	0
12020301	2	Ins 2.0 MG Elev Storage Tank	-	-	12	2005	Y	Y	330100	Y	0	0	0	0	0
0	2		-	-	-	-	Y	Y	-	Y	0	0	0	0	0
0	2		-	-	-	-	Y	Y	-	Y	0	0	0	0	0
12020303	2	Ins Electr. Reliability Improv.	-	-	12	2005	Y	Y	311200	Y	0	0	0	0	0
0	2		-	-	-	-	Y	Y	-	Y	0	0	0	0	0
12020402	2	Major Highway Relocations	-	-	12	2008	Y	Y	331001	Y	0	0	0	0	0
0	0		-	-	-	-	Y	Y	0	Y	0	0	0	0	0

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Budget Item	Code	Description	Estimated Dates						Tax		Book		Bk AFUDC Forecast Amount	
			Starting Date	**Completion Date**	AFUDC		Y/N	Y/N	AWW	AFUDC				
			Month	Year	Month	Year	Y/N	Y/N	Account	Y/N				
R	1	Distribution Reservoirs & Standpipes	VAR	VAR	VAR	VAR	VAR	Y	Y	330000	Y	0	0	
R	1	Elevated Tanks & Standpipes	VAR	VAR	VAR	VAR	VAR	Y	Y	330100	Y	0	0	
S	1	Engineering Studies	VAR	VAR	VAR	VAR	VAR	Y	Y	339600	Y	53	27	1,241
1202-5	2	Rep N Broadway Water Line	-	-	7	2009	0	Y	Y	331001	Y	0	0	9,533
1202-6	2	US 460 Main Extension	-	-	6	2009	6	Y	Y	331001	Y	0	0	0
12020105	2	Ins 1MG Storage Tnk/3MG Boos S	-	-	12	2005	12	Y	Y	331001	Y	0	0	0
12020201	2	Design Leestown Road	-	-	12	2005	12	Y	Y	331001	Y	0	0	0
12020204	2	Development+Reg SOS Solution	-	-	10	2010	0	Y	Y	304100	Y	13,136	13,136	156,366
12020301	2	Ins 2.0 MG Elev Storage Tank	-	-	12	2005	0	Y	Y	330100	Y	0	0	0
12020303	2	Ins Electr. Reliability Improv.	-	-	12	2005	0	Y	Y	311200	Y	0	0	0
12020402	2	Major Highway Relocations	-	-	12	2008	0	Y	Y	331001	Y	0	0	0

Kentucky-American Water Company

Book/Tax AFUDC By Month
Base Test Year: 01/31/09
Forecasted Test Year: 05/31/10

Item A - H 123.40% Code
IP's 96.962% 2

Budget Item	Code	Description	Estimated Dates						Tax AFUDC Y/N	Book AFUDC Y/N	Bk AFUDC Forecast Amount				
			Starting Date		Completion Date		Year	Y/N				Account	Y/N	Account	Y/N
			Month	Year	Month	Year									
12020508	2	Ins KY Reliability Improvements	-	-	8	2008	Y	311200	Y	0	0	0	0		
0	0	-	-	-	0	0	Y	0	Y	0	0	0	0		
0	0	-	-	-	0	0	Y	0	Y	0	0	0	0		
0	0	-	-	-	0	0	Y	0	Y	0	0	0	0		
12020602	2	Ins 8" DI Yarmalton Road Ext.	-	-	12	2008	Y	331001	Y	0	0	0	0		
0	2	-	-	-	12	2008	Y	335000	Y	0	0	0	0		
12020607	2	Ins WTR TRT PLT KY River Pool:	-	-	11	2010	Y	301000	Y	28,141	35,906	157,859	0		
0	2	-	-	-	11	2010	Y	303200	Y	0	0	0	0		
					11	2010	Y	303300	Y	0	0	0	0		
					11	2010	Y	303400	Y	0	0	0	0		
					11	2010	Y	303500	Y	338	7,780	48,468	0		
					11	2010	Y	304100	Y	36,037	42,682	256,802	0		
					11	2010	Y	304200	Y	6,169	6,169	62,502	0		
					11	2010	Y	304300	Y	52,919	61,035	385,371	0		
					11	2010	Y	306000	Y	0	0	0	0		
					11	2010	Y	309000	Y	5,206	5,206	42,646	0		
					11	2010	Y	311200	Y	15,852	15,852	152,715	0		
					11	2010	Y	320100	Y	43,504	51,155	275,817	0		
					11	2010	Y	330000	Y	10,108	10,108	97,725	0		
					11	2010	Y	331001	Y	184,404	192,361	1,271,999	0		
12020701	2	Ins Incline Chain (Replacement)	-	-	12	2009	Y	304100	Y	0	0	24,199	0		
0	0	-	-	-	0	0	Y	0	Y	0	0	0	0		
12020702	2	Major Highway Relocations	-	-	12	2008	Y	331001	Y	0	0	0	0		
0	2	-	-	-	12	2009	Y	331001	Y	0	0	25,323	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
IP-1232-1	2	Owenton Bulk Storage Design	-	-	1	2009	Y	320100	Y	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
12020505	2	Replace Trac-Vac System	-	-	11	2008	Y	304300	Y	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		
0	0	-	-	-	0	0	Y	0	-	0	0	0	0		

Kentucky-American Water Company
 Book/Tax AFUDC By Month 01/31/09
 Base Test Year: 05/31/10
 Forecasted Test Year: Code
 Item A - H 123.40% 1
 IP's 96.962% 2

Budget Item	Code	Description	Estimated Dates		Tax Y/N	Book AFUDC Account Y/N	BOOK AFUDC																	
			Starting Date	Completion Date			Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09								
			Month	Year			Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year						
12020506	2	Sludge Handling Improvement	-	11	2008	Y	304300	Y	39	78	78	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12300403	2	Owen County Main Extensor	-	6	2008	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
IP-1202-11	2	Install 19,000' of 12" along I-75	-	12	2008	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IP-1202-12	2	Install 16,000' of 12" Russell Cave I	-	12	2009	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IP-1202-13	2	Install 14,700' of 12" & 3,800' of 8"	-	12	2012	Y	331001	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12020501	2	Ground Storage Tank	-	12	2010	Y	330200	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\$ 137,400 \$ 172,870 \$ 201,013 \$ 231,158 \$ 253,994 \$ 284,171 \$ 327,626 \$ 372,805 \$ 414,269 \$ 457,789
 \$ 77,961 \$ 98,086 \$ 114,055 \$ 131,159 \$ 144,116 \$ 161,239 \$ 185,895 \$ 211,530 \$ 235,056 \$ 259,749
 \$ 52,764 \$ 66,384 \$ 77,192 \$ 88,768 \$ 97,537 \$ 109,126 \$ 125,813 \$ 143,163 \$ 159,085 \$ 175,797

Equity Portion of AFUDC
 Equity Gross-up Amount

Kentucky-American Water Company
 Book/Tax AFUDC By Month 01/31/09
 Base Test Year: 05/31/10
 Forecasted Test Year:
 Item A - H 123.40% Code
 IP's 96.962% 2

Budget Item	Code	Description	Estimated Dates				Tax AFUDC		Book AFUDC		Bk AFUDC Forecast Amount
			Starting Date	Completion Date	Year	Month	Y/N	Account	Y/N	Account	
12020506	2	Sludge Handling Improvement	-	-	11	2008	Y	304300	Y	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
12300403	2	Owen County Main Extensior	-	-	6	2008	Y	331001	Y	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
IP-1202-11	2	Install 19,000' of 12" along I-75	-	-	12	2008	Y	331001	Y	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
IP-1202-12	2	Install 16,000' of 12" Russell Cave I	-	-	12	2009	Y	331001	Y	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
IP-1202-13	2	Install 14,700' of 12" & 3,800' of 8"	-	-	12	2012	Y	331001	Y	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
0	0	-	-	-	-	0	Y	0	-	0	0
12020501	2	Ground Storage Tankl	-	-	12	2010	Y	330200	Y	5,312	7,791
0	0	-	-	-	-	0	Y	0	Y	0	19,843

\$ 402,880 \$ 451,365 \$ 3,016,061
 \$ 237,216 \$ 265,764 \$ 1,775,856
 \$ 160,547 \$ 179,868 \$ 1,201,895

Equity Portion of AFUDC
 Equity Gross-up Amount

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

41. Provide for each investment project that Kentucky-American started or completed during the period from 1998 through 2007:
- a. The number of Investment Projects that Kentucky-American completed ahead of schedule.
 - b. The number of Investment Projects that that Kentucky-American completed on schedule.
 - c. The number of Investment Projects that that Kentucky-American completed behind schedule.

Response:

Year	Total No. of IPs Completed	IPs Completed Ahead of Schedule	IPs Completed On Schedule	IPs Completed Behind Schedule
1999	9	0	0	9
2000	7	3	1	3
2001	7	0	1	6
2002	7	0	2	5
2003	4	1	0	3
2004	4	1	0	3
2005	4	0	1	3
2006	4	1	1	2
2007	4	0	0	4
2008*	2	1	0	1

* Please note 2008 is based on as of 11/30/2008.

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

For the electronic version, refer to KAW_R_PSCDR2#41_010809.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

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

Response:

Please see attached.

For the electronic version, refer to KAW_R_PSCDR2#42_010809.pdf.

**Kentucky American Water
Case Number 2008-00427**

IP NO.	DESCRIPTION	STATUS	PERMITS	PERMIT STATUS	EXPECTED TO APPLY
12320507	Owenton Acquisition Water	Underway in phases; portions to be complete in forecasted period	DOW Approval	Not applied	Design Completed
12020702	Major Highway Relocations	Underway in phases; portions to be complete in forecasted period	KYTC Road Cut	Not applied	2 weeks prior to each construction
12020501	Ground Storage Tank – 3.0 MG	To begin but not be completed in forecasted period	DOW Approval	Not applied	30 days prior to each construction
12020607	New WTP on Pool 3 Kentucky River	Underway; will not be completed in forecasted period	DOW Approval PSC Certificate	Not applied	Design completed
			DOW Preliminary Engineering Approval	Received	After DOW Approval
			DOW Withdrawal Permit	Received	1/24/07
			DOW Plan Approval – Treatment Plant	Received	1/10/07
			DOW Plan Approval – Booster Station	Received	5/7/07
			DOW Plan Approval – Transmission Line	Received	3/5/07
			KPDES for Dewatering	Received	3/17/07
			KPDES for Construction No. 1	Received	5/18/07
			US Army Corps 404 Permit	Received	3/26/07
			DOW 401 permit	Received	3/15/07
			KYTC Encroachment Permit – District 6	Received	4/2/07
			KYTC Encroachment Permit – District 5	Received	4/12/07
			KYTC Encroachment Permit – District 7	Received	3/6/07
			KYTC Driveway Access – District 6	Received	3/6/07
			KYTC Driveway Access – District 5	Received	5/6/07
			DWM Beneficial Reuse for Residuals	Received	3/8/07
			Franklin County Building Permit	Applied	1/5/09
			State Building Permit – Intake - Treatment Plant	Received	7/1/08
			State Plumbing Permit – Plant	Received	7/9/08
			Owen County Health Department (Septic Tank Permit)	Received	7/11/08
			PSC Certificate	Applied – Site Approved	6/1/08
			KYTC Road Cut	Received	7/25/08
			DOW Approval	Received	04/1/07
	North Upper Main Replacement	To begin and be completed in forecasted period	KYTC Road Cut	Not applied	2 weeks prior to construction
			DOW Approval	Not applied	30 days prior to construction
1202-6	Install 34,000 feet of 16" along Carrick Pike	To begin and be completed in forecasted period	KYTC Road Cut	Not applied	2 weeks prior to construction
			DOW Approval	Not applied	30 days prior to construction

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Michael A. Miller

43. Provide a comparison of Kentucky-American's forecasted rate base, capital structure, and income statement from Case No. 2007-00143 with its actual results. Provide a detailed explanation for each variance.

Response:

The 2007 rate case ended in settlement and neither the Commission order nor the settlement agreement specifically identified the various cost of service elements. The attached schedule compares the actual results as of November 2008 to the Company's requested cost of service elements in the 2007 case as of November 30, 2008. See attached.

For the electronic version, refer to KAW_R_PSCDR2#43_010809.pdf.

**Kentucky-American Water Company
Attachment to Question PSC2-#43**

	<u>At 11-30-08 Per Filing in Case 2007-00143</u>	<u>Actual At November 2008</u>	
Utility Plant in Service	380,912,659	360,314,392	<u>variance</u> (20,598,267) Offset partially by increase in CWIP, & less DOH & developer jobs
Utility Plant Acquisition Adj.	31,539	31,539	0
Accumulated Depreciation	(98,709,036)	(92,409,442)	6,299,594 Less utility plant in service
Accumulated Amortization	0	0	
Net Utility Plant in Service	282,235,162	267,936,489	
CWIP	41,540,291	52,127,418	10,587,127
Working Capital Allowance	954,800	954,800	0
Other Working Capital Allowance	523,761	523,761	0
C/IAC	(51,139,621)	(46,783,447)	4,356,174 Lower DOH jobs
Customer Advances	(23,521,356)	(14,483,082)	9,038,274 Lower Developer jobs, more refunds
Deferred FIT	(30,802,899)	(31,519,630)	(716,731) timing of UPS
Deferred ITC	(98,633)	(94,811)	3,822
Deferred Maintenance	1,601,682	1,734,829	133,147
Deferred Debits	1,862,857	1,846,652	(16,205)
Other Rate Base Elements	(1,424,316)	(7,248,044)	(5,823,728)
Total	221,731,728	224,994,935	

Capitalization:

Short-Term Debt	1,445,295	33,026,544	0.64%	15.28%	variance 31,581,249
Long-Term Debt	120,456,098	81,029,862	53.16%	37.49%	(39,426,236)
Preferred Stock	5,972,288	5,987,066	2.64%	2.77%	14,778
Equity	<u>98,713,215</u>	<u>96,112,122</u>	43.57%	44.46%	(2,601,093)
Total	226,586,896	216,155,594	100.01%	100.00%	

Income Statement:

Revenues	59,145,100	59,877,364	<u>variance</u> 732,264	Growth and Weather
AFUDC	1,678,192	1,740,980	62,788	Increase in CWIP
O&M Expense	(27,152,241)	(29,099,901)	(1,947,660)	See Note 1 below.
Depreciation	(7,905,143)	(7,750,344)	154,799	More Capex in CWIP than prior case
General Taxes	(3,322,022)	(3,183,316)	138,706	
Income Taxes	<u>(6,311,538)</u>	<u>(6,224,404)</u>	87,134	Changes in components of revenue & expenses
Utility Operating Income	16,132,348	15,360,379		
Interest on Long-Term	(6,609,642)	(5,800,530)	809,112	Timing of financings & more ST debt
Other Interest	(401,802)	(727,211)	(325,409)	More ST Debt
Preferred Dividends	(441,982)	(78,356)	363,626	Reclass of pref. div. to LT Debt
Net Income	8,678,922	8,754,282		

Note 1: Increases in fuel & power fuel adjustment rates - \$245,942
Increases in chemical costs - \$243,323
Uncollectible expense above 3 Yr. avg. used in rate case - \$126,165
Increase in employees & benefits at KAWC and AAWWSC - \$2,414,586
Increased maintenance activity and price increases - \$266,598

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Linda L. Bridwell

44. Provide a comparison of Kentucky-American's forecasted construction expenditures from Case No. 2007-00143 with its actual results by construction project. Provide a detailed explanation for each variance.

Response:

Please see attached.

For the electronic version, refer to KAW_R_PSCDR2#44_010809.pdf.

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		Actual	Per 2007-143		
Item	Description	Feb-07	Feb-07	Difference	Note
DV	Developer/Governmental Contributions	642,283	180,000	462,283	
A	Mains - New	9,545	22,500	(12,955)	
B	Mains - Replaced/Restored	166,212	63,000	103,212	
C	Mains - Unscheduled	0	7,500	(7,500)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	46,695	15,600	31,095	
F	Hydrants, Valves, and Manholes - Replaced	2,761	1,200	1,561	
G	Services and Laterals - New	110,886	39,030	71,856	
H	Services and Laterals - Replaced	66,604	18,000	48,604	
I	Meters - New	421,947	34,500	387,447	
J	Meters - Replaced	100,631	34,500	66,131	
K	ITS Equipment and Systems	5,027	4,050	977	
L	SCADA Equipment and Systems		1,260	(1,260)	
M	Security Equipment and Systems		0	0	
N	Offices and Operations Centers	13,154	2,400	10,754	
O	Vehicles	5,794	0	5,794	
P	Tools and Equipment	71,013	4,650	66,363	
Q	Process Plant Facilities and Equipment	352,336	264,700	87,636	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	2,161	1,500	661	
	Subtotal	2,017,049	694,390	1,322,659	
	Less Item DV	642,283	180,000	462,283	
	Total Item A - S	1,374,766	514,390	860,376	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	769,604	10,000	759,604	Transfer charged from previous funding project
12020402	Major Highway Relocations	62,769	50,500	12,269	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	5,905	10,000	(4,095)	
12020505	Replace Trac-Vac System at RRS	10,508	71,332	(60,824)	
12020506	Sludge Handling Improvements	57,603	30,319	27,284	
12020508	Reliability Improvements	25,887	89,977	(64,090)	
12020601	Valve House Upgrades at KRS	1,350	10,000	(8,650)	
12020602	Yarmalton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	2,389	210,000	(207,611)	Construction delayed
12020606	Replace Parkers Mill Pump and Diesel	6,073	50,000	(43,927)	
12020607	New WTP on Pool 3 of Kentucky River	181,510	813,900	(632,390)	Design completion delayed until March
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	0	65,000	(65,000)	
12300403	Owen County Main Extensions	375,412	100,000	275,412	
12320507	Owenton Acquisition Water	137,863	100,000	37,863	
12330604	SCADA - Owen County	0	25,000	(25,000)	
12500503	Rockwell Village Wastewater Pipeline	0	5,500	(5,500)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	0	0	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	(751,155)	0	(751,155)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	885,718	1,646,528	(760,810)	
	Total Company Expenditures	2,260,484	2,160,918	99,565	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		Actual	Per 2007-143		
Item	Description	Apr-07	Apr-07	Difference	Note
DV	Developer/Governmental Contributions	35,711	420,000	(384,289)	
A	Mains - New	17,132	52,500	(35,368)	
B	Mains - Replaced/Restored	56,918	147,000	(90,082)	
C	Mains - Unscheduled		17,500	(17,500)	
D	Mains - Relocated		0	0	
E	Hydrants, Valves, and Manholes - New	3,981	36,400	(32,419)	
F	Hydrants, Valves, and Manholes - Replaced	(1,698)	2,800	(4,498)	
G	Services and Laterals - New	(41,275)	91,070	(132,345)	
H	Services and Laterals - Replaced	50,461	42,000	8,461	
I	Meters - New	116,591	80,500	36,091	
J	Meters - Replaced	19,612	80,500	(60,888)	
K	ITS Equipment and Systems	23,616	9,450	14,166	
L	SCADA Equipment and Systems	0	2,940	(2,940)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	0	5,600	(5,600)	
O	Vehicles	0	19,852	(19,852)	
P	Tools and Equipment	6,760	10,850	(4,090)	
Q	Process Plant Facilities and Equipment	47,500	81,000	(33,500)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	2,887	3,500	(613)	
	Subtotal	338,196	1,103,462	(765,266)	
	Less Item DV	35,711	420,000	(384,289)	
	Total Item A - S	302,485	683,462	(380,977)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	112,193	50,000	62,193	
12020402	Major Highway Relocations	52,372	160,000	(107,628)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	69,306	0	69,306	
12020505	Replace Trac-Vac System at RRS	96,301	111,000	(14,699)	
12020506	Sludge Handling Improvements	27,812	55,000	(27,188)	
12020508	Reliability Improvements	11,346	450,000	(438,654)	
12020601	Valve House Upgrades at KRS	41,018	0	41,018	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	3,816	0	3,816	
12020606	Replace Parkers Mill Pump and Diesel	78,854	200,000	(121,146)	
12020607	New WTP on Pool 3 of Kentucky River	593,032	614,000	(20,968)	
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	571,705	365,000	206,705	
12300403	Owen County Main Extensions	132,763	150,000	(17,237)	
12320507	Owenton Acquisition Water	95,401	16,986	78,415	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	50,000	(50,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	15,500	(15,500)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	202,537	0	202,537	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	2,088,456	2,237,486	(149,030)	
	Total Company Expenditures	2,390,941	2,920,948	(530,007)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	YTD	YTD	YTD	
		Actual	Per 2007-143		
		Apr-07	Apr-07		
DV	Developer/Governmental Contributions	728,535	900,000	(171,465)	
A	Mains - New	32,581	112,500	(79,919)	
B	Mains - Replaced/Restored	141,876	315,000	(173,124)	
C	Mains - Unscheduled	0	37,500	(37,500)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	58,966	78,000	(19,034)	
F	Hydrants, Valves, and Manholes - Replaced	3,061	6,000	(2,939)	
G	Services and Laterals - New	108,199	195,150	(86,951)	
H	Services and Laterals - Replaced	104,785	90,000	14,785	
I	Meters - New	581,041	172,500	408,541	
J	Meters - Replaced	234,727	172,500	62,227	
K	ITS Equipment and Systems	44,571	20,250	24,321	
L	SCADA Equipment and Systems	0	6,300	(6,300)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,160	12,000	80,160	
O	Vehicles	5,794	19,852	(14,058)	
P	Tools and Equipment	(59,101)	23,250	(82,351)	
Q	Process Plant Facilities and Equipment	207,079	420,200	(213,121)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	17,562	7,500	10,062	
	Subtotal	2,301,836	2,588,502	(286,666)	
	Less Item DV	728,535	900,000	(171,465)	
	Total Item A-S	1,573,301	1,688,502	(115,201)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,018,917	110,000	908,917	
12020402	Major Highway Relocations	183,673	261,000	(77,327)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	151,016	31,054	119,962	
12020505	Replace Trac-Vac System at RRS	180,429	232,332	(51,903)	
12020506	Sludge Handling Improvements	8,319	110,319	(102,000)	
12020508	Reliability Improvements	49,027	989,977	(940,950)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	77,349	14,465	62,884	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	219,670	231,116	(11,446)	
12020606	Replace Parkers Mill Pump and Diesel	99,506	500,000	(400,494)	Construction delayed due to scope change
12020607	New WTP on Pool 3 of Kentucky River	1,286,873	2,296,600	(1,009,727)	Design completion delayed
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	579,205	645,000	(65,795)	
12300403	Owen County Main Extensions	35,878	350,000	(314,122)	Construction delayed
12320507	Owenton Acquisition Water	94,703	183,986	(89,283)	
12330604	SCADA - Owen County	0	79,663	(79,663)	
12500503	Rockwell Village Wastewater Pipeline	0	85,500	(85,500)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	21,000	(21,000)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	(501,739)	0	(501,739)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	3,482,826	6,147,012	(2,664,186)	
	Total Company Expenditures	5,056,127	7,835,514	(2,779,388)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual May-07	Per 2007-143 May-07	Difference	Note
DV	Developer/Governmental Contributions	544,181	540,000	4,181	
A	Mains - New	3,842	67,500	(63,658)	
B	Mains - Replaced/Restored	114,970	250,000	(135,030)	
C	Mains - Unscheduled	3,206	22,500	(19,294)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	27,607	46,800	(19,193)	
F	Hydrants, Valves, and Manholes - Replaced	8,130	3,600	4,530	
G	Services and Laterals - New	175,170	117,090	58,080	
H	Services and Laterals - Replaced	115,784	54,000	61,784	
I	Meters - New	107,951	103,500	4,451	
J	Meters - Replaced	184,393	103,500	80,893	
K	ITS Equipment and Systems	108,072	12,150	95,922	
L	SCADA Equipment and Systems	0	3,780	(3,780)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	0	7,200	(7,200)	
O	Vehicles	1,968	117,556	(115,588)	
P	Tools and Equipment	77,849	13,950	63,899	
Q	Process Plant Facilities and Equipment	148,929	40,000	108,929	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	4,875	4,500	375	
	Subtotal	1,626,926	1,507,626	119,300	
	Less Item DV	544,181	540,000	4,181	
	Total Item A - S	1,082,745	967,626	115,119	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	10,192	50,000	(39,808)	
12020402	Major Highway Relocations	251,197	160,000	91,197	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	2,523	0	2,523	
12020505	Replace Trac-Vac System at RRS	210,665	190,000	20,665	
12020506	Sludge Handling Improvements	53,533	155,000	(101,467)	
12020508	Reliability Improvements	99,223	450,000	(350,777)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	36,401	0	36,401	
12020606	Replace Parkers Mill Pump and Diesel	125,595	130,000	(4,405)	
12020607	New WTP on Pool 3 of Kentucky River	736,677	100,300	636,377	
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	0	365,000	(365,000)	
12300403	Owen County Main Extensions	412,528	150,000	262,528	
12320507	Owenton Acquisition Water	139,820	0	139,820	
12330604	SCADA - Owen County	15,027	0	15,027	
12500503	Rockwell Village Wastewater Pipeline	0	50,000	(50,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	25,500	(25,500)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	39,445	0	39,445	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	2,132,826	1,825,800	307,026	
	Total Company Expenditures	3,215,571	2,793,426	422,145	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	May-07	May-07	YTD	
DV	Developer/Governmental Contributions	1,272,716	1,440,000	(167,284)	
A	Mains - New	36,423	180,000	(143,577)	
B	Mains - Replaced/Restored	256,846	565,000	(308,154)	
C	Mains - Unscheduled	3,206	60,000	(56,794)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	86,573	124,800	(38,227)	
F	Hydrants, Valves, and Manholes - Replaced	11,190	9,600	1,590	
G	Services and Laterals - New	283,369	312,240	(28,871)	
H	Services and Laterals - Replaced	220,569	144,000	76,569	
I	Meters - New	688,991	276,000	412,991	
J	Meters - Replaced	419,120	276,000	143,120	
K	ITS Equipment and Systems	152,644	32,400	120,244	
L	SCADA Equipment and Systems	0	10,080	(10,080)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,160	19,200	72,960	
O	Vehicles	7,762	137,408	(129,646)	
P	Tools and Equipment	18,748	37,200	(18,452)	
Q	Process Plant Facilities and Equipment	356,008	460,200	(104,192)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	22,437	12,000	10,437	
	Subtotal	3,928,761	4,096,128	(167,367)	
	Less Item DV	1,272,716	1,440,000	(167,284)	
	Total Item A-S	2,656,046	2,656,128	(82)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,029,109	160,000	869,109	
12020402	Major Highway Relocations	434,870	421,000	13,870	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	153,539	31,054	122,485	
12020505	Replace Trac-Vac System at RRS	391,094	422,332	(31,238)	
12020506	Sludge Handling Improvements	61,852	265,319	(203,467)	
12020508	Reliability Improvements	148,250	1,439,977	(1,291,727)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	77,349	14,465	62,884	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	256,071	231,116	24,955	
12020606	Replace Parkers Mill Pump and Diesel	225,101	630,000	(404,899)	Construction delayed due to scope change
12020607	New WTP on Pool 3 of Kentucky River	2,023,550	2,396,900	(373,350)	Design completion delayed
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	579,205	1,010,000	(430,795)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	448,406	500,000	(51,594)	
12320507	Owenton Acquisition Water	234,523	183,986	50,537	
12330604	SCADA - Owen County	15,027	79,663	(64,636)	
12500503	Rockwell Village Wastewater Pipeline	0	135,500	(135,500)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	46,500	(46,500)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	(462,294)	0	(462,294)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	5,615,652	7,972,812	(2,357,160)	
	Total Company Expenditures	8,271,698	10,628,940	(2,357,243)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Jun-07	Per 2007-143 Jun-07	Difference	Note
DV	Developer/Governmental Contributions	557,015	540,000	17,015	
A	Mains - New	83,975	67,500	16,475	
B	Mains - Replaced/Restored	1,169,025	250,000	919,025	
C	Mains - Unscheduled	4,638	22,500	(17,862)	
D	Mains - Relocated		0	0	
E	Hydrants, Valves, and Manholes - New	46,620	46,800	(180)	
F	Hydrants, Valves, and Manholes - Replaced	52,819	3,600	49,219	
G	Services and Laterals - New	82,768	117,090	(34,322)	
H	Services and Laterals - Replaced	208,193	54,000	154,193	
I	Meters - New	46,794	103,500	(56,707)	
J	Meters - Replaced	744,075	103,500	640,575	
K	ITS Equipment and Systems	(1,961)	12,150	(14,111)	
L	SCADA Equipment and Systems		3,780	(3,780)	
M	Security Equipment and Systems		0	0	
N	Offices and Operations Centers	0	7,200	(7,200)	
O	Vehicles	16,453	368,460	(352,007)	
P	Tools and Equipment	77,055	13,950	63,105	
Q	Process Plant Facilities and Equipment	73,470	105,000	(31,530)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	5,034	4,500	534	
	Subtotal	3,165,973	1,823,530	1,342,443	
	Less Item DV	557,015	540,000	17,015	
	Total Item A - S	2,608,959	1,283,530	1,325,429	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	(71,568)	50,000	(121,568)	
12020402	Major Highway Relocations	1,557	210,000	(208,443)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	(62,148)	0	(62,148)	
12020505	Replace Trac-Vac System at RRS	169,791	89,000	80,791	
12020506	Sludge Handling Improvements	447,465	225,000	222,465	
12020508	Reliability Improvements	768,266	555,000	213,266	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	32,524	0	32,524	
12020606	Replace Parkers Mill Pump and Diesel	221,193	88,695	132,498	
12020607	New WTP on Pool 3 of Kentucky River	250,708	700,600	(449,892)	
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	107,752	440,000	(332,248)	
12300403	Owen County Main Extensions	(27,922)	150,000	(177,922)	
12320507	Owenton Acquisition Water	9,835	0	9,835	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	56,000	(56,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	35,000	(35,000)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	236,266	0	236,266	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	2,083,719	2,599,295	(515,576)	
	Total Company Expenditures	4,692,678	3,882,825	809,853	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	YTD	YTD	YTD	
		Actual	Per 2007-143		
		Jun-07	Jun-07		
DV	Developer/Governmental Contributions	1,829,731	1,980,000	(150,269)	
A	Mains - New	120,398	247,500	(127,102)	
B	Mains - Replaced/Restored	1,425,872	815,000	610,872	
C	Mains - Unscheduled	7,844	82,500	(74,656)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	133,193	171,600	(38,407)	
F	Hydrants, Valves, and Manholes - Replaced	64,010	13,200	50,810	
G	Services and Laterals - New	366,138	429,330	(63,192)	
H	Services and Laterals - Replaced	428,762	198,000	230,762	
I	Meters - New	735,785	379,500	356,285	
J	Meters - Replaced	1,163,195	379,500	783,695	
K	ITS Equipment and Systems	150,683	44,550	106,133	
L	SCADA Equipment and Systems	0	13,860	(13,860)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,160	26,400	65,760	
O	Vehicles	24,214	505,868	(481,654)	
P	Tools and Equipment	95,803	51,150	44,653	
Q	Process Plant Facilities and Equipment	429,477	565,200	(135,723)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	27,471	16,500	10,971	
	Subtotal	7,094,735	5,919,658	1,175,077	
	Less Item DV	1,829,731	1,980,000	(150,269)	
	Total Item A-S	5,265,004	3,939,658	1,024,808	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	957,541	210,000	747,541	
12020402	Major Highway Relocations	436,427	631,000	(194,573)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	91,391	31,054	60,337	
12020505	Replace Trac-Vac System at RRS	560,885	511,332	49,553	
12020506	Sludge Handling Improvements	509,317	490,319	18,998	
12020508	Reliability Improvements	916,516	1,994,977	(1,078,461)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	77,349	14,465	62,884	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	288,595	231,116	57,479	
12020606	Replace Parkers Mill Pump and Diesel	446,294	718,695	(272,401)	Construction delayed due to scope change
12020607	New WTP on Pool 3 of Kentucky River	2,274,258	3,097,500	(823,242)	Design completion delayed
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	686,957	1,450,000	(763,043)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	420,484	650,000	(229,516)	Construction delayed by contractor
12320507	Owenton Acquisition Water	244,358	183,986	60,372	
12330604	SCADA - Owen County	15,027	79,663	(64,636)	
12500503	Rockwell Village Wastewater Pipeline	0	191,500	(191,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	81,500	(81,500)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	(226,028)	0	(226,028)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	7,699,371	10,572,107	(2,872,736)	
	Total Company Expenditures	12,964,375	14,511,765	(1,847,929)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Jul-07	Per 2007-143 Jul-07	Difference	Note
DV	Developer/Governmental Contributions	(264,873)	540,000	(804,873)	
A	Mains - New	63,744	67,500	(3,756)	
B	Mains - Replaced/Restored	(75,055)	350,000	(425,055)	
C	Mains - Unscheduled	2,199	22,500	(20,301)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	394	46,800	(46,406)	
F	Hydrants, Valves, and Manholes - Replaced	6,897	3,600	3,297	
G	Services and Laterals - New	86,331	117,090	(30,759)	
H	Services and Laterals - Replaced	140,181	54,000	86,181	
I	Meters - New	52,062	103,500	(51,438)	
J	Meters - Replaced	(594,013)	103,500	(697,513)	
K	ITS Equipment and Systems	4,176	12,150	(7,974)	
L	SCADA Equipment and Systems	0	3,780	(3,780)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	0	7,200	(7,200)	
O	Vehicles	0	0	0	
P	Tools and Equipment	26,079	13,950	12,129	
Q	Process Plant Facilities and Equipment	66,279	20,000	46,279	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	0	4,500	(4,500)	
	Subtotal	(485,599)	1,470,070	(1,955,669)	
	Less Item DV	(264,873)	540,000	(804,873)	
	Total Item A - S	(220,726)	930,070	(1,150,796)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	48,482	50,000	(1,518)	
12020402	Major Highway Relocations	86,900	160,000	(73,100)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	(13,679)	0	(13,679)	
12020505	Replace Trac-Vac System at RRS	7,525	72,389	(64,864)	
12020506	Sludge Handling Improvements	182,838	292,000	(109,162)	
12020508	Reliability Improvements	53,175	295,000	(241,825)	
12020601	Valve House Upgrades at KRS	(34,765)	0	(34,765)	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	22,660	0	22,660	
12020606	Replace Parkers Mill Pump and Diesel	208,341	0	208,341	
12020607	New WTP on Pool 3 of Kentucky River	381,468	700,900	(319,432)	
12020613	Highway Relocation - Clays Mill Phase II	0	10,000	(10,000)	
12020702	Major Highway Relocations	11,331	510,000	(498,669)	
12300403	Owen County Main Extensions	25,162	38,722	(13,560)	
12320507	Owenton Acquisition Water	2,941	0	2,941	
12330604	SCADA - Owen County	4,482	0	4,482	
12500503	Rockwell Village Wastewater Pipeline	0	76,000	(76,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	56,000	(56,000)	
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	55,186	0	55,186	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	1,042,047	2,261,011	(1,218,964)	
	Total Company Expenditures	821,321	3,191,081	(2,369,760)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		YTD	YTD		
Item	Description	Actual	Per 2007-143	YTD	
		Jul-07	Jul-07		
DV	Developer/Governmental Contributions	1,564,858	2,520,000	(955,142)	
A	Mains - New	184,142	315,000	(130,858)	
B	Mains - Replaced/Restored	1,350,817	1,165,000	185,817	
C	Mains - Unscheduled	10,043	105,000	(94,957)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	133,587	218,400	(84,813)	
F	Hydrants, Valves, and Manholes - Replaced	70,907	16,800	54,107	
G	Services and Laterals - New	452,469	546,420	(93,951)	
H	Services and Laterals - Replaced	568,943	252,000	316,943	
I	Meters - New	787,847	483,000	304,847	
J	Meters - Replaced	569,182	483,000	86,182	
K	ITS Equipment and Systems	154,859	56,700	98,159	
L	SCADA Equipment and Systems	0	17,640	(17,640)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,160	33,600	58,560	
O	Vehicles	24,214	505,868	(481,654)	
P	Tools and Equipment	121,882	65,100	56,782	
Q	Process Plant Facilities and Equipment	495,756	585,200	(89,444)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	27,471	21,000	6,471	
	Subtotal	6,609,136	7,389,728	(780,592)	
	Less Item DV	1,564,858	2,520,000	(955,142)	
	Total Item A-S	5,044,278	4,869,728	174,550	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,006,023	260,000	746,023	
12020402	Major Highway Relocations	523,327	791,000	(267,673)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	77,712	31,054	46,658	
12020505	Replace Trac-Vac System at RRS	568,410	583,721	(15,311)	
12020506	Sludge Handling Improvements	692,155	782,319	(90,164)	
12020508	Reliability Improvements	969,691	2,289,977	(1,320,286)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	42,584	14,465	28,119	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	311,255	231,116	80,139	
12020606	Replace Parkers Mill Pump and Diesel	654,635	718,695	(64,060)	
12020607	New WTP on Pool 3 of Kentucky River	2,655,726	3,798,400	(1,142,674)	Design completion delayed
12020613	Highway Relocation - Clays Mill Phase II	0	10,000	(10,000)	
12020702	Major Highway Relocations	698,288	1,960,000	(1,261,712)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	445,646	688,722	(243,076)	Construction delayed by contractor
12320507	Owenton Acquisition Water	247,299	183,986	63,313	
12330604	SCADA - Owen County	19,509	79,663	(60,154)	
12500503	Rockwell Village Wastewater Pipeline	0	267,500	(267,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	137,500	(137,500)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	0	0	
	Non-budgeted IP's	(170,842)	0	(170,842)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	8,741,418	12,833,118	(4,091,700)	
	Total Company Expenditures	13,785,696	17,702,846	(3,917,150)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Aug-07	Per 2007-143 Aug-07	Difference	Note
DV	Developer/Governmental Contributions	251,674	840,000	(588,326)	
A	Mains - New	77,127	105,000	(27,873)	
B	Mains - Replaced/Restored	1,002,333	400,000	602,333	
C	Mains - Unscheduled	14,523	35,000	(20,477)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	22,179	72,800	(50,621)	
F	Hydrants, Valves, and Manholes - Replaced	20,356	5,600	14,756	
G	Services and Laterals - New	106,321	182,140	(75,819)	
H	Services and Laterals - Replaced	142,289	84,000	58,289	
I	Meters - New	239,879	161,000	78,879	
J	Meters - Replaced	76,345	161,000	(84,655)	
K	ITS Equipment and Systems	(69,180)	18,900	(88,080)	
L	SCADA Equipment and Systems	0	5,880	(5,880)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	0	11,200	(11,200)	
O	Vehicles	71,693	0	71,693	
P	Tools and Equipment	32,926	21,700	11,226	
Q	Process Plant Facilities and Equipment	31,743	53,000	(21,257)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	1,238	7,000	(5,762)	
	Subtotal	2,021,446	2,164,220	(142,774)	
	Less Item DV	251,674	840,000	(588,326)	
	Total Item A - S	1,769,772	1,324,220	445,552	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	22,531	50,000	(27,469)	
12020402	Major Highway Relocations	213,634	374,550	(160,916)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	97	0	97	
12020505	Replace Trac-Vac System at RRS	5,652	0	5,652	
12020506	Sludge Handling Improvements	237,322	198,000	39,322	
12020508	Reliability Improvements	307,837	525,000	(217,163)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	(38,295)	0	(38,295)	
12020606	Replace Parkers Mill Pump and Diesel	45,598	0	45,598	
12020607	New WTP on Pool 3 of Kentucky River	218,186	101,100	117,086	
12020613	Highway Relocation - Clays Mill Phase II	0	25,000	(25,000)	
12020702	Major Highway Relocations	306,327	510,000	(203,673)	
12300403	Owen County Main Extensions	25,298	0	25,298	
12320507	Owenton Acquisition Water	12,092	0	12,092	
12330604	SCADA - Owen County	32,739	0	32,739	
12500503	Rockwell Village Wastewater Pipeline	0	50,000	(50,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	76,000	(76,000)	
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	(1,277)	0	(1,277)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	1,387,741	1,919,650	(531,909)	
	Total Company Expenditures	3,157,513	3,243,870	(86,357)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Aug-07	Aug-07	YTD	
DV	Developer/Governmental Contributions	1,816,531	3,360,000	(1,543,469)	
A	Mains - New	261,269	420,000	(158,731)	
B	Mains - Replaced/Restored	2,353,150	1,565,000	788,150	
C	Mains - Unscheduled	24,566	140,000	(115,434)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	155,766	291,200	(135,434)	
F	Hydrants, Valves, and Manholes - Replaced	91,263	22,400	68,863	
G	Services and Laterals - New	558,789	728,560	(169,771)	
H	Services and Laterals - Replaced	711,232	336,000	375,232	
I	Meters - New	1,027,726	644,000	383,726	
J	Meters - Replaced	645,527	644,000	1,527	
K	ITS Equipment and Systems	85,679	75,600	10,079	
L	SCADA Equipment and Systems	0	23,520	(23,520)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,160	44,800	47,360	
O	Vehicles	95,907	505,868	(409,961)	
P	Tools and Equipment	154,808	86,800	68,008	
Q	Process Plant Facilities and Equipment	527,500	638,200	(110,700)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	28,710	28,000	710	
	Subtotal	8,630,582	9,553,948	(923,366)	
	Less Item DV	1,816,531	3,360,000	(1,543,469)	
	Total Item A-S	6,814,050	6,193,948	620,102	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,028,554	310,000	718,554	
12020402	Major Highway Relocations	736,961	1,165,550	(428,589)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	77,809	31,054	46,755	
12020505	Replace Trac-Vac System at RRS	574,062	583,721	(9,659)	
12020506	Sludge Handling Improvements	929,477	980,319	(50,842)	
12020508	Reliability Improvements	1,277,528	2,814,977	(1,537,449)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	42,584	14,465	28,119	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	272,960	231,116	41,844	
12020606	Replace Parkers Mill Pump and Diesel	700,233	718,695	(18,462)	
12020607	New WTP on Pool 3 of Kentucky River	2,873,912	3,899,500	(1,025,588)	Project initiation delayed due to Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	35,000	(35,000)	
12020702	Major Highway Relocations	1,004,615	2,470,000	(1,465,385)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	470,944	688,722	(217,778)	Construction delayed by contractor
12320507	Owenton Acquisition Water	259,391	183,986	75,405	
12330604	SCADA - Owen County	52,248	79,663	(27,415)	
12500503	Rockwell Village Wastewater Pipeline	0	317,500	(317,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	213,500	(213,500)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	(172,119)	0	(172,119)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	10,129,159	14,752,768	(4,623,609)	
	Total Company Expenditures	16,943,209	20,946,716	(4,003,507)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		Actual	Per 2007-143		
Item	Description	Sep-07	Sep-07	Difference	Note
DV	Developer/Governmental Contributions	320,199	900,000	(579,801)	
A	Mains - New	13,017	112,500	(99,483)	
B	Mains - Replaced/Restored	264,274	350,000	(85,726)	
C	Mains - Unscheduled	18,027	37,500	(19,473)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	12,396	78,000	(65,604)	
F	Hydrants, Valves, and Manholes - Replaced	70,602	6,000	64,602	
G	Services and Laterals - New	115,707	195,150	(79,443)	
H	Services and Laterals - Replaced	112,371	90,000	22,371	
I	Meters - New	45,523	172,500	(126,977)	
J	Meters - Replaced	62,871	172,500	(109,629)	
K	ITS Equipment and Systems	535	20,250	(19,715)	
L	SCADA Equipment and Systems	37,450	6,300	31,150	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	1	12,000	(11,999)	
O	Vehicles	45,322	0	45,322	
P	Tools and Equipment	52,603	23,250	29,353	
Q	Process Plant Facilities and Equipment	29,153	0	29,153	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	2,961	7,500	(4,539)	
	Subtotal	1,203,015	2,183,450	(980,435)	
	Less Item DV	320,199	900,000	(579,801)	
	Total Item A - S	882,815	1,283,450	(400,635)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	40,343	50,000	(9,657)	
12020402	Major Highway Relocations	141,183	33,789	107,394	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	325	0	325	
12020505	Replace Trac-Vac System at RRS	(53,351)	0	(53,351)	
12020506	Sludge Handling Improvements	272,132	200,000	72,132	
12020508	Reliability Improvements	65,507	525,000	(459,493)	
12020601	Valve House Upgrades at KRS	242	0	242	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	17,917	0	17,917	
12020606	Replace Parkers Mill Pump and Diesel	22,311	0	22,311	
12020607	New WTP on Pool 3 of Kentucky River	162,497	101,000	61,497	
12020613	Highway Relocation - Clays Mill Phase II	(99)	25,000	(25,099)	
12020702	Major Highway Relocations	112,504	463,730	(351,226)	
12300403	Owen County Main Extensions	7,631	0	7,631	
12320507	Owenton Acquisition Water	773	25,000	(24,227)	
12330604	SCADA - Owen County	4,882	0	4,882	
12500503	Rockwell Village Wastewater Pipeline	0	35,000	(35,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	10,000	(10,000)	
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	(5,243)	0	(5,243)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	789,554	1,478,519	(688,965)	
	Total Company Expenditures	1,672,369	2,761,969	(1,089,600)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		YTD	YTD		
Item	Description	Actual	Per 2007-143	YTD	
		Sep-07	Sep-07		
DV	Developer/Governmental Contributions	2,136,731	4,260,000	(2,123,269)	
A	Mains - New	274,286	532,500	(258,214)	
B	Mains - Replaced/Restored	2,617,424	1,915,000	702,424	
C	Mains - Unscheduled	42,593	177,500	(134,907)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	168,162	369,200	(201,038)	
F	Hydrants, Valves, and Manholes - Replaced	161,865	28,400	133,465	
G	Services and Laterals - New	674,497	923,710	(249,213)	
H	Services and Laterals - Replaced	823,603	426,000	397,603	
I	Meters - New	1,073,250	816,500	256,750	
J	Meters - Replaced	708,398	816,500	(108,102)	
K	ITS Equipment and Systems	86,214	95,850	(9,636)	
L	SCADA Equipment and Systems	37,450	29,820	7,630	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	92,161	56,800	35,361	
O	Vehicles	141,229	505,868	(364,639)	
P	Tools and Equipment	207,411	110,050	97,361	
Q	Process Plant Facilities and Equipment	556,653	638,200	(81,547)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	31,671	35,500	(3,829)	
	Subtotal	9,833,596	11,737,398	(1,903,802)	
	Less Item DV	2,136,731	4,260,000	(2,123,269)	
	Total Item A-S	7,696,866	7,477,398	219,468	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,068,897	360,000	708,897	
12020402	Major Highway Relocations	878,144	1,199,339	(321,195)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	78,134	31,054	47,080	
12020505	Replace Trac-Vac System at RRS	520,711	583,721	(63,010)	
12020506	Sludge Handling Improvements	1,201,609	1,180,319	21,290	
12020508	Reliability Improvements	1,343,035	3,339,977	(1,996,942)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	42,826	14,465	28,361	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	290,877	231,116	59,761	
12020606	Replace Parkers Mill Pump and Diesel	722,544	718,695	3,849	
12020607	New WTP on Pool 3 of Kentucky River	3,036,409	4,000,500	(964,091)	Project initiation delayed due to Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	(99)	60,000	(60,099)	
12020702	Major Highway Relocations	1,117,119	2,933,730	(1,816,611)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	478,575	688,722	(210,147)	Construction delayed by contractor
12320507	Owenton Acquisition Water	260,164	208,986	51,178	
12330604	SCADA - Owen County	57,130	79,663	(22,533)	
12500503	Rockwell Village Wastewater Pipeline	0	352,500	(352,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	223,500	(223,500)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	20,000	(20,000)	
	Non-budgeted IP's	(177,362)	0	(177,362)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	10,918,713	16,231,287	(5,312,574)	
	Total Company Expenditures	18,615,579	23,708,685	(5,093,107)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		Actual	Per 2007-143		
Item	Description	Oct-07	Oct-07	Difference	Note
DV	Developer/Governmental Contributions	256,598	480,000	(223,402)	
A	Mains - New	27,047	60,000	(32,953)	
B	Mains - Replaced/Restored	204,183	350,000	(145,817)	
C	Mains - Unscheduled	16,850	20,000	(3,150)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	32,727	41,600	(8,873)	
F	Hydrants, Valves, and Manholes - Replaced	15,008	1,200	13,808	
G	Services and Laterals - New	105,954	102,596	3,358	
H	Services and Laterals - Replaced	140,521	46,923	93,598	
I	Meters - New	327,361	84,810	242,551	
J	Meters - Replaced	324,449	86,037	238,412	
K	ITS Equipment and Systems	8,462	10,525	(2,063)	
L	SCADA Equipment and Systems	73,629	1,260	72,369	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	25,368	6,400	18,968	
O	Vehicles	2,475	0	2,475	
P	Tools and Equipment	13,948	4,650	9,298	
Q	Process Plant Facilities and Equipment	20,512	0	20,512	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	2,690	1,500	1,190	
	Subtotal	1,597,780	1,297,500	300,280	
	Less Item DV	256,598	480,000	(223,402)	
	Total Item A - S	1,341,183	817,500	523,682	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	38,648	5,000	33,648	
12020402	Major Highway Relocations	110,428	0	110,428	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	1,003	0	1,003	
12020505	Replace Trac-Vac System at RRS	62,237	0	62,237	
12020506	Sludge Handling Improvements	220,355	225,000	(4,645)	
12020508	Reliability Improvements	144,310	175,656	(31,346)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	(19,024)	0	(19,024)	
12020606	Replace Parkers Mill Pump and Diesel	23,871	0	23,871	
12020607	New WTP on Pool 3 of Kentucky River	142,570	101,700	40,870	
12020613	Highway Relocation - Clays Mill Phase II	0	25,000	(25,000)	
12020702	Major Highway Relocations	163,043	350,000	(186,957)	
12300403	Owen County Main Extensions	203,940	0	203,940	
12320507	Owenton Acquisition Water	0	10,000	(10,000)	
12330604	SCADA - Owen County	4,418	0	4,418	
12500503	Rockwell Village Wastewater Pipeline	0	20,000	(20,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	10,000	(10,000)	
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	1,575	0	1,575	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	1,097,374	932,356	165,018	
	Total Company Expenditures	2,438,557	1,749,856	688,700	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	YTD	YTD	YTD	
		Actual	Per 2007-143		
		Oct-07	Oct-07		
DV	Developer/Governmental Contributions	2,393,328	4,740,000	(2,346,672)	
A	Mains - New	301,333	592,500	(291,167)	
B	Mains - Replaced/Restored	2,821,607	2,265,000	556,607	
C	Mains - Unscheduled	59,443	197,500	(138,057)	
D	Mains - Relocated	0	0	0	
E	Hydrants, Valves, and Manholes - New	200,888	410,800	(209,912)	
F	Hydrants, Valves, and Manholes - Replaced	176,872	29,600	147,272	
G	Services and Laterals - New	780,451	1,026,306	(245,855)	
H	Services and Laterals - Replaced	964,123	472,923	491,201	
I	Meters - New	1,400,611	901,310	499,301	
J	Meters - Replaced	1,032,847	902,537	130,310	
K	ITS Equipment and Systems	94,677	106,375	(11,699)	
L	SCADA Equipment and Systems	111,079	31,080	79,999	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	117,529	63,200	54,329	
O	Vehicles	143,704	505,868	(362,164)	
P	Tools and Equipment	221,360	114,700	106,660	
Q	Process Plant Facilities and Equipment	577,164	638,200	(61,036)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	34,361	37,000	(2,639)	
	Subtotal	11,431,377	13,034,898	(1,603,522)	
	Less Item DV	2,393,328	4,740,000	(2,346,672)	
	Total Item A-S	9,038,048	8,294,898	743,150	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,107,545	365,000	742,545	
12020402	Major Highway Relocations	988,572	1,199,339	(210,767)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	79,137	31,054	48,083	
12020505	Replace Trac-Vac System at RRS	582,948	583,721	(773)	
12020506	Sludge Handling Improvements	1,421,964	1,405,319	16,645	
12020508	Reliability Improvements	1,487,345	3,515,633	(2,028,288)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	42,826	14,465	28,361	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	271,853	231,116	40,737	
12020606	Replace Parkers Mill Pump and Diesel	746,415	718,695	27,720	
12020607	New WTP on Pool 3 of Kentucky River	3,178,979	4,102,200	(923,221)	Project initiation delayed due to Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	(99)	85,000	(85,099)	
12020702	Major Highway Relocations	1,280,162	3,283,730	(2,003,568)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	682,515	688,722	(6,207)	
12320507	Owenton Acquisition Water	260,164	218,986	41,178	
12330604	SCADA - Owen County	61,548	79,663	(18,115)	
12500503	Rockwell Village Wastewater Pipeline	0	372,500	(372,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	233,500	(233,500)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	30,000	(30,000)	
	Non-budgeted IP's	(175,787)	0	(175,787)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	12,016,087	17,163,643	(5,147,556)	
	Total Company Expenditures	21,054,135	25,458,542	(4,404,406)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Nov-07	Per 2007-143 Nov-07	Difference	Note
DV	Developer/Governmental Contributions	302,536	480,000	(177,464)	
A	Mains - New	3,891	60,000	(56,109)	
B	Mains - Replaced/Restored	(252,897)	342,348	(595,245)	
C	Mains - Unscheduled	24,580	20,000	4,580	
D	Mains - Relocated	14,656	0	14,656	
E	Hydrants, Valves, and Manholes - New	15,424	41,600	(26,176)	
F	Hydrants, Valves, and Manholes - Replaced	1,632	5,200	(3,568)	
G	Services and Laterals - New	150,976	105,564	45,412	
H	Services and Laterals - Replaced	97,746	49,078	48,669	
I	Meters - New	11,847	99,190	(87,343)	
J	Meters - Replaced	(55,582)	97,963	(153,545)	
K	ITS Equipment and Systems	14,741	11,075	3,666	
L	SCADA Equipment and Systems	(93,348)	5,460	(98,808)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	5,403	6,400	(997)	
O	Vehicles	315,281	0	315,281	
P	Tools and Equipment	18,198	20,150	(1,952)	
Q	Process Plant Facilities and Equipment	29,641	0	29,641	
R	Capitalized Tank Rehabilitation/Painting		0	0	
S	Engineering Studies	5,659	6,500	(841)	
	Subtotal	610,383	1,350,528	(740,145)	
	Less Item DV	302,536	480,000	(177,464)	
	Total Item A - S	307,848	870,528	(562,680)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	121,761	5,000	116,761	
12020402	Major Highway Relocations	24,439	0	24,439	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	(44)	0	(44)	
12020505	Replace Trac-Vac System at RRS	47,247	0	47,247	
12020506	Sludge Handling Improvements	74,329	51,043	23,286	
12020508	Reliability Improvements	1,212,691	45,000	1,167,691	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	16,086	0	16,086	
12020606	Replace Parkers Mill Pump and Diesel	(849)	0	(849)	
12020607	New WTP on Pool 3 of Kentucky River	129,247	190,722	(61,475)	
12020613	Highway Relocation - Clays Mill Phase II	0	15,000	(15,000)	
12020702	Major Highway Relocations	52,456	325,000	(272,544)	
12300403	Owen County Main Extensions	154,294	0	154,294	
12320507	Owenton Acquisition Water	21,118	10,000	11,118	
12330604	SCADA - Owen County	4,363	0	4,363	
12500503	Rockwell Village Wastewater Pipeline	0	15,000	(15,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	10,000	(10,000)	
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	40,968	0	40,968	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	1,898,106	676,765	1,221,341	
	Total Company Expenditures	2,205,954	1,547,293	658,661	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	YTD	YTD	YTD	
		Actual	Per 2007-143		
		Nov-07	Nov-07		
DV	Developer/Governmental Contributions	2,695,864	5,220,000	(2,524,136)	
A	Mains - New	305,223	652,500	(347,277)	
B	Mains - Replaced/Restored	2,568,710	2,607,348	(38,638)	
C	Mains - Unscheduled	84,023	217,500	(133,477)	
D	Mains - Relocated	14,656	0	14,656	
E	Hydrants, Valves, and Manholes - New	216,312	452,400	(236,088)	
F	Hydrants, Valves, and Manholes - Replaced	178,505	34,800	143,705	
G	Services and Laterals - New	931,427	1,131,870	(200,443)	
H	Services and Laterals - Replaced	1,061,870	522,000	539,869	
I	Meters - New	1,412,458	1,000,500	411,958	
J	Meters - Replaced	977,265	1,000,500	(23,235)	
K	ITS Equipment and Systems	109,417	117,450	(8,033)	
L	SCADA Equipment and Systems	17,731	36,540	(18,809)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	122,932	69,600	53,332	
O	Vehicles	458,985	505,868	(46,883)	
P	Tools and Equipment	239,557	134,850	104,707	
Q	Process Plant Facilities and Equipment	606,805	638,200	(31,395)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	40,020	43,500	(3,480)	
	Subtotal	12,041,760	14,385,426	(2,343,666)	
	Less Item DV	2,695,864	5,220,000	(2,524,136)	
	Total Item A-S	9,345,896	9,165,426	180,470	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,229,306	370,000	859,306	
12020402	Major Highway Relocations	1,013,011	1,199,339	(186,328)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	79,093	31,054	48,039	
12020505	Replace Trac-Vac System at RRS	630,195	583,721	46,474	
12020506	Sludge Handling Improvements	1,496,293	1,456,362	39,931	
12020508	Reliability Improvements	2,700,036	3,560,633	(860,597)	Construction delayed due to pump manufacturer
12020601	Valve House Upgrades at KRS	42,826	14,465	28,361	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	287,939	231,116	56,823	
12020606	Replace Parkers Mill Pump and Diesel	745,566	718,695	26,871	
12020607	New WTP on Pool 3 of Kentucky River	3,308,226	4,292,922	(984,696)	Project initiation delayed due to Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	(99)	100,000	(100,099)	
12020702	Major Highway Relocations	1,332,618	3,608,730	(2,276,112)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	836,809	688,722	148,087	
12320507	Owenton Acquisition Water	281,282	228,986	52,296	
12330604	SCADA - Owen County	65,911	79,663	(13,752)	
12500503	Rockwell Village Wastewater Pipeline	0	387,500	(387,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	0	243,500	(243,500)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	40,000	(40,000)	
	Non-budgeted IP's	(134,819)	0	(134,819)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	13,914,193	17,840,408	(3,926,215)	
	Total Company Expenditures	23,260,089	27,005,835	(3,745,746)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		Actual	Per 2007-143		
Item	Description	Dec-07	Dec-07	Difference	Note
DV	Developer/Governmental Contributions	445,327	600,000	(154,673)	
A	Mains - New	333,725	75,000	258,725	
B	Mains - Replaced/Restored	267,632	210,000	57,632	
C	Mains - Unscheduled	17,161	25,000	(7,839)	
D	Mains - Relocated	1,368	0	1,368	
E	Hydrants, Valves, and Manholes - New	39,195	52,000	(12,805)	
F	Hydrants, Valves, and Manholes - Replaced	(126,304)	4,000	(130,304)	
G	Services and Laterals - New	115,576	130,100	(14,524)	
H	Services and Laterals - Replaced	104,391	60,000	44,391	
I	Meters - New	134,690	115,000	19,690	
J	Meters - Replaced	201,704	115,000	86,704	
K	ITS Equipment and Systems	154,166	13,500	140,666	
L	SCADA Equipment and Systems	41,282	4,200	37,082	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	23,485	8,000	15,485	
O	Vehicles	104,496	0	104,496	
P	Tools and Equipment	170,102	15,500	154,602	
Q	Process Plant Facilities and Equipment	440,906	6,500	434,406	
R	Capitalized Tank Rehabilitation/Painting	4,601	0	4,601	
S	Engineering Studies	26,524	5,000	21,524	
	Subtotal	2,500,027	1,438,800	1,061,227	
	Less Item DV	445,327	600,000	(154,673)	
	Total Item A - S	2,054,700	838,800	1,215,900	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	296,373	62,438	233,935	
12020402	Major Highway Relocations	(28,027)	0	(28,027)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	(3)	0	(3)	
12020505	Replace Trac-Vac System at RRS	150,978	0	150,978	
12020506	Sludge Handling Improvements	73,191	5,550	67,641	
12020508	Reliability Improvements	2,366,087	0	2,366,087	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	63	0	63	
12020606	Replace Parkers Mill Pump and Diesel	4,981	0	4,981	
12020607	New WTP on Pool 3 of Kentucky River	162,121	102,200	59,921	
12020613	Highway Relocation - Clays Mill Phase II	99	0	99	
12020702	Major Highway Relocations	451,760	218,672	233,088	
12300403	Owen County Main Extensions	258,782	0	258,782	
12320507	Owenton Acquisition Water	(3,519)	5,000	(8,519)	
12330604	SCADA - Owen County	3,827	0	3,827	
12500503	Rockwell Village Wastewater Pipeline	0	10,000	(10,000)	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	56,893	6,500	50,393	
1202-5	North Broadway Main Replacement	0	10,000	(10,000)	
	Non-budgeted IP's	(622,880)	0	(622,880)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	3,170,726	420,360	2,750,366	
	Total Company Expenditures	5,225,426	1,259,160	3,966,266	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget		YTD	YTD		
Item	Description	Actual	Per 2007-143	YTD	
		Dec-07	Dec-07		
DV	Developer/Governmental Contributions	3,141,191	5,820,000	(2,678,809)	Development slowed due to housing slowdown
A	Mains - New	638,949	727,500	(88,551)	
B	Mains - Replaced/Restored	2,836,342	2,817,348	18,994	
C	Mains - Unscheduled	101,183	242,500	(141,317)	
D	Mains - Relocated	16,024	0	16,024	
E	Hydrants, Valves, and Manholes - New	255,508	504,400	(248,892)	
F	Hydrants, Valves, and Manholes - Replaced	52,201	38,800	13,401	
G	Services and Laterals - New	1,047,003	1,261,970	(214,967)	
H	Services and Laterals - Replaced	1,166,260	582,000	584,260	
I	Meters - New	1,547,148	1,115,500	431,648	
J	Meters - Replaced	1,178,969	1,115,500	63,469	
K	ITS Equipment and Systems	263,583	130,950	132,633	
L	SCADA Equipment and Systems	59,013	40,740	18,273	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	146,417	77,600	68,817	
O	Vehicles	563,481	505,868	57,613	
P	Tools and Equipment	409,659	150,350	259,309	
Q	Process Plant Facilities and Equipment	1,047,711	644,700	403,011	
R	Capitalized Tank Rehabilitation/Painting	4,601	0	4,601	
S	Engineering Studies	66,544	48,500	18,044	
	Subtotal	14,541,787	15,824,226	(1,282,439)	
	Less Item DV	3,141,191	5,820,000	(2,678,809)	
	Total Item A-S	11,400,596	10,004,226	1,396,370	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	1,525,679	432,438	1,093,241	
12020402	Major Highway Relocations	984,984	1,199,339	(214,355)	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	79,090	31,054	48,036	
12020505	Replace Trac-Vac System at RRS	781,173	583,721	197,452	
12020506	Sludge Handling Improvements	1,569,484	1,461,912	107,572	
12020508	Reliability Improvements	5,066,123	3,560,633	1,505,490	
12020601	Valve House Upgrades at KRS	42,826	14,465	28,361	
12020602	Yarnallton Road Main	0	5,000	(5,000)	
12020605	Mallard Point Pressure Improvements	288,002	231,116	56,886	
12020606	Replace Parkers Mill Pump and Diesel	750,547	718,695	31,852	
12020607	New WTP on Pool 3 of Kentucky River	3,470,347	4,395,122	(924,775)	Project initiation delayed due to Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	100,000	(100,000)	
12020702	Major Highway Relocations	1,784,378	3,827,402	(2,043,024)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	1,095,591	688,722	406,869	Scope changed
12320507	Owenton Acquisition Water	277,763	233,986	43,777	
12330604	SCADA - Owen County	69,738	79,663	(9,925)	
12500503	Rockwell Village Wastewater Pipeline	0	397,500	(397,500)	Construction delayed
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	56,893	250,000	(193,107)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	0	50,000	(50,000)	
	Non-budgeted IP's	(757,699)	0	(757,699)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	17,084,919	18,260,768	(1,175,849)	
	Total Company Expenditures	28,485,515	28,264,995	220,520	

Kentucky American Water				
Comparison of Capital Expenditures				
Actual Vs. Case No. 2007-143				
		YTD	YTD	
Budget		Actual	Per 2007-143	
Item	Description	Jan-08	Jan-08	YTD
DV	Developer/Governmental Contributions	439,126	182,915	256,211
A	Mains - New	26,440	24,068	2,372
B	Mains - Replaced/Restored	(2,021)	62,576	(64,597)
C	Mains - Unscheduled	7,349	9,627	(2,278)
D	Mains - Relocated	147	0	147
E	Hydrants, Valves, and Manholes - New	3,527	19,254	(15,727)
F	Hydrants, Valves, and Manholes - Replaced	2,713	0	2,713
G	Services and Laterals - New	54,272	38,508	15,764
H	Services and Laterals - Replaced	76,700	19,254	57,446
I	Meters - New	(88,882)	33,695	(122,577)
J	Meters - Replaced	24,577	33,695	(9,118)
K	ITS Equipment and Systems	0	4,814	(4,814)
L	SCADA Equipment and Systems	1,857	2,407	(550)
M	Security Equipment and Systems	0	0	0
N	Offices and Operations Centers	9,501	4,814	4,687
O	Vehicles	(58,547)	14,441	(72,987)
P	Tools and Equipment	0	4,814	(4,814)
Q	Process Plant Facilities and Equipment	20,153	24,068	(3,915)
R	Capitalized Tank Rehabilitation/Painting	4,815	0	4,815
S	Engineering Studies	658	2,407	(1,748)
	Subtotal	522,386	481,356	41,030
	Less Item DV	439,126	182,915	256,211
	Total Item A-S	83,260	298,441	(215,181)
12020201	Leestown Road Main Improvements	0	0	0
12020204	Source of Supply Project Development	(42,990)	0	(42,990)
12020402	Major Highway Relocations	145,700	0	145,700
12020404	STEP Project	0	0	0
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0
12020505	Replace Trac-Vac System at RRS	7,286	0	7,286
12020506	Sludge Handling Improvements	33,645	0	33,645
12020508	Reliability Improvements	148,016	200,000	(51,984)
12020601	Valve House Upgrades at KRS	0	0	0
12020602	Yarnallton Road Main	0	0	0
12020605	Mallard Point Pressure Improvements	0	0	0
12020606	Replace Parkers Mill Pump and Diesel	0	0	0
12020607	New WTP on Pool 3 of Kentucky River	54,622	41,025	13,597
12020613	Highway Relocation - Clays Mill Phase II	0	0	0
12020702	Major Highway Relocations	(65,157)	215,000	(280,157)
12300403	Owen County Main Extensions	77,784	0	77,784
12320507	Owenton Acquisition Water	0	0	0
12330604	SCADA - Owen County	0	0	0
12500503	Rockwell Village Wastewater Pipeline	0	0	0
1202-6	Carrick Pike Main Extension	0	0	0
12020701	Incline Car Replacement @KRS	11,116	10,000	1,116
1202-5	North Broadway Main Replacement	0	10,000	(10,000)
	Non-budgeted IP's	(78,256)	0	(78,256)
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Reserved	0	0	0
	Total IP's	814,152	476,025	(184,259)
	Total Company Expenditures	897,412	774,466	(399,440)

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Feb-08	Feb-08	YTD	
DV	Developer/Governmental Contributions	912,060	365,831	546,229	Developer installation down due to housing slowdown
A	Mains - New	44,964	48,136	(3,172)	
B	Mains - Replaced/Restored	73,053	125,153	(52,100)	
C	Mains - Unscheduled	20,892	19,254	1,638	
D	Mains - Relocated	832	0	832	
E	Hydrants, Valves, and Manholes - New	3,527	38,508	(34,981)	
F	Hydrants, Valves, and Manholes - Replaced	9,068	0	9,068	
G	Services and Laterals - New	117,289	77,017	40,272	
H	Services and Laterals - Replaced	101,395	38,508	62,886	
I	Meters - New	(86,646)	67,390	(154,036)	
J	Meters - Replaced	(10,349)	67,390	(77,739)	
K	ITS Equipment and Systems	5,239	9,627	(4,388)	
L	SCADA Equipment and Systems	2,392	4,814	(2,421)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	40,901	9,627	31,273	
O	Vehicles	(37,400)	28,881	(66,281)	
P	Tools and Equipment	(79,122)	9,627	(88,749)	
Q	Process Plant Facilities and Equipment	37,472	48,136	(10,664)	
R	Capitalized Tank Rehabilitation/Painting	4,885	0	4,885	
S	Engineering Studies	6,756	4,814	1,943	
	Subtotal	1,167,208	962,712	204,496	
	Less Item DV	912,060	365,831	546,229	
	Total Item A-S	255,148	596,882	(341,733)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	55,570	0	55,570	
12020402	Major Highway Relocations	175,097	0	175,097	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	69,033	0	69,033	
12020506	Sludge Handling Improvements	129,939	0	129,939	
12020508	Reliability Improvements	(774,317)	500,000	(1,274,317)	KU Transformer delayed, accrual reversed
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	95,482	82,066	13,416	
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	44,309	480,000	(435,691)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	28,285	0	28,285	
12320507	Owenton Acquisition Water	0	41,242	(41,242)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	4,176	20,000	(15,824)	
1202-5	North Broadway Main Replacement	0	20,000	(20,000)	
	Non-budgeted IP's	(95,768)	0	(95,768)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	(268,194)	1,143,308	(1,411,502)	
	Total Company Expenditures	(13,046)	1,740,189	(1,753,235)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Mar-08	Mar-08	YTD	
DV	Developer/Governmental Contributions	1,230,790	670,689	560,100	Developer installation down due to housing slowdown
A	Mains - New	54,134	88,249	(34,114)	
B	Mains - Replaced/Restored	276,868	229,446	47,422	
C	Mains - Unscheduled	39,532	35,299	4,233	
D	Mains - Relocated	12,832	0	12,832	
E	Hydrants, Valves, and Manholes - New	3,527	70,599	(67,071)	
F	Hydrants, Valves, and Manholes - Replaced	19,059	0	19,059	
G	Services and Laterals - New	192,852	141,198	51,654	
H	Services and Laterals - Replaced	161,330	70,599	90,731	
I	Meters - New	116,974	123,548	(6,574)	
J	Meters - Replaced	184,810	123,548	61,262	
K	ITS Equipment and Systems	13,322	17,650	(4,327)	
L	SCADA Equipment and Systems	11,330	8,825	2,505	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	86,911	17,650	69,261	
O	Vehicles	(26,713)	52,949	(79,662)	
P	Tools and Equipment	(79,122)	17,650	(96,772)	
Q	Process Plant Facilities and Equipment	357,943	88,249	269,695	
R	Capitalized Tank Rehabilitation/Painting	4,829	0	4,829	
S	Engineering Studies	20,916	8,825	12,091	
	Subtotal	2,682,124	1,764,972	917,153	
	Less Item DV	1,230,790	670,689	560,100	
	Total Item A-S	1,451,335	1,094,283	357,052	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	94,070	0	94,070	
12020402	Major Highway Relocations	172,367	0	172,367	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	74,350	0	74,350	
12020506	Sludge Handling Improvements	166,460	0	166,460	
12020508	Reliability Improvements	153,899	800,000	(646,101)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	165,941	3,794,420	(3,628,479)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	100,000	(100,000)	
12020702	Major Highway Relocations	(27,582)	755,000	(782,582)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	69,786	0	69,786	
12320507	Owenton Acquisition Water	0	82,484	(82,484)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	19,844	120,000	(100,156)	
1202-5	North Broadway Main Replacement	0	320,000	(320,000)	Project delayed
	Non-budgeted IP's	26,732	0	26,732	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	915,867	5,971,904	(5,056,037)	
	Total Company Expenditures	2,367,202	7,066,187	(4,698,985)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Apr-08	Per 2007-143 Apr-08	Difference	Note
DV	Developer/Governmental Contributions	362,864	426,802	(63,938)	
A	Mains - New	52,291	56,158	(3,867)	
B	Mains - Replaced/Restored	248,175	146,011	102,164	
C	Mains - Unscheduled	17,761	22,463	(4,702)	
D	Mains - Relocated	20,000	0	20,000	
E	Hydrants, Valves, and Manholes - New	100	44,927	(44,827)	
F	Hydrants, Valves, and Manholes - Replaced	14,604	0	14,604	
G	Services and Laterals - New	71,624	89,853	(18,229)	
H	Services and Laterals - Replaced	136,306	44,927	91,379	
I	Meters - New	83,362	78,621	4,741	
J	Meters - Replaced	317,922	78,621	239,301	
K	ITS Equipment and Systems	735	11,232	(10,496)	
L	SCADA Equipment and Systems	21,337	5,616	15,722	
M	Security Equipment and Systems		0	0	
N	Offices and Operations Centers	40,125	11,232	28,893	
O	Vehicles	69,764	33,695	36,069	
P	Tools and Equipment	23,006	11,232	11,774	
Q	Process Plant Facilities and Equipment	46,744	56,158	(9,414)	
R	Capitalized Tank Rehabilitation/Painting	0	0	0	
S	Engineering Studies	5,315	5,616	(301)	
	Subtotal	1,532,037	1,123,163	408,874	
	Less Item DV	362,864	426,802	(63,938)	
	Total Item A - S	1,169,173	696,361	472,812	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	29,728	0	29,728	
12020402	Major Highway Relocations	19,449	0	19,449	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	24,279	0	24,279	
12020506	Sludge Handling Improvements	37,908	0	37,908	
12020508	Reliability Improvements	470,752	200,000	270,752	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	147,461	3,726,120	(3,578,659)	
12020613	Highway Relocation - Clays Mill Phase II	0	100,000	(100,000)	
12020702	Major Highway Relocations	12,000	230,000	(218,000)	
12300403	Owen County Main Extensions	240,000	0	240,000	
12320507	Owenton Acquisition Water	9,248	82,484	(73,236)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	(15,668)	100,000	(115,668)	
1202-5	North Broadway Main Replacement	13,114	300,000	(286,886)	
	Non-budgeted IP's	3,407	25,000	(21,593)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	991,678	4,763,604	(3,771,926)	
	Total Company Expenditures	2,160,851	5,459,965	(3,299,114)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Apr-08	Apr-08	YTD	
DV	Developer/Governmental Contributions	1,593,654	1,097,492	496,163	Developer installation down due to housing slowdown
A	Mains - New	106,426	144,407	(37,981)	
B	Mains - Replaced/Restored	525,043	375,458	149,585	
C	Mains - Unscheduled	57,293	57,763	(469)	
D	Mains - Relocated	32,832	0	32,832	
E	Hydrants, Valves, and Manholes - New	3,627	115,525	(111,898)	
F	Hydrants, Valves, and Manholes - Replaced	33,663	0	33,663	
G	Services and Laterals - New	264,476	231,051	33,425	
H	Services and Laterals - Replaced	297,635	115,525	182,110	
I	Meters - New	200,337	202,169	(1,832)	
J	Meters - Replaced	502,732	202,169	300,563	
K	ITS Equipment and Systems	14,058	28,881	(14,824)	
L	SCADA Equipment and Systems	32,668	14,441	18,227	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	127,036	28,881	98,154	
O	Vehicles	43,051	86,644	(43,593)	
P	Tools and Equipment	(56,116)	28,881	(84,997)	
Q	Process Plant Facilities and Equipment	404,688	144,407	260,281	
R	Capitalized Tank Rehabilitation/Painting	4,829	0	4,829	
S	Engineering Studies	26,231	14,441	11,791	
	Subtotal	4,214,162	2,888,135	1,326,027	
	Less Item DV	1,593,654	1,097,492	496,163	
	Total Item A-S	2,620,508	1,790,643	829,864	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	123,798	0	123,798	
12020402	Major Highway Relocations	191,816	0	191,816	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	98,629	0	98,629	
12020506	Sludge Handling Improvements	204,368	0	204,368	
12020508	Reliability Improvements	624,651	1,000,000	(375,349)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	313,402	7,520,540	(7,207,138)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	200,000	(200,000)	Project delayed
12020702	Major Highway Relocations	(15,582)	985,000	(1,000,582)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	309,786	0	309,786	
12320507	Owenton Acquisition Water	9,248	164,968	(155,720)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	4,176	220,000	(215,824)	
1202-5	North Broadway Main Replacement	13,114	620,000	(606,886)	Project delayed
	Non-budgeted IP's	30,139	25,000	5,139	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	1,907,545	10,735,508	(8,827,963)	
	Total Company Expenditures	4,528,053	12,526,152	(7,998,099)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	May-08	May-08	YTD	
DV	Developer/Governmental Contributions	1,697,933	1,646,238	51,695	Developer installation down due to housing slowdown
A	Mains - New	107,648	216,610	(108,962)	
B	Mains - Replaced/Restored	704,382	563,187	141,195	
C	Mains - Unscheduled	80,159	86,644	(6,485)	
D	Mains - Relocated	86,332	0	86,332	
E	Hydrants, Valves, and Manholes - New	6,669	173,288	(166,620)	
F	Hydrants, Valves, and Manholes - Replaced	53,738	0	53,738	
G	Services and Laterals - New	356,689	346,576	10,113	
H	Services and Laterals - Replaced	403,738	173,288	230,450	
I	Meters - New	243,278	303,254	(59,976)	
J	Meters - Replaced	891,322	303,254	588,068	
K	ITS Equipment and Systems	26,538	43,322	(16,784)	
L	SCADA Equipment and Systems	33,330	21,661	11,669	
M	Security Equipment and Systems	4,000	0	4,000	
N	Offices and Operations Centers	137,736	43,322	94,413	
O	Vehicles	(38,966)	129,966	(168,932)	
P	Tools and Equipment	(28,494)	43,322	(71,816)	
Q	Process Plant Facilities and Equipment	461,100	216,610	244,489	
R	Capitalized Tank Rehabilitation/Painting	14,459	0	14,459	
S	Engineering Studies	30,181	21,661	8,519	
	Subtotal	5,271,770	4,332,203	939,566	
	Less Item DV	1,697,933	1,646,238	51,695	
	Total Item A-S	3,573,837	2,685,966	887,871	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	178,959	0	178,959	
12020402	Major Highway Relocations	225,816	0	225,816	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	108,435	0	108,435	
12020506	Sludge Handling Improvements	158,361	0	158,361	
12020508	Reliability Improvements	1,174,841	1,000,000	174,841	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	425,350	11,260,426	(10,835,076)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	400,000	(400,000)	Project delayed
12020702	Major Highway Relocations	6,968	1,190,000	(1,183,032)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	289,536	0	289,536	
12320507	Owenton Acquisition Water	15,394	247,452	(232,058)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	9,165	0	9,165	
12020701	Incline Car Replacement @KRS	41,086	320,000	(278,914)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	8,289	920,000	(911,711)	Project delayed
	Non-budgeted IP's	24,395	75,000	(50,605)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	2,666,595	15,412,878	(12,746,283)	
	Total Company Expenditures	6,240,432	18,098,844	(11,858,412)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Jun-08	Per 2007-143 Jun-08	Difference	Note
DV	Developer/Governmental Contributions	212,697	548,746	(336,049)	
A	Mains - New	(44,723)	72,203	(116,926)	
B	Mains - Replaced/Restored	(140,879)	187,729	(328,608)	
C	Mains - Unscheduled	8,270	28,881	(20,611)	
D	Mains - Relocated	7,500	0	7,500	
E	Hydrants, Valves, and Manholes - New	(2,367)	57,763	(60,130)	
F	Hydrants, Valves, and Manholes - Replaced	11,968	0	11,968	
G	Services and Laterals - New	105,888	115,525	(9,637)	
H	Services and Laterals - Replaced	165,383	57,763	107,620	
I	Meters - New	41,738	101,085	(59,347)	
J	Meters - Replaced	142,029	101,085	40,944	
K	ITS Equipment and Systems	21,882	14,441	7,442	
L	SCADA Equipment and Systems	1,070	7,220	(6,150)	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	23,540	14,441	9,099	
O	Vehicles	133,819	43,322	90,497	
P	Tools and Equipment	(57)	14,441	(14,498)	
Q	Process Plant Facilities and Equipment	26,851	72,203	(45,352)	
R	Capitalized Tank Rehabilitation/Painting	2,140	0	2,140	
S	Engineering Studies	5,549	7,220	(1,671)	
	Subtotal	722,300	1,444,068	(721,768)	
	Less Item DV	212,697	548,746	(336,049)	
	Total Item A - S	509,603	895,323	(385,720)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	18,765	0	18,765	
12020402	Major Highway Relocations	21,879	0	21,879	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	(10,446)	0	(10,446)	
12020506	Sludge Handling Improvements	(635)	0	(635)	
12020508	Reliability Improvements	190,591	0	190,591	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	2,615,542	3,753,651	(1,138,109)	
12020613	Highway Relocation - Clays Mill Phase II	0	200,000	(200,000)	
12020702	Major Highway Relocations	77,034	275,000	(197,966)	
12300403	Owen County Main Extensions	45,999	0	45,999	
12320507	Owenton Acquisition Water	16,401	123,725	(107,324)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	31,800	0	31,800	
12020701	Incline Car Replacement @KRS	45,743	100,000	(54,257)	
1202-5	North Broadway Main Replacement	9,683	300,000	(290,317)	
	Non-budgeted IP's	1,284	0	1,284	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	3,063,640	4,752,376	(1,688,736)	
	Total Company Expenditures	3,573,243	5,647,698	(2,074,455)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Jun-08	Jun-08	YTD	
DV	Developer/Governmental Contributions	1,910,630	2,194,983	(284,353)	Developer installation down due to housing slowdown
A	Mains - New	62,925	288,814	(225,888)	
B	Mains - Replaced/Restored	563,503	750,915	(187,412)	
C	Mains - Unscheduled	88,430	115,525	(27,096)	
D	Mains - Relocated	93,832	0	93,832	
E	Hydrants, Valves, and Manholes - New	4,301	231,051	(226,750)	
F	Hydrants, Valves, and Manholes - Replaced	65,706	0	65,706	
G	Services and Laterals - New	462,578	462,102	476	
H	Services and Laterals - Replaced	569,121	231,051	338,071	
I	Meters - New	285,016	404,339	(119,323)	
J	Meters - Replaced	1,033,351	404,339	629,012	
K	ITS Equipment and Systems	48,420	57,763	(9,343)	
L	SCADA Equipment and Systems	34,400	28,881	5,518	
M	Security Equipment and Systems	4,000	0	4,000	
N	Offices and Operations Centers	161,276	57,763	103,513	
O	Vehicles	94,854	173,288	(78,435)	
P	Tools and Equipment	(28,552)	57,763	(86,315)	
Q	Process Plant Facilities and Equipment	487,951	288,814	199,137	
R	Capitalized Tank Rehabilitation/Painting	16,599	0	16,599	
S	Engineering Studies	35,730	28,881	6,848	
	Subtotal	5,994,070	5,776,272	217,798	
	Less Item DV	1,910,630	2,194,983	(284,353)	
	Total Item A-S	4,083,440	3,581,289	502,151	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	197,724	0	197,724	
12020402	Major Highway Relocations	247,695	0	247,695	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	97,989	0	97,989	
12020506	Sludge Handling Improvements	157,726	0	157,726	
12020508	Reliability Improvements	1,365,432	1,000,000	365,432	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	0	0	0	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	3,040,892	15,014,077	(11,973,185)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	600,000	(600,000)	Project delayed
12020702	Major Highway Relocations	84,002	1,465,000	(1,380,998)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	335,535	0	335,535	
12320507	Owenton Acquisition Water	31,795	371,177	(339,382)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	40,965	0	40,965	
12020701	Incline Car Replacement @KRS	86,829	420,000	(333,171)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	17,972	1,220,000	(1,202,028)	Project delayed
	Non-budgeted IP's	25,679	75,000	(49,321)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	5,730,235	20,165,254	(14,435,019)	
	Total Company Expenditures	9,813,675	23,746,542	(13,932,867)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Jul-08	Jul-08	YTD	
DV	Developer/Governmental Contributions	2,423,907	2,743,729	(319,823)	Developer installation down due to housing slowdown
A	Mains - New	62,925	361,017	(298,092)	
B	Mains - Replaced/Restored	795,862	938,644	(142,782)	
C	Mains - Unscheduled	133,054	144,407	(11,352)	
D	Mains - Relocated	119,800	0	119,800	
E	Hydrants, Valves, and Manholes - New	7,356	288,814	(281,458)	
F	Hydrants, Valves, and Manholes - Replaced	74,375	0	74,375	
G	Services and Laterals - New	622,128	577,627	44,501	
H	Services and Laterals - Replaced	730,248	288,814	441,434	
I	Meters - New	337,169	505,424	(168,255)	
J	Meters - Replaced	1,273,573	505,424	768,149	
K	ITS Equipment and Systems	187,116	72,203	114,913	
L	SCADA Equipment and Systems	36,540	36,102	438	
M	Security Equipment and Systems	0	0	0	
N	Offices and Operations Centers	179,466	72,203	107,262	
O	Vehicles	132,576	216,610	(84,034)	
P	Tools and Equipment	(28,509)	72,203	(100,712)	
Q	Process Plant Facilities and Equipment	531,360	361,017	170,343	
R	Capitalized Tank Rehabilitation/Painting	21,414	0	21,414	
S	Engineering Studies	46,583	36,102	10,481	
	Subtotal	7,686,941	7,220,340	466,601	
	Less Item DV	2,423,907	2,743,729	(319,823)	
	Total Item A-S	5,263,035	4,476,611	786,424	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	229,999	0	229,999	
12020402	Major Highway Relocations	247,695	0	247,695	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	97,648	0	97,648	
12020506	Sludge Handling Improvements	157,884	0	157,884	
12020508	Reliability Improvements	1,398,515	1,000,000	398,515	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	2,040	0	2,040	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	9,701,284	18,781,493	(9,080,208)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	750,000	(750,000)	Project delayed
12020702	Major Highway Relocations	62,961	1,720,000	(1,657,039)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	335,534	0	335,534	
12320507	Owenton Acquisition Water	35,045	494,902	(459,857)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	42,344	0	42,344	
12020701	Incline Car Replacement @KRS	136,102	520,000	(383,898)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	20,721	1,620,000	(1,599,279)	Project delayed
	Non-budgeted IP's	25,527	75,000	(49,473)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	12,493,299	24,961,395	(12,468,096)	
	Total Company Expenditures	17,756,334	29,438,006	(11,681,672)	

Kentucky American Water Comparison of Capital Expenditures Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Aug-08	Per 2007-143 Aug-08	Difference	Note
DV	Developer/Governmental Contributions	229,172	853,605	(624,433)	
A	Mains - New	0	112,316	(112,316)	
B	Mains - Replaced/Restored	19,344	292,023	(272,679)	
C	Mains - Unscheduled	20,898	44,927	(24,028)	
D	Mains - Relocated	5,000	0	5,000	
E	Hydrants, Valves, and Manholes - New	10,060	89,853	(79,793)	
F	Hydrants, Valves, and Manholes - Replaced	21,841	0	21,841	
G	Services and Laterals - New	203,300	179,706	23,594	
H	Services and Laterals - Replaced	122,743	89,853	32,890	
I	Meters - New	82,570	157,243	(74,673)	
J	Meters - Replaced	170,068	157,243	12,825	
K	ITS Equipment and Systems	26,892	22,463	4,429	
L	SCADA Equipment and Systems	5,350	11,232	(5,882)	
M	Security Equipment and Systems	480	0	480	
N	Offices and Operations Centers	301,519	22,463	279,056	
O	Vehicles	131,610	67,390	64,220	
P	Tools and Equipment	0	22,463	(22,463)	
Q	Process Plant Facilities and Equipment	39,556	112,316	(72,760)	
R	Capitalized Tank Rehabilitation/Painting	9,771	0	9,771	
S	Engineering Studies	17,000	11,232	5,768	
	Subtotal	1,417,173	2,246,328	(829,155)	
	Less Item DV	229,172	853,605	(624,433)	
	Total Item A - S	1,188,001	1,392,723	(204,722)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	5,073	0	5,073	
12020402	Major Highway Relocations	0	0	0	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	(341)	0	(341)	
12020506	Sludge Handling Improvements	(42)	0	(42)	
12020508	Reliability Improvements	1,302	0	1,302	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	12,500	0	12,500	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	5,246,382	3,781,181	1,465,201	Construction accelerated to meet 2010 completion
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	(44,221)	195,906	(240,127)	
12300403	Owen County Main Extensions	(14,913)	0	(14,913)	
12320507	Owenton Acquisition Water	19,718	123,725	(104,007)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	12,032	100,000	(87,968)	
1202-5	North Broadway Main Replacement	53,100	400,000	(346,900)	
	Non-budgeted IP's	0	50,000	(50,000)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	5,290,590	4,650,812	639,778	
	Total Company Expenditures	6,478,591	6,043,536	435,055	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Aug-08	Aug-08	YTD	
DV	Developer/Governmental Contributions	2,653,079	3,597,334	(944,255)	Developer installation down due to housing slowdown
A	Mains - New	62,925	473,333	(410,408)	
B	Mains - Replaced/Restored	815,206	1,230,667	(415,461)	
C	Mains - Unscheduled	153,953	189,333	(35,381)	
D	Mains - Relocated	124,800	0	124,800	
E	Hydrants, Valves, and Manholes - New	17,416	378,667	(361,251)	
F	Hydrants, Valves, and Manholes - Replaced	96,216	0	96,216	
G	Services and Laterals - New	825,428	757,333	68,095	
H	Services and Laterals - Replaced	852,991	378,667	474,324	
I	Meters - New	419,739	662,667	(242,928)	
J	Meters - Replaced	1,443,641	662,667	780,974	
K	ITS Equipment and Systems	214,008	94,667	119,341	
L	SCADA Equipment and Systems	41,890	47,333	(5,444)	
M	Security Equipment and Systems	480	0	480	
N	Offices and Operations Centers	480,985	94,667	386,318	
O	Vehicles	264,186	284,000	(19,814)	
P	Tools and Equipment	(28,509)	94,667	(123,176)	
Q	Process Plant Facilities and Equipment	570,916	473,333	97,583	
R	Capitalized Tank Rehabilitation/Painting	31,185	0	31,185	
S	Engineering Studies	63,583	47,333	16,249	
	Subtotal	9,104,115	9,466,668	(362,554)	
	Less Item DV	2,653,079	3,597,334	(944,255)	
	Total Item A-S	6,451,036	5,869,335	581,701	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	235,072	0	235,072	
12020402	Major Highway Relocations	247,695	0	247,695	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	97,307	0	97,307	
12020506	Sludge Handling Improvements	157,842	0	157,842	
12020508	Reliability Improvements	1,399,817	1,000,000	399,817	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	14,540	0	14,540	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	14,947,666	22,562,674	(7,615,008)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	750,000	(750,000)	Project delayed
12020702	Major Highway Relocations	18,740	1,915,906	(1,897,166)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	320,621	0	320,621	
12320507	Owenton Acquisition Water	54,763	618,627	(563,864)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	42,344	0	42,344	
12020701	Incline Car Replacement @KRS	148,134	620,000	(471,866)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	73,821	2,020,000	(1,946,179)	Project delayed
	Non-budgeted IP's	25,527	125,000	(99,473)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	17,783,889	29,612,207	(11,828,318)	
	Total Company Expenditures	24,234,925	35,481,542	(11,246,616)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Sep-08	Per 2007-143 Sep-08	Difference	Note
DV	Developer/Governmental Contributions	261,095	914,576	(653,481)	
A	Mains - New	1,392	120,339	(118,947)	
B	Mains - Replaced/Restored	48,326	212,881	(164,555)	
C	Mains - Unscheduled	19,233	48,136	(28,903)	
D	Mains - Relocated	7,850	0	7,850	
E	Hydrants, Valves, and Manholes - New	12,182	96,271	(84,089)	
F	Hydrants, Valves, and Manholes - Replaced	11,128	0	11,128	
G	Services and Laterals - New	173,113	192,542	(19,429)	
H	Services and Laterals - Replaced	61,385	96,271	(34,887)	
I	Meters - New	59,452	168,477	(109,025)	
J	Meters - Replaced	39,665	168,477	(128,812)	
K	ITS Equipment and Systems	16,503	24,068	(7,564)	
L	SCADA Equipment and Systems	4,280	12,034	(7,754)	
M	Security Equipment and Systems	1,000	0	1,000	
N	Offices and Operations Centers	442,951	24,068	418,884	
O	Vehicles	0	72,203	(72,203)	
P	Tools and Equipment	6,591	24,068	(17,477)	
Q	Process Plant Facilities and Equipment	17,601	120,339	(102,738)	
R	Capitalized Tank Rehabilitation/Painting	42,800	0	42,800	
S	Engineering Studies	15,059	12,034	3,025	
	Subtotal	1,241,608	2,306,784	(1,065,177)	
	Less Item DV	261,095	914,576	(653,481)	
	Total Item A - S	980,513	1,392,208	(411,695)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	13,495	0	13,495	
12020402	Major Highway Relocations	19,077	0	19,077	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	(1,271)	0	(1,271)	
12020506	Sludge Handling Improvements	14,731	0	14,731	
12020508	Reliability Improvements	2,193	0	2,193	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	362,450	0	362,450	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	5,927,684	3,794,947	2,132,737	Construction accelerated to meet 2010 completion
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	(2,900)	175,000	(177,900)	
12300403	Owen County Main Extensions	(4,737)	0	(4,737)	
12320507	Owenton Acquisition Water	22,613	82,484	(59,871)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	0	0	0	
12020701	Incline Car Replacement @KRS	(9,747)	100,000	(109,747)	
1202-5	North Broadway Main Replacement	31,100	200,000	(168,900)	
	Non-budgeted IP's	(2,105)	25,000	(27,105)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	6,372,583	4,377,431	1,995,152	
	Total Company Expenditures	7,353,096	5,769,639	1,583,457	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Sep-08	Sep-08	YTD	
DV	Developer/Governmental Contributions	2,914,174	4,511,910	(1,597,737)	Developer installation down due to housing slowdown
A	Mains - New	64,317	593,672	(529,356)	
B	Mains - Replaced/Restored	863,532	1,443,548	(580,016)	
C	Mains - Unscheduled	173,185	237,469	(64,284)	
D	Mains - Relocated	132,650	0	132,650	
E	Hydrants, Valves, and Manholes - New	29,598	474,938	(445,340)	
F	Hydrants, Valves, and Manholes - Replaced	107,344	0	107,344	
G	Services and Laterals - New	998,541	949,876	48,665	
H	Services and Laterals - Replaced	914,375	474,938	439,438	
I	Meters - New	479,192	831,144	(351,953)	
J	Meters - Replaced	1,483,306	831,144	652,162	
K	ITS Equipment and Systems	230,511	118,734	111,777	
L	SCADA Equipment and Systems	46,170	59,367	(13,197)	
M	Security Equipment and Systems	1,480	0	1,480	
N	Offices and Operations Centers	923,936	118,734	805,201	
O	Vehicles	264,186	356,203	(92,017)	
P	Tools and Equipment	(21,918)	118,734	(140,652)	
Q	Process Plant Facilities and Equipment	588,517	593,672	(5,155)	
R	Capitalized Tank Rehabilitation/Painting	73,985	0	73,985	
S	Engineering Studies	78,642	59,367	19,275	
	Subtotal	10,345,722	11,773,453	(1,427,730)	
	Less Item DV	2,914,174	4,511,910	(1,597,737)	
	Total Item A-S	7,431,549	7,261,543	170,006	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	248,567	0	248,567	
12020402	Major Highway Relocations	266,772	0	266,772	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	96,036	0	96,036	
12020506	Sludge Handling Improvements	172,573	0	172,573	
12020508	Reliability Improvements	1,402,010	1,000,000	402,010	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	376,990	0	376,990	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	20,875,350	26,357,621	(5,482,271)	Construction delayed awaiting Certificate approval
12020613	Highway Relocation - Clays Mill Phase II	0	750,000	(750,000)	Project delayed
12020702	Major Highway Relocations	15,840	2,090,906	(2,075,066)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	315,884	0	315,884	
12320507	Owenton Acquisition Water	77,376	701,111	(623,735)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	42,344	0	42,344	
12020701	Incline Car Replacement @KRS	138,387	720,000	(581,613)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	104,921	2,220,000	(2,115,079)	Project delayed
	Non-budgeted IP's	23,422	150,000	(126,578)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	24,156,472	33,989,638	(9,833,166)	
	Total Company Expenditures	31,588,021	41,251,180	(9,663,159)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
Budget Item	Description	Actual Oct-08	Per 2007-143 Oct-08	Difference	Note
DV	Developer/Governmental Contributions	483,765	487,774	(4,009)	
A	Mains - New	(11,861)	64,181	(76,042)	
B	Mains - Replaced/Restored	39,816	62,576	(22,760)	
C	Mains - Unscheduled	6,977	9,627	(2,650)	
D	Mains - Relocated		0	0	
E	Hydrants, Valves, and Manholes - New	15,458	51,344	(35,886)	
F	Hydrants, Valves, and Manholes - Replaced	(3,637)	0	(3,637)	
G	Services and Laterals - New	(121,250)	102,689	(223,939)	
H	Services and Laterals - Replaced	34,950	19,254	15,696	
I	Meters - New	41,249	84,238	(42,989)	
J	Meters - Replaced	64,335	84,237	(19,902)	
K	ITS Equipment and Systems	23,851	12,837	11,014	
L	SCADA Equipment and Systems	(866)	2,407	(3,273)	
M	Security Equipment and Systems	467	0	467	
N	Offices and Operations Centers	217,300	12,836	204,464	
O	Vehicles	0	38,509	(38,509)	
P	Tools and Equipment	2,242	12,837	(10,595)	
Q	Process Plant Facilities and Equipment	105,159	64,181	40,978	
R	Capitalized Tank Rehabilitation/Painting	48,150	0	48,150	
S	Engineering Studies	8,128	2,407	5,721	
	Subtotal	954,232	1,111,934	(157,702)	
	Less Item DV	483,765	487,774	(4,009)	
	Total Item A - S	470,467	624,160	(153,693)	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	55,836	0	55,836	
12020402	Major Highway Relocations	16,021	0	16,021	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	0	0	0	
12020506	Sludge Handling Improvements	81	0	81	
12020508	Reliability Improvements	(516,595)	0	(516,595)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	36,399	0	36,399	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	7,959,358	3,808,712	4,150,646	Construction accelerated to meet 2010 completion
12020613	Highway Relocation - Clays Mill Phase II	0	0	0	
12020702	Major Highway Relocations	1,525	125,000	(123,475)	
12300403	Owen County Main Extensions	0	0	0	
12320507	Owenton Acquisition Water	4,250	41,242	(36,992)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	6,812		6,812	
12020701	Incline Car Replacement @KRS	498	100,000	(99,502)	
1202-5	North Broadway Main Replacement	82,000	100,000	(18,000)	
	Non-budgeted IP's	(1,552)	25,000	(26,552)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	7,644,633	4,199,954	3,444,679	
	Total Company Expenditures	8,115,100	4,824,114	3,290,986	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Oct-08	Oct-08	YTD	
DV	Developer/Governmental Contributions	3,397,938	4,999,684	(1,601,746)	Developer installation down due to housing slowdown
A	Mains - New	52,456	657,853	(605,397)	
B	Mains - Replaced/Restored	903,348	1,506,124	(602,776)	
C	Mains - Unscheduled	180,162	247,096	(66,934)	
D	Mains - Relocated	132,650	0	132,650	
E	Hydrants, Valves, and Manholes - New	45,056	526,282	(481,226)	
F	Hydrants, Valves, and Manholes - Replaced	103,706	0	103,706	
G	Services and Laterals - New	877,291	1,052,565	(175,274)	
H	Services and Laterals - Replaced	949,325	494,192	455,133	
I	Meters - New	520,441	915,382	(394,941)	
J	Meters - Replaced	1,547,641	915,381	632,260	
K	ITS Equipment and Systems	254,363	131,571	122,791	
L	SCADA Equipment and Systems	45,303	61,774	(16,471)	
M	Security Equipment and Systems	1,946	0	1,946	
N	Offices and Operations Centers	1,141,236	131,570	1,009,665	
O	Vehicles	264,186	394,712	(130,526)	
P	Tools and Equipment	(19,676)	131,571	(151,248)	
Q	Process Plant Facilities and Equipment	693,676	657,853	35,823	
R	Capitalized Tank Rehabilitation/Painting	122,135	0	122,135	
S	Engineering Studies	86,770	61,774	24,996	
	Subtotal	11,299,955	12,885,387	(1,585,432)	
	Less Item DV	3,397,938	4,999,684	(1,601,746)	
	Total Item A-S	7,902,016	7,885,703	16,314	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	304,403	0	304,403	
12020402	Major Highway Relocations	282,793	0	282,793	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	96,036	0	96,036	
12020506	Sludge Handling Improvements	172,654	0	172,654	
12020508	Reliability Improvements	885,415	1,000,000	(114,585)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	413,389	0	413,389	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	28,834,708	30,166,333	(1,331,625)	
12020613	Highway Relocation - Clays Mill Phase II	0	750,000	(750,000)	Project delayed
12020702	Major Highway Relocations	17,365	2,215,906	(2,198,541)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	315,884	0	315,884	
12320507	Owenton Acquisition Water	81,626	742,353	(660,727)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	49,156	0	49,156	
12020701	Incline Car Replacement @KRS	138,885	820,000	(681,115)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	186,921	2,320,000	(2,133,079)	Project delayed
	Non-budgeted IP's	21,870	175,000	(153,130)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	31,801,105	38,189,592	(6,388,487)	
	Total Company Expenditures	39,703,121	46,075,295	(6,372,173)	

Kentucky American Water					
Comparison of Capital Expenditures					
Actual Vs. Case No. 2007-143					
		YTD	YTD		
Budget		Actual	Per 2007-143		
Item	Description	Nov-08	Nov-08	YTD	
DV	Developer/Governmental Contributions	3,947,938	5,487,458	(1,539,520)	Developer installation down due to housing slowdown
A	Mains - New	54,987	722,034	(667,047)	
B	Mains - Replaced/Restored	997,624	1,656,384	(658,760)	
C	Mains - Unscheduled	200,510	288,814	(88,303)	
D	Mains - Relocated	197,650	0	197,650	
E	Hydrants, Valves, and Manholes - New	46,474	577,627	(531,153)	
F	Hydrants, Valves, and Manholes - Replaced	114,818	0	114,818	
G	Services and Laterals - New	966,654	1,155,254	(188,600)	
H	Services and Laterals - Replaced	1,042,742	577,627	465,115	
I	Meters - New	573,922	1,010,850	(436,928)	
J	Meters - Replaced	1,625,286	1,010,850	614,436	
K	ITS Equipment and Systems	258,863	144,407	114,455	
L	SCADA Equipment and Systems	45,303	72,203	(26,900)	
M	Security Equipment and Systems	31,946	0	31,946	
N	Offices and Operations Centers	1,619,526	144,407	1,475,118	
O	Vehicles	386,242	433,220	(46,978)	
P	Tools and Equipment	116,804	144,407	(27,604)	
Q	Process Plant Facilities and Equipment	706,273	722,034	(15,761)	
R	Capitalized Tank Rehabilitation/Painting	91,541	0	91,541	
S	Engineering Studies	92,064	72,203	19,860	
	Subtotal	13,117,169	14,219,782	(1,102,614)	
	Less Item DV	3,947,938	5,487,458	(1,539,520)	
	Total Item A-S	9,169,230	8,732,324	436,906	
12020201	Leestown Road Main Improvements	0	0	0	
12020204	Source of Supply Project Development	319,230	0	319,230	
12020402	Major Highway Relocations	286,053	0	286,053	
12020404	STEP Project	0	0	0	
12020502	Russell Cave Road Main - 34,000' of 12"	0	0	0	
12020505	Replace Trac-Vac System at RRS	96,036	0	96,036	
12020506	Sludge Handling Improvements	172,654	0	172,654	
12020508	Reliability Improvements	885,415	1,000,000	(114,585)	
12020601	Valve House Upgrades at KRS	0	0	0	
12020602	Yarnallton Road Main	415,662	0	415,662	
12020605	Mallard Point Pressure Improvements	0	0	0	
12020606	Replace Parkers Mill Pump and Diesel	0	0	0	
12020607	New WTP on Pool 3 of Kentucky River	35,069,678	33,989,348	1,080,330	Construction accelerated
12020613	Highway Relocation - Clays Mill Phase II	0	750,000	(750,000)	Project delayed
12020702	Major Highway Relocations	(103,801)	2,265,906	(2,369,707)	Construction delayed by KYDOT
12300403	Owen County Main Extensions	316,583	0	316,583	
12320507	Owenton Acquisition Water	80,739	783,595	(702,856)	
12330604	SCADA - Owen County	0	0	0	
12500503	Rockwell Village Wastewater Pipeline	0	0	0	
1202-6	Carrick Pike Main Extension	57,743	0	57,743	
12020701	Incline Car Replacement @KRS	139,234	900,000	(760,766)	Project delayed due to reliability improvements
1202-5	North Broadway Main Replacement	202,921	2,350,000	(2,147,079)	Project delayed
	Non-budgeted IP's	22,180	200,000	(177,820)	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Reserved	0	0	0	
	Total IP's	37,960,327	42,238,849	(4,278,522)	
	Total Company Expenditures	47,129,557	50,971,173	(3,841,616)	

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Sheila A. Miller

45. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 1(a), W/P 1-2 at 1 and WP 1-11, at 1-7. State whether Kentucky-American has included the unamortized acquisition adjustment for Boonesboro twice in the forecasted rate base as "Utility Plant Acquisition Adjustment" and "Deferred Debits."

Response:

Yes. This will be corrected in a revised filing. The revenue requirement related to this duplication is \$1,338.

For the electronic version, refer to KAW_R_PSCDR2#45_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller/Sheila A. Miller

46. Refer to Kentucky-American's Application, Exhibit 37, Schedule D-1, "Summary of Adjustments to Operating Income Accounts." In adjustment D-3, Kentucky-American is increasing Other Income by \$3,094,804 to reflect forecasted Allowance for Funds Used During Construction ("AFUDC") above the line. Provide or reference the workpaper that calculates forecasted AFUDC.

Response:

The AFUDC calculation is detailed in working paper KAW_R_PSCDR1#1a_WP1-5_111408 pages 2 thru 36 beginning with the month of June 2009. The CWIP that the AFUDC calculation is based upon is detailed in working paper KAW_R_PSCDR1#1a_WP1-4_111408 pages 52 thru 65.

For the electronic version, refer to KAW_R_PSCDR2#46_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller

47. On page 32 of the direct testimony of Michael Miller, Kentucky-American is proposing to phase in the rate impact of the cost of Kentucky River Station II Project ("KRS II") by not accruing AFUDC.
- a. Will Kentucky-American continue to accrue AFUDC on the KRS II capital expenditures for income tax purposes?
 - b. If the response to 47(a) is yes, identify the impact Kentucky-American's proposal to discontinue accruing AFUDC for rate making purposes will have on income tax expense and deferred income taxes. Provide copies of all workpapers, calculations, and assumptions used in the response.
 - c. If the response to 47(a) is no, explain why AFUDC will not be accrued for tax purposes.
 - d. Explain if Kentucky-American has considered requesting that the Commission allow it to use the phase-in approach for all construction projects.
 - e. If the Commission directs Kentucky-American to discontinue accruing AFUDC for all capital projects, determine the impact this would have on the current rate request and determine the future rate impact. Provide copies of all workpapers, calculations, and assumptions used in the response.

Response:

- a. The Company is proposing to include the CWIP on the KRS II project as of May 31, 2009 in rate base without an AFUDC offset in order to phase- in the rate impact from the KRS II project. After May 31, 2009, the Company would not record book or tax AFUDC on that portion of the KRS II project from June 1, 2009 forward.

For CWIP expended on the KRS II project after May 31, 2009, the Company has included that portion in rate base but with an AFUDC offset so that the rates in this case will not be impacted by KRS II capital expenditures from June 1, 2009 until completion of the project until its next rate case. For the KRS II CWIP spent after May 31, 2009 the Company will continue to record book and tax AFUDC on those capital expenditures.

- b. The income tax expense proposed in the filing reflects the AFUDC methods described in part a. above. The tax expense in the filing does not reflect taxable (income) from AFUDC on the CWIP spent through May 31, 2009 on the KRS II project in the forecasted test-year, but does reflect taxable (income) from AFUDC on the CWIP spent on the KRS II project after May 31, 2009 in the forecasted test-year.
- c. Please see the response to part b. above. The Company would not be required to record AFUDC for tax purposes on the KRS II CWIP as of May 31, 2009 if the Commission approves the Company's approach. The Company would be paying tax on the revenue approved for that CWIP, therefore no tax AFUDC would be required.
- d. The Company has limited its phase-in approach regarding the CWIP to the KRS II project because of the unique circumstances surrounding that significant investment and the significant rate impact associated with that project as described in Mr. Miller's direct testimony.
- e. The hypothetical scenario proposed in this question creates a number of possible ratemaking and per books issues that are not clear from the question. The question does not make it clear how the Staff would propose to handle CWIP in the absence of AFUDC for rate making purposes. Therefore, it is not possible to generate or define the impact on future rate cases if AFUDC were discontinued. I provide a number of ratemaking and per book scenarios and assumptions below along with their potential impacts.

The discontinuance of AFUDC would have little, if any, impact on the revenue requirement in the current rate case as filed under the following assumption. Assuming the KRS II CWIP as of May 31, 2009 was included in rate base without an AFUDC offset, there would be no impact on the revenue requirement in this rate case. If both the KRS II CWIP expended after May 31, 2009 and the other CWIP were eliminated from rate base and AFUDC were discontinued and eliminated from the case, there would likewise be little or no impact on the revenue requirement in this case. This latter approach, however, would have a very negative impact on the Company's ability to achieve its authorized ROE. Excluding the KRS II CWIP as of May 31, 2009 would leave approximately \$43 million of CWIP expenditures during the forecasted test-year for which the Company would have neither rate recovery (revenue) nor AFUDC on its books. In the absence of AFUDC or rates for the capital cost associated with that CWIP, the Company's achieved ROE would erode by approximately \$3.1 million or 239 basis points.

Assuming that the KRS II CWIP expended after May 31, 2009 and other CWIP were left in rate base, but AFUDC were discontinued, the level of rates requested in this case would increase by approximately \$3.1 million, but the rate base in future rate cases would be approximately \$3.1 million lower.

The Company believes the discontinuance of AFUDC without some form of rate recovery of CWIP would force the Company to:

1. File rate cases more frequently than under the present Commission approach of allowing the recording of AFUDC on its books in the absence of rate recovery for CWIP expenditures.
2. Potentially accelerate or delay construction projects to match rate filings in order to minimize the erosion on book earnings in the absence of AFUDC without rate recovery for CWIP.
3. Curtail investment and construction if the Company could not obtain timely rate recovery in the absence of AFUDC.

The Company does not believe any of the options the Company would face if AFUDC were discontinued without rate recovery for CWIP would be in the best interests of the Company or the customers.

For the electronic version, refer to KAW_R_PSCDR2#47_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller

48. Refer to the Direct Testimony of Michael Miller at 32-33. Mr. Miller states that the forecasted AFUDC of \$3,094,804 reflects accruing AFUDC on the KRS II capital expenditures forecasted to be incurred from June 1, 2009 through May 31, 2010.
- a. Identify the AFUDC for KRS II that is included in the forecasted AFUDC of \$3,094,804. Provide copies of all workpapers, calculations, and assumptions used in the response.
 - b. If Kentucky-American is to phase-in the rate impact of KRS II, explain why it is proposing to accrue AFUDC for the capital expenditures forecasted for the period of June 1, 2009 through May 31, 2010.

Response:

- a. The \$3,094,804 of AFUDC included in the forecasted test-year as going-level revenue (above the line) includes \$2,538,118 of AFUDC related to the KRS II project. Please note the \$2,538,118 of AFUDC relates only to the CWIP on the KRS II project expended after May 31, 2009. See the schedules attached that show the calculation of the CWIP and AFUDC for the KRS II project for the forecasted test-year. The schedules attached were a part of the workpapers for CWIP and AFUDC previously supplied as KAW_R_PSDR1#1a_WP1-4_111408 pages 51-65 and KAW_R_PSDCR1#1a_WP1-5_111408, pages 1-18.
- b. The Company stopped accruing AFUDC on the KRS II project CWIP expended through May 31, 2009 because it is seeking rate recovery (tariff revenue) for the that portion of the KRS II project and if approved no AFUDC would be necessary for the carrying cost of that investment.

The Company also included in the forecasted test-year CWIP on the KRS II project for expenditures made after May 31, 2009 for the 12 month period ending May 31, 2009. The Company calculated AFUDC on this portion of CWIP and reflected it as going-level revenue for the forecasted test-year so that no revenue requirement would be passed to the customers for that portion of the KRS II project in this case. The differences in the requested rate recovery for KRS II CWIP through May 31, 2009 versus the rate treatment for expenditures after May 31, 2009 constitute the phase-in of rates (tariff revenue) proposed by the Company for the KRS II project in this case.

Kentucky-American Water Company
Monthly CWIP Balance by Project
Base Test Year: 01/31/09
Forecasted Test Year: 05/31/10

Item A - H 100.00%
IP's 100.00%

Code
1
2

Budget Item	Code	Description	Estimated Dates				Book AFUDC Y/N	CWIP + Transfers Jul-08	CWIP Bal Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
			Month	Year	Month	Year									
12020201	2	Design Leestown Road	-	-	12	2005	0	0	0	0	0	0	0	0	
0	2		-	-	12	2005	0	0	0	0	0	0	0	0	
0	0		-	-	-	0	0	0	0	0	0	0	0	0	
12020204	2	Development-Reg SOS Solution	-	-	12	2005	1,888,764	1,888,950	1,889,031	1,889,112	1,889,448	1,889,756	1,885,582	1,901,408	
12020301	2	Ins 2.0 MG Elev Storage Tank	-	-	-	0	0	0	0	0	0	0	0	0	
12020303	2	Ins Electr. Reliability Improv.	-	-	-	0	312,200	0	0	0	0	0	0	0	
12020402	2	Major Highway Relocations	-	-	12	2008	382,695	382,695	382,695	382,695	382,695	0	0	0	
0	0		-	-	-	0	0	0	0	0	0	0	0		
12020508	2	Ins KY Reliability Improvements	-	-	8	2008	0	0	0	0	0	0	0	0	
0	0		-	-	-	0	0	0	0	0	0	0	0		
0	0		-	-	-	0	0	0	0	0	0	0	0		
0	0		-	-	-	0	0	0	0	0	0	0	0		
12020602	2	Ins 8" DI Yarmalton Road Ext.	-	-	12	2008	31,852	90,944	150,286	209,878	269,720	0	0	0	
0	2		-	-	12	2008	1,091	1,091	1,091	1,091	1,091	0	0		
12020607	2	Ins WTR TRT PLT KY River Pool 3	-	-	11	2010	4,579,160	7,833,267	7,834,598	8,279,598	8,374,598	8,569,598	8,969,598	10,399,598	
0	2		-	-	11	2010	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
			-	-	11	2010	0	0	0	0	0	0	0	0	
			-	-	11	2010	1,905,218	1,905,218	1,905,218	1,905,218	1,905,218	1,905,218	1,905,218	1,905,218	
			-	-	11	2010	0	45,740	195,740	345,740	495,740	645,740	795,740	945,740	
			-	-	11	2010	0	359,404	859,404	1,359,404	1,859,404	2,159,404	2,459,404	2,959,404	
			-	-	11	2010	0	0	200,000	400,000	600,000	800,000	850,000	1,050,000	
			-	-	11	2010	54,570	1,963,426	3,463,426	4,463,426	5,463,426	6,463,426	7,463,426	8,463,426	
			-	-	11	2010	27,565	27,565	27,565	27,565	27,565	27,565	27,565	27,565	
			-	-	11	2010	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	
			-	-	11	2010	110,705	116,378	216,378	316,378	416,378	516,378	616,378	716,378	
			-	-	11	2010	38,445	155,483	255,483	355,483	455,483	555,483	655,483	755,483	
			-	-	11	2010	0	397,288	747,288	1,097,288	1,447,288	1,797,288	2,147,288	2,497,288	
			-	-	11	2010	7,654,101	7,349,102	8,199,102	8,899,102	9,599,102	10,299,102	10,999,102	11,699,102	

Kentucky-American Water Company

Book/Tax AFUDC By Month

Base Test Year: 01/31/09

Forecasted Test Year: 05/31/10

Item A - H 100% 1

IP's 100% 2

Budget Item	Code	Description	Estimated Dates		Tax AFUDC Y/N	Book AFUDC Y/N	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
			Starting Date	Completion Date											
			Month	Year											
12020508	2	Ins KY Reliability Improvements	-	8	2008	Y	311200	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
12020602	2	Ins 8" DI Yarnallton Road Ext.	-	12	2008	Y	331001	Y	411	808	1,206	1,606	0	0	0
0	0					Y	335000	Y	7	7	7	7	0	0	0
12020607	2	Ins WTR TRT PLT KY River Pool :	-	11	2010	Y	301000	Y	41,560	52,460	53,955	55,763	56,734	58,726	64,853
0	0					Y	303200	Y	13	27	27	27	27	27	27
						Y	303300	Y	0	0	0	0	0	0	0
						Y	303400	Y	12,758	12,758	12,758	12,758	12,758	12,758	12,758
						Y	303500	Y	153	809	1,813	2,817	3,822	4,826	5,831
						Y	304100	Y	1,203	4,081	7,429	10,777	13,456	15,465	18,144
						Y	304200	Y	0	670	2,009	3,348	4,688	5,525	6,362
						Y	304300	Y	6,757	18,171	26,541	33,238	41,608	51,653	61,698
						Y	306000	Y	185	185	185	185	185	185	185
						Y	309000	Y	11	39	73	106	140	324	659
						Y	311200	Y	760	1,114	1,784	2,453	3,123	3,793	4,797
						Y	320100	Y	649	1,376	2,715	4,724	6,733	8,742	10,751
						Y	330000	Y	1,330	3,832	6,176	8,520	10,194	11,199	12,203
						Y	331001	Y	50,235	52,059	57,249	64,615	74,660	88,053	104,795
12020701	2	Ins Incline Chain (Replacement)	-	12	2009	Y	304100	Y	1,007	1,230	1,492	1,769	1,978	2,058	2,058
0	0					Y	0	Y	0	0	0	0	0	0	0
12020702	2	Major Highway Relocations	-	12	2008	Y	331001	Y	2,006	2,899	3,791	4,684	0	0	0
0	0					Y	331001	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
IP-1232-1	2	Owenton Bulk Storage Desigr	-	1	2009	Y	320100	Y	835	1,879	2,771	3,725	4,685	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
12020505	2	Replace Trac-Vac System	-	11	2008	Y	304300	Y	27	80	134	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0
0	0					Y	0	Y	0	0	0	0	0	0	0

Kentucky-American Water Company
 Book/Tax AFUDC By Month
 Base Test Year: 01/31/09
 Forecasted Test Year: 05/31/10
 Item A - H 100% 1
 IP's 100% 2

Budget Item	Code	Description	Estimated Dates		Tax AFUDC Y/N	Book AFUDC Y/N	Month					May-10	Bk AFUDC Forecast Amount	
			Starting Date	Completion Date			Year	Year	Year	Year	Year			Year
12020508	2	Ins KY Reliability Improvements	-	8	2008	Y	311200	Y	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	0
12020602	2	Ins 8" DI Yamallton Road Ext.	-	12	2008	Y	331001	Y	0	0	0	0	0	0
0	2	-	-	12	2008	Y	335000	Y	0	0	0	0	0	0
12020607	2	Ins WTR TRT PLT KY River Pool:	-	11	2010	Y	301000	Y	18,416	22,286	29,023	37,031	162,807	
0	2	-	-	11	2010	Y	303200	Y	0	0	0	0	0	
				11	2010	Y	303300	Y	0	0	0	0	0	
				11	2010	Y	303400	Y	0	0	0	0	0	
				11	2010	Y	303500	Y	350	8,022	350	8,022	49,984	
				11	2010	Y	304100	Y	30,470	33,818	37,166	44,030	264,853	
				11	2010	Y	304200	Y	6,361	6,361	6,361	6,361	64,447	
				11	2010	Y	304300	Y	43,695	48,717	54,577	62,948	397,441	
				11	2010	Y	306000	Y	0	0	0	0	0	
				11	2010	Y	309000	Y	5,280	5,370	5,370	5,370	43,991	
				11	2010	Y	311200	Y	16,210	16,348	16,348	16,348	157,495	
				11	2010	Y	320100	Y	30,134	36,161	44,867	52,758	284,457	
				11	2010	Y	330000	Y	10,425	10,425	10,425	10,425	100,787	
				11	2010	Y	331001	Y	156,029	173,440	190,182	198,388	1,311,856	
12020701	2	Ins Incline Chain (Replacement)	-	12	2009	Y	304100	Y	0	0	0	0	24,789	
0	0	-	-	-	0	Y	0	Y	0	0	0	0	0	
12020702	2	Major Highway Relocations	-	12	2008	Y	331001	Y	0	0	0	0	0	
0	2	-	-	12	2009	Y	331001	Y	0	0	0	0	26,115	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
IP-1232-1	2	Owenton Bulk Storage Design	-	1	2009	Y	320100	Y	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
12020505	2	Replace Trac-Vac System	-	11	2008	Y	304300	Y	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	
0	0	-	-	-	0	Y	0	-	0	0	0	0	0	

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Michael A. Miller

49. Refer to Kentucky-American's Application, Exhibit 37, Schedule B 5.2, page 3 of 6, "Working Capital Lead Lag Study." In Case No. 2004-00103, Kentucky-American included "Monthly Arrears Partial/Final Bills" of 7.60 days. Explain why this entry has not been included in the calculations in this proceeding.

Response:

The Company's revenues are based on full bills for each customer during the forecasted test-year, therefore the elimination of partial/final bills properly matches the revenues in the forecasted test-year lead/lag calculation. Use of full bills is more accurate because it more closely matches forecasted test year revenues. The Company applies Dr. Spitznagel's usage per customer per day to each bill in the forecasted test-year which places all bills in Monthly-Arrears full bills section of the lead/lag calculation. Therefore, the need to account for partial/final bills separately in the lead/lag calculation is eliminated.

For the electronic version, refer to KAW_R_PSCDR2#49_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller/Sheila A. Miller

50. a. In Case No. 2004-00103, the Commission found that several of Kentucky-American's lead/lag days should be restated.¹ State whether Kentucky-American has adjusted its lead/lag study in this proceeding to reflect the restatements the Commission made in that proceeding.
- b. If the response to Item 50(a) is no, explain why those adjusted lead/lag days have not been included in the proposed lead/lag study.
- c. Calculate a revised working capital allowance forecast using the Commission lead/lag adjustments in Case No. 2004-00103. Provide all workpapers, calculations, and assumptions used in the restatement.

Response:

Yes with the exception of one item. The lag days for chemicals were incorrectly stated and will be corrected in a revised filing.

For the electronic version, refer to KAW_R_PSCDR2#50_010809.pdf.

¹ Order of February 28, 2005 at 13.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Sheila A. Miller

51. Refer to the Application, Exhibit 37, Schedule B 5.2, page 5 of 6, Working Capital Lead/Lag Study. For the following accounts, reconcile the totals on this schedule to accounts listed on the Adjusted Operating Income Summary shown at Exhibit 37, Schedule C-2 and provide the account titles and numbers to which the following accounts are posted in the workpapers:

- a. Transportation Expense.
- b. Telephone Expense.
- c. Postage Expense.
- d. Stock E.
- e. Maintenance Expense, excluding Amortizations.
- f. Other Operating Expenses.
- g. Depreciation and Amortization.

Response:

See attached reconciliation. The maintenance expense was overstated and the other operating expenses were understated by the same amount. The depreciation and amortization line included the duplication of the Boonesboro UPAA adjustment. These items will be corrected in a revised filing.

For the electronic version, refer to KAW_R_PSCDR2#51_010809.pdf.

Kentucky American Water
PSC DR 2 Question 51
Reconciliation of Schedule B-5.2 and Exhibit 37, Schedule C-2

	Account	Sch C-2 Line	Sch C-2 Amts	Lead Lag Amts	Corrected Lead Lag
a. Transportation	550000.16 Miscellaneous	Transportation Exp	722,490	722,490	722,490
b. Telephone Expense	575740.16 general office	Telephone Exp Ag	32,669	32,669	32,669
	575741.16 general office	Cell Phone Ag	86,151	86,151	86,151
	575740.15 customer acct	Telephone Exp CA	108,694	108,694	108,694
c. Postage Expense	575660.15 Customer Accounting	Postage Expense	569,000	569,000	569,000
	575660.16 general office	Postage Expense	610	610	610
d. Stock E	620000 Maintenance	Mat and Sup Maint	100,242	100,242	100,242
e. Maintenance Expense, excluding Amortization	620000 Maintenance	Mat and Sup Maint	457,066	1,026,359	457,066
	635000 Maintenance	Contract Other Svc Maint	22,466		22,466
	675000 Maintenance	Misc Maint	197,300		197,300
	675650 Maintenance	Paving/Backfill	249,285		249,285
f. Other Operating Expenses-fallout of total expenses:	510100 Purchased Water	Purchased Water Expense	114,586	3,882,765	114,586
	566100 Regulatory Expense	Regulatory Exp-rate case	338,319		338,319
	566200 Regulatory Expense	Regulatory Exp-depr study	6,001		6,001
	566700 Regulatory Expense	Regulatory Exp-COS	11,262		11,262
	575100 Customer Accounting	Bank Service Charges	209,136		209,136
	575200 Customer Accounting	Collection Agencies	43,275		43,275
	575420 Customer Accounting	Forms	230,808		230,808
	575620.00 Customer Accounting	Office & Admin Supplies	6,430		6,430
	520100 General Office	M&S AG	48,404		48,404
	575002 General Office	Misc General Office	2,131		2,131
	575261 General Office	Credit Line Fees	87,814		87,814
	575280 General Office	Dues/Membership Deduct	25,416		25,416
	575320 General Office	Electricity AG	40,154		40,154
	575340 General Office	Employee Expenses AG	74,240		74,240
	575342 General Office	Empl Exp Conf/Registration A	26,810		26,810
	575350 General Office	Meals & Travel Deduct	28,141		28,141
	575351 General Office	Meals & Travel Nonded (Mth-e	25,734		25,734
	575420 General Office	Forms AG	915		915
	575480 General Office	Heat - Oil/Gas AG	16,466		16,466
	575500 General Office	Janitorial AG	45,600		45,600
	575620 General Office	Office & Admin Supplies AG	30,921		30,921
	575780 General Office	Trash Removal AG	4,080		4,080
	504500 Miscellaneous	Other Welf Oper AG	26,540		26,540
	504610 Miscellaneous	Employee Awards AG	16,354		16,354
	504620 Miscellaneous	Employee Physical Exam AG	6,262		6,262
	504640 Miscellaneous	Safety Incentive	5,997		5,997
	504660 Miscellaneous	Tuition Aid AG	26,241		26,241

(100,242) overstated maintenance line

Kentucky American Water
PSC DR 2 Question 51
Reconciliation of Schedule B-5.2 and Exhibit 37, Schedule C-2

Account	Sch C-2 Line	Sch C-2 Amts	Lead Lag Amts	Corrected Lead Lag
504670	Miscellaneous	23,884		23,884
507100	Miscellaneous	117,585		117,585
508101	Miscellaneous	126,886		126,886
508102	Miscellaneous	10,264		10,264
520100	Miscellaneous	147,518		147,518
532000	Miscellaneous	75,402		75,402
533000	Miscellaneous	78,129		78,129
535000	Miscellaneous	719,307		719,307
536000	Miscellaneous	304		304
568010	Miscellaneous	159,668		159,668
575000	Miscellaneous	284,808		284,808
575030	Miscellaneous	22,468		22,468
575130	Miscellaneous	34,429		34,429
575220	Miscellaneous	47,586		47,586
575240	Miscellaneous	22,037		22,037
575242	Miscellaneous	9,507		9,507
575244	Miscellaneous	28,155		28,155
575270	Miscellaneous	17,892		17,892
575275	Miscellaneous	(12,000)		(12,000)
575276	Miscellaneous	2,004		2,004
575320	Miscellaneous	23,158		23,158
575480	Miscellaneous	53,155		53,155
575490	Miscellaneous	11,928		11,928
575500	Miscellaneous	81,930		81,930
575454	Miscellaneous	93,033		93,033
575620	Miscellaneous	29,722		29,722
575625	Miscellaneous	19,863		19,863
575711	Miscellaneous	144,000		144,000
575715	Miscellaneous	33,000		33,000
575741	Miscellaneous	5,171		5,171
575780	Miscellaneous	17,297		17,297
575820	Miscellaneous	26,305		26,305
575830	Miscellaneous	28,175		28,175
575998	Miscellaneous	2,400		2,400
		3,983,007	3,882,765	3,983,007
			100,242	understated other operating line
amortization	(shown for reconciliation only)	365,759	365,759	365,759
g. Depreciation & Amortization		7,901,661	7,901,661	7,901,661
		496,589	509,640	509,640
		15,292,989	15,306,040	15,306,040
				13,051
				amtz of Boonesboro incl in amtz and UPAA overstated lead/lag

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Michael A. Miller

52. For the forecasted period provide a tax basis depreciation schedule that lists separately the balances for each plant account, tax basis accumulated depreciation, and tax basis depreciable lives.

Response:

The Company does not maintain a tax basis depreciation schedule by plant account. Refer to the working papers filed in response to KAW_R_PSCDR1#1 and labeled as KAW_R_PSCDR1#1a_WP6-3_111408 Pages 1 thru 8 for the method the Company maintains its Tax Basis Water Property by years and real property.

For the electronic version, refer to KAW_R_PSCDR2#52_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller

53. a. Other utilities that are subject to Commission jurisdiction calculate income tax expense by subtracting interest synchronization from net operating income and multiplying by the appropriate income tax rate without including deferrals. Explain why Kentucky-American's methodology is more appropriate and should be accepted.
- b. Recalculate Kentucky-American's federal income tax expense and state income tax expense using the method described in Item 53(a). Provide all workpapers, show all calculations, and state all assumptions used to recalculate the income taxes.
- c. Compare the results of Item 53(b) to Kentucky-American's forecasted federal income tax expense¹ and state income tax expense² contained on Exhibit 37, Schedule C-2, at 3. Provide a reconciliation of any variance between the amounts.

Response:

- a. The method described above does not comply with FAS 109, and does not consider taxable CIAC's net of the deduction for additional tax depreciation, the deferred income tax on accelerated depreciation, the additional tax AFUDC, and the ITC deduction as shown on the attached schedule as A. and B. The net impact is shown on the schedule at C. The attached chart shows the difference between the tax expense as calculated using the methodology as prescribed above and the tax expense as properly calculated in the Company's filing.
- b. See attached schedule.
- c. See response to part b.

For the electronic version, refer to KAW_R_PSCDR2#53_010809.pdf.

¹ \$1,793,057 (Current) + \$1,214,788 (Deferred) - \$84,797 (Deferred - ITC) = \$2,923,048.

² \$327,001 (Current) + \$185,471 (Deferred) = \$512,472.

Forecast

	<u>State</u>	<u>Federal</u>
Operating Revenues	80,739,906	80,739,906
Operating Expenses		
Operation & Maintenance Expenses	31,901,944	31,901,944
Depreciation & Amortization	8,398,250	8,398,250
Taxes other than Income	3,783,078	3,783,078
State Income Tax		1,554,088
Operating Income before income taxes	36,656,634	35,102,546
Interest Expense	10,755,165	10,755,165
Taxable income	25,901,469	24,347,381
Income tax rate	6.0%	35.0%
Income tax (per method imposed in question PSCDR2#53)	1,554,088	8,521,583
Per Company's filing	1,611,848	8,951,289
Variance per Co. filing over (under) PSC methodology	57,760	429,706
Variance due to the following:		
A. Taxable Adv & CIAC	1,002,300	1,002,300
State income tax		60,138
	1,002,300	942,162
	6.0%	35.0%
Income tax applicable to Taxable Advances & CIAC's	60,138	329,757
B. Diff between book & tax Depr.		
Tax	13,333,441	13,333,441
Book	7,901,661	7,901,661
	5,431,780	5,431,780
State/Federal income tax applicable to difference in book and tax depreciation	325,907	1,787,056
Diff between book and tax AFUDC		
Book	3,094,804	3,094,804
Tax	4,645,672	4,645,672
	(1,550,868)	(1,550,868)
State/Federal income tax applicable to difference in book and tax AFUDC	(93,052)	(510,236)
Total state/federal income tax (book & tax depr & AFUDC)	232,855	1,276,820
Deferred State/Federal income tax per Co filing	\$228,824	\$1,254,728
	\$4,031	\$22,092
Amortization of ITC		84,797
C. Deferred tax from part A & B above	56,107	436,646

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Paul R. Herbert

54. Refer to the Direct Testimony of Paul R. Herbert, at 9-10, the response to question 24.
- a. Mr. Herbert states that he “discussed rate design guidelines with management.” Provide all copies of correspondence in which these guidelines were discussed, including all letters, notes, memoranda, e-mails, and other forms of correspondence.
 - b. Further, Mr. Herbert states, “The guidelines established were: (1) maintain the existing rate structure applicable to all divisions that includes a service charge by meter size applicable to all classes of customers and a separate one-block volumetric charge for each classification, (2) increase public fire service class as indicated by the cost of service, and (3) adjust revenues among the remaining classes in conformity with or toward the indicated cost of service, without increasing any one class by more than 40%.” Explain how the specifics of the guidelines were established and more specifically, how the 40% value was determined.

Response:

- a. The rate design discussion with management was by telephone. No other correspondence, notes, memoranda, etc. were created, therefore no such documents exist.
- b. The rate design guidelines were established after a review of the cost of service allocation study results shown on Schedule A, columns 1 through 5. The schedule showed that each classification could achieve its indicated cost of service or move toward its cost of service results by increasing each classification by no more than 40% while producing an overall increase in water sales revenue of 32.5%.

For the electronic version, refer to KAW_R_PSCDR2#54_010809.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Paul R. Herbert

55. Refer to the Direct Testimony of Paul R. Herbert at 10. Herbert states, "The sum of the monthly costs for a 5/8-inch meter is \$8.55 which was rounded to \$8.60 for the monthly 5/8-inch service charge." Explain why this amount was rounded to \$8.60 instead of maintaining the sum of the costs of \$8.55.

Response:

The sum of the monthly costs for a 5/8-inch meter of \$8.55 is the result of the cost allocation study and is only an approximation of the costs attributable to a 5/8-inch meter. Therefore, rounding this cost to the nearest \$0.10 is appropriate and allows the customer charges for the larger meter sizes to round to the nearest dollar, after applying the meter capacity ratios as shown on page 38 of the study.

For the electronic version, refer to KAW_R_PSCDR2#55_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Keith L. Cartier/Linda C. Bridwell

56. Refer to the Direct Testimony of Keith Cartier at 4-5. Mr. Cartier states that there is an increase in the tap fees for the meters 3/4" x 5/8", 1", and 2". Provide all workpapers, calculations, and assumptions used to derive the proposed increases in tap fees.

Response:

For workpapers, please refer to the response the Commission's First Request for Information, Item 1, W/P 8, pages 2 through 7.

Kentucky American Water calculated the proposed new tap fee for each meter size based on the same method approved in previous cases. The calculation is a three-year average for 5/8", one-inch and two-inch meter installations and residential, one-inch and two-inch services. The average cost of the meter installation and the service installation is added to the current cost of a new meter to derive the tap fee. The average cost included all new installations in both the Northern and Central Division for each of the last three years.

For 2005 and 2006, the costs of meter installations and service line installations was tracked by size, and the total costs charged to each size were divided by the number of each installed.

In 2007, Kentucky American Water converted to a system that tracks meter installation and service line costs by county for tax purposes. The contractor invoices were used to establish the number of each meter installation and service installation each month by size. (Pages 4 through 6 of 7, WP 8-1). The materials used for each size service were calculated from the contractor invoices. To review the summary of materials used, please see attached file KAW_R_PSCDR2#56attachment_010809.pdf. The total overhead costs for services and meter installations were pro-rated by contractor and materials costs and added to the cost of the service and meter installations. Then the total cost of each size meter and service installation was divided by the number installed in 2007.

A summary of the increase in cost by size is included on page 2 of 7 of WP 8-1.

For the electronic version, refer to KAW_R_PSCDR2#56_010809.pdf.

2007

SIZE	JAN - ITEM	Beginning Inventory	MATERIAL ISSUED DURING JAN - 1 2007	2008 COST PER UNIT	MATERIAL INSTALLED	BALANCE	MATERIAL ISSUED DURING JAN - 2	BALANCE + JAN - 2 MATERIAL ISSUED	MATERIAL INSTALLED	BALANCE	SIZE	FEB - ITEM	PREV BALANCE ON HAND MTH ENDING JAN. 2007	MATERIAL ISSUED DURING FEB - 1	MATERIAL INSTALLED	SUBTOTAL	MATERIAL ISSUED DURING FEB - 2
3/4"	COPPER TUBING	300	500	2.95	189	611	611	611	0	611	3/4"	COPPER TUBING	611	139	472		
	CORB STOP	0	0		0	0	0	0	0	0		CORB STOP	0	0	0	0	
	CORB STOP	0	0		0	0	0	0	0	0		CORB STOP	0	0	0	0	
	BRASS REPAIR COUP.	360	125	6.14	9	466	466	466	0	466		BRASS REPAIR COUP.	466	175	636	0	
	MUELLER TEE	0	0		0	0	0	0	0	0		MUELLER TEE	0	0	0	0	
	V72-12 SETTER	628	0	57.68	155	473	473	473	0	473		V72-12 SETTER	473	930	1317	0	
	BRANCH PIECE	0	0		0	0	0	0	0	0		BRANCH PIECE	0	0	0	0	
	COPPER TUBING	2422	5000	4.20	2341	5081	5081	5081	0	5081		COPPER TUBING	5081	1388	3693	0	
CORB STOP	198	600	19.51	101	697	697	697	0	697		CORB STOP	697	47	650	0		
CORB STOP	25	25		25	25	25	25	0	25		CORB STOP	25	0	25	0		
BRASS REPAIR COUP.	580	260	7.25	42	798	798	798	0	798		BRASS REPAIR COUP.	798	22	776	0		
MUELLER TEE	33	50	17.36	8	75	75	75	0	75		MUELLER TEE	75	3	72	0		
V74-10 SETTER	82	0	95.58	8	74	74	74	0	74		V74-10 SETTER	74	90	162	0		
BRANCH PIECE	372	120	20.75	60	432	432	432	0	432		BRANCH PIECE	432	380	777	0		
2"	COPPER TUBING	159	0	11.58	159	159	159	159	0	159	2"	COPPER TUBING	159	0	159	0	
	BRASS REPAIR COUP.	53	45	31.13	0	98	98	98	0	98		BRASS REPAIR COUP.	98	0	98	0	
	BRASS NIPPLE	19	74	19.66	2	91	91	91	0	91		BRASS NIPPLE	91	1	90	0	
	BRANCH PIECE	25	25	44.45	0	25	25	25	0	25		BRANCH PIECE	25	30	52	0	
	COLLAR	0	0		0	0	0	0	0	0		COLLAR	0	0	0	0	
	BRASS UNION	0	0		0	0	0	0	0	0		BRASS UNION	0	0	0	0	
	SETTER	6	4	990.32	2	4	4	4	0	4		SETTER	4	20	23	0	
	36" BOX	8	10	189.30	2	16	16	16	0	16		36" BOX	16	1	15	0	
	36" TOP	13	25	408.93	2	36	36	36	0	36		36" TOP	36	1	35	0	
	VALVE BOX TOP	3	3	58.35	0	3	3	3	0	3		VALVE BOX TOP	3	0	3	0	
VALVE BOX BOTTOM	3	3	36.06	0	3	3	3	0	3		VALVE BOX BOTTOM	3	0	3	0		
X-32 X-4 18" & 20"	2" CI VALVE	1	0	112.51	0	1	1	1	0	1	X-32 X-4 18" & 20"	2" CI VALVE	1	0	1	0	
	VALVE BOX (COMPLETE)	0	0		0	0	0	0	0	0		VALVE BOX (COMPLETE)	0	0	0	0	
	LID	758	175	31.20	103	655	655	655	0	655		LID	655	53	602	0	
	BOX	189	9	22.58	103	261	261	261	0	261		BOX	261	53	208	0	
	SERV. SADDLE	9	7	40.67	2	7	7	7	0	7		SERV. SADDLE	7	0	7	0	
	PVC/AC	71	65	24.96	6	65	65	65	0	65		PVC/AC	65	4	61	0	
	PVC/AC	22	22	45.68	2	22	22	22	0	22		PVC/AC	22	0	22	0	
	PVC/AC	32	30	46.53	2	30	30	30	0	30		PVC/AC	30	0	30	0	
	PVC/AC	34	29	55.74	5	29	29	29	0	29		PVC/AC	29	2	27	0	
	SERV. SADDLE ALL 1/2, 1/4	15	15	37.79	15	15	15	15	0	15		SERV. SADDLE ALL 1/2, 1/4	15	1	12	0	
SERV. SADDLE C900/AC	13	13	71.64	13	13	13	13	0	13		SERV. SADDLE C900/AC	13	1	1	0		
24x1 30x1	SERV. SADDLE	1	1	185.62	1	1	1	1	0	1	24x1	SERV. SADDLE	1	0	1	0	
	SERV. SADDLE	1	1	209.31	0	0	0	0	0	0	30x1	SERV. SADDLE	0	0	0	0	
	SERV. SADDLE	0	0		0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	

SUBTOTAL + APR - ISSUED	MATERIAL INSTALLED	BALANCE	SIZE	MAY - ITEM	PREV BALANCE ON HAND MTH ENDING APR, 2007	MATERIAL ISSUED DURING MAY -1	MATERIAL INSTALLED	SUBTOTAL	MATERIAL ISSUED DURING MAY -2	SUBTOTAL + MATERIAL 2	ISSUED	MATERIAL INSTALLED	BALANCE	SIZE	JUN - ITEM	PREV BALANCE ON HAND MTH ENDING MAY, 2007	MATERIAL ISSUED DURING JUN -1	MATERIAL INSTALLED	SUBTOTAL	MATERIAL ISSUED DURING JUN -2	
730		730	3/4"	COPPER TUBING	730		238	492		492			492								
0		0		CORP STOP	0			0		0			0				500				
0		0		CURB STOP	0			0		0			0								
614		614		BRASS REPAIR COUP.	614		23	591		591			591					24	567		
0		0		MUELLER TEE	0			0		0			0								
1093		1093		W72-12 SETTER	1093		83	1010		1010			1010				69	209	870		
0		0		BRANCH PIECE	0			0		0			0								
5181		5181	1"	COPPER TUBING	5181		1729	3452		3452			3452				4500	2795	5157		
511		511		CORP STOP	511		60	451		451			451					128	323		
25		25		CURB STOP	25			25		25			25						25		
840		840		BRASS REPAIR COUP.	840		13	827		827			827				2	48	781		
69		69		MUELLER TEE	69		2	67		67			67					5	62		
149		149		W74-10 SETTER	149		11	138		138			138					11	127		
677		677		BRANCH PIECE	677		38	639		639			639					87	552		
219		219	2"	COPPER TUBING	219		30	189		189			189				60		249		
97		97		BRASS REPAIR COUP.	97		4	97		97			97						97		
79		79		BRASS NIPL	79		5	77		77			77						77		
44		44	2X1X1X1	BRANCH PIECE	44		2	42		42			42						42		
0		0		COLLAR	0			0		0			0						0		
0		0		BRASS UNION	0			0		0			0						0		
18		18		SETTER	18		3	15		15			15						15		
10		10		36" BOX	10		3	7		7			7						7		
30		30		36" TOP	30		3	27		27			27						27		
1		1		VALVE BOX TOP	1		1	1		1			1						1		
1		1		VALVE BOX BOTTOM	1		1	1		1			1						1		
-1		-1		2" CIVALVE	-1		1	-1		-1			-1						-1		
0		0		VALVE BOX (COMPLETE)	0			0		0			0						0		
466		466	X-32 X-4	LID	466		56	410		410			410					133	277		
157		157	18" & 20"	BOX	157		56	101		101			101				113	133	81		
6		6	2X1	SERV. SADDLE	6		1	5		5			5					1	4		
54		54	3X1	PVC/JAC	54		4	50		50			50					11	39		
22		22	4X1	PVC/JAC	22			22		22			22						1	21	
27		27	6X1	PVC/JAC	27			27		27			27					3	24		
27		27	8X1	PVC/JAC	27		3	24		24			24					1	23		
15		15	2 1/4X1	SERV. SADDLE ALL 1/2, 1/4	15			15		15			15						15		
11		11	12X1	SERV. SADDLE C900/JAC	11			11		11			11						11		
1		1	24X1	SERV. SADDLE	1			1		1			1					1	1		
1		1	30X1	SERV. SADDLE	1			1		1			1					1	1		
0		0			0			0		0			0						0		
0		0			0			0		0			0						0		
0		0			0			0		0			0						0		
0		0			0			0		0			0						0		

SUBTOTAL + JUL - ISSUED		MATERIAL INSTALLED		BALANCE		SIZE	SEPT - ITEM	PREV BALANCE	ON HAND	2007	MATERIAL ISSUED DURING SEPT - 1	MATERIAL INSTALLED	SUBTOTAL	MATERIAL ISSUED DURING SEPT - 2	SUBTOTAL + SEPT - 2	MATERIAL INSTALLED	BALANCE	SIZE	OCT - ITEM	PREV BALANCE	ON HAND	2007	MATERIAL ISSUED DURING OCT - 1	MATERIAL INSTALLED	SUBTOTAL	MATERIAL ISSUED DURING OCT - 2
623	0	623	0	0	0	3/4"	COPPER TUBING	623	0	0	0	199	424	0	424	0	424	3/4"	COPPER TUBING	424	0	0	500	167	757	0
0	0	0	0	0	0		CORB STOP	0	0	0	0	0	0	0	0	0	0		CORB STOP	0	0	0	0	0	0	0
534	0	534	0	534	0		BRASS REPAIR COUP.	534	0	0	10	524	524	0	524	0	524		BRASS REPAIR COUP.	524	0	0	8	516	0	0
0	0	0	0	0	0		MUELLER TEE	0	0	0	0	0	0	0	0	0	0		MUELLER TEE	0	0	0	0	0	0	0
599	0	599	0	599	0		W72-12 SETTER	599	0	0	149	950	950	0	950	0	950		W72-12 SETTER	950	0	0	136	814	0	0
0	0	0	0	0	0		BRANCH PIECE	0	0	0	0	0	0	0	0	0	0		BRANCH PIECE	0	0	0	0	0	0	0
4519	638	4519	638	4519	638	1"	COPPER TUBING	4519	638	4200	3308	5411	5411	0	5411	0	5411	1"	COPPER TUBING	5411	4200	0	2618	6983	0	0
0	25	0	25	0	25		CORB STOP	0	25	0	108	530	530	0	530	0	530		CORB STOP	530	0	0	101	429	0	0
712	58	712	58	712	58		BRASS REPAIR COUP.	712	58	0	31	681	681	0	681	0	681		BRASS REPAIR COUP.	681	0	0	32	651	0	0
107	107	107	107	107	107		MUELLER TEE	107	107	0	7	100	100	0	100	0	100		MUELLER TEE	100	0	0	3	54	0	0
439	439	439	439	439	439		W74-10 SETTER	439	439	0	65	374	374	0	374	0	374		W74-10 SETTER	374	0	0	56	318	0	0
249	97	249	97	249	97	2"	COPPER TUBING	249	97	0	48	201	201	0	201	0	201	2"	COPPER TUBING	201	0	0	0	201	0	0
97	73	97	73	97	73		BRASS REPAIR COUP.	97	73	0	2	95	95	0	95	0	95		BRASS REPAIR COUP.	95	0	0	2	65	0	0
38	38	38	38	38	38	2X1X1X1	BRASS NIPPLE	38	38	0	6	67	67	0	67	0	67	2X1X1X1	BRASS NIPPLE	67	0	0	2	26	0	0
0	0	0	0	0	0		BRANCH PIECE	0	0	0	10	28	28	0	28	0	28		BRANCH PIECE	28	0	0	2	26	0	0
0	0	0	0	0	0		COLLAR	0	0	0	0	0	0	0	0	0	0		COLLAR	0	0	0	0	0	0	0
0	0	0	0	0	0		BRASS UNION	0	0	0	0	0	0	0	0	0	0		BRASS UNION	0	0	0	0	0	0	0
11	11	11	11	11	11		SETTER	11	11	0	6	5	5	0	5	0	5		SETTER	5	0	0	2	13	0	0
3	3	3	3	3	3	36" BOX	36" BOX	3	3	10	6	7	7	0	7	0	7	36" BOX	7	0	0	2	5	0	0	
23	23	23	23	23	23	36" TOP	36" TOP	23	23	0	6	17	17	0	17	0	17	36" TOP	17	0	0	2	15	0	0	
1	1	1	1	1	1	VALVE BOX TOP	VALVE BOX TOP	1	1	4	3	2	2	0	2	0	2	VALVE BOX TOP	2	0	0	2	2	0	0	
1	1	1	1	1	1	VALVE BOX BOTTOM	VALVE BOX BOTTOM	1	1	4	3	2	2	0	2	0	2	VALVE BOX BOTTOM	2	0	0	2	2	0	0	
-1	-1	-1	-1	-1	-1	2" CI VALVE	2" CI VALVE	-1	-1	4	3	0	0	0	0	0	0	2" CI VALVE	0	0	0	0	0	0	0	
0	0	0	0	0	0	VALVE BOX (COMPLETE)	VALVE BOX (COMPLETE)	0	0	0	3	0	0	0	0	0	0	VALVE BOX (COMPLETE)	0	0	0	0	0	0	0	
399	103	399	103	399	103	X-32 X-4	LID	399	103	50	91	308	308	0	308	0	308	X-32 X-4	LID	308	100	0	98	310	0	0
0	3	0	3	0	3	18" & 20"	BOX	0	3	0	91	62	62	0	62	0	62	18" & 20"	BOX	62	119	98	83	0	0	
77	77	77	77	77	77	3X1	SERV. SADDLE	77	77	0	7	70	70	0	70	0	70	3X1	SERV. SADDLE	70	0	0	2	1	0	0
19	19	19	19	19	19	4X1	PVC/AC	19	19	0	1	18	18	0	18	0	18	4X1	PVC/AC	18	0	0	10	60	0	0
20	20	20	20	20	20	6X1	PVC/AC	20	20	2	1	21	21	0	21	0	21	6X1	PVC/AC	21	0	0	1	18	0	0
19	19	19	19	19	19	8X1	PVC/AC	19	19	0	1	18	18	0	18	0	18	8X1	PVC/AC	18	0	0	15	36	0	0
15	15	15	15	15	15	2 1/4X1	SERV. SADDLE ALL 1/2, 1/4	15	15	0	1	15	15	0	15	0	15	2 1/4X1	SERV. SADDLE ALL 1/2, 1/4	15	0	0	15	33	0	0
8	8	8	8	8	8	12X1	SERV. SADDLE C900/AC	8	8	0	8	8	8	0	8	0	8	12X1	SERV. SADDLE C900/AC	8	0	0	1	12	0	0
1	1	1	1	1	1	24X1	SERV. SADDLE	1	1	0	1	1	1	0	1	0	1	24X1	SERV. SADDLE	1	0	0	1	1	0	0
0	0	0	0	0	0	30X1	SERV. SADDLE	0	0	0	1	1	1	0	1	0	1	30X1	SERV. SADDLE	1	0	0	1	1	0	0
0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	0	0	0	0	0	0		SERV. SADDLE	0	0	0	1	0	0	0
0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	0	0	0
0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	0	0	0	0	0	0		SERV. SADDLE	0	0	0	0	0	0	0

SUBTOTAL + OCT -		MATERIAL INSTALLED		BALANCE		SIZE		NOV - ITEM		PREV BALANCE		MATERIAL ISSUED DURING NOV -1		MATERIAL INSTALLED		SUBTOTAL		MATERIAL ISSUED DURING NOV -2		SUBTOTAL + OCT -		MATERIAL INSTALLED		BALANCE		SIZE		DEC - ITEM		ON HAND MTH ENDING NOV, 2007		MATERIAL ISSUED DURING DEC -1		MATERIAL INSTALLED	
757	0	0	0	757	0	0	3/4"	COPPER TUBING	757	0	0	0	0	0	0	0	240	0	0	0	0	0	0	0	0	240	0	0	3/4"	COPPER TUBING	240	0	0	564	
0	0	0	0	0	0	0		CORB STOP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CORB STOP	0	0	0	0		
0	0	0	0	0	0	0		CORB STOP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CORB STOP	0	0	0	0		
516	0	0	0	516	0	0		BRASS REPAIR COUP.	516	0	0	0	0	0	0	0	503	0	0	0	0	0	0	0	0	503	0	0		BRASS REPAIR COUP.	503	0	0	9	
0	0	0	0	0	0	0		MUELLER TEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		MUELLER TEE	0	0	0	0		
814	0	0	0	814	0	0		V72-12 SETTER	814	108	0	0	0	0	0	0	674	0	0	0	0	0	0	0	0	674	0	0		V72-12 SETTER	674	0	0	155	
0	0	0	0	0	0	0		BRANCH PIECE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		BRANCH PIECE	0	0	0	0		
6993	0	0	0	6993	0	0	1"	COPPER TUBING	6993	0	0	0	0	0	0	0	3337	0	0	0	0	0	0	0	0	3337	0	0		COPPER TUBING	3337	0	0	3424	
429	25	25	25	429	25	25		CORB STOP	429	0	0	0	0	0	0	0	305	0	0	0	0	0	0	0	0	305	0	0		CORB STOP	305	0	0	95	
651	0	0	0	651	0	0		BRASS REPAIR COUP.	651	1	0	0	0	0	0	0	25	0	0	0	0	0	0	0	0	25	0	0		BRASS REPAIR COUP.	25	0	0	88	
54	0	0	0	54	0	0		MUELLER TEE	54	54	0	0	0	0	0	0	80	0	0	0	0	0	0	0	80	0	0		MUELLER TEE	80	0	0	33		
82	0	0	0	82	0	0		V74-10 SETTER	82	13	0	0	0	0	0	0	69	0	0	0	0	0	0	0	69	0	0		V74-10 SETTER	69	0	0	3		
318	0	0	0	318	0	0		BRANCH PIECE	318	53	0	0	0	0	0	0	265	0	0	0	0	0	0	0	265	0	0		BRANCH PIECE	265	0	0	40		
201	0	0	0	201	0	0	2"	COPPER TUBING	201	0	0	0	0	0	0	0	201	0	0	0	0	0	0	0	201	0	0		COPPER TUBING	201	0	0	240		
95	0	0	0	95	0	0		BRASS REPAIR COUP.	95	0	0	0	0	0	0	0	95	0	0	0	0	0	0	0	95	0	0		BRASS REPAIR COUP.	95	0	0	0		
65	0	0	0	65	0	0		BRASS NIPPLE	65	3	0	0	0	0	0	0	62	0	0	0	0	0	0	0	62	0	0		BRASS NIPPLE	62	0	0	3		
26	0	0	0	26	0	0		BRANCH PIECE	26	5	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21	0	0		BRANCH PIECE	21	0	0	4		
0	0	0	0	0	0	0		COLLAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		COLLAR	0	0	0	0			
0	0	0	0	0	0	0		BRASS UNION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		BRASS UNION	0	0	0	0			
13	0	0	0	13	0	0		SETTER	13	0	0	0	0	0	0	0	10	0	0	0	0	0	0	0	10	0	0		SETTER	10	0	0	3		
5	0	0	0	5	0	0		36" BOX	5	3	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2	0	0		36" BOX	2	0	0	3		
15	0	0	0	15	0	0		36" TOP	15	15	0	0	0	0	0	0	12	0	0	0	0	0	0	0	12	0	0		36" TOP	12	0	0	3		
2	0	0	0	2	0	0		VALVE BOX TOP	2	2	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2	0	0		VALVE BOX TOP	2	0	0	1		
2	0	0	0	2	0	0		VALVE BOX BOTTOM	2	2	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2	0	0		VALVE BOX BOTTOM	2	0	0	1		
0	0	0	0	0	0	0		2" CIVALVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2" CIVALVE	0	0	0	0			
0	0	0	0	0	0	0		VALVE BOX (COMPLETE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		VALVE BOX (COMPLETE)	0	0	0	0			
310	83	1	1	310	83	1	X-32 X-4	LID	310	143	0	0	0	0	0	167	167	0	0	0	0	0	0	0	167	0	0		LID	167	0	0	118		
83	0	0	0	83	0	0	18" & 20"	BOX	83	125	0	0	0	0	0	65	65	0	0	0	0	0	0	0	65	0	0		BOX	65	0	0	118		
1	0	0	0	1	0	0	2x1	SERV. SADDLE	1	0	0	0	0	0	0	0	2x1	0	0	0	0	0	0	0	0	0	0		SERV. SADDLE	0	0	0	2		
60	0	0	0	60	0	0	3x1	PVC/AC	60	3	0	0	0	0	0	57	57	0	0	0	0	0	0	0	57	0	0		PVC/AC	57	0	0	2		
18	0	0	0	18	0	0	4x1	PVC/AC	18	1	0	0	0	0	0	17	17	0	0	0	0	0	0	0	17	0	0		PVC/AC	17	0	0	3		
36	0	0	0	36	0	0	6x1	PVC/AC	36	1	0	0	0	0	0	35	35	0	0	0	0	0	0	0	35	0	0		PVC/AC	35	0	0	3		
33	0	0	0	33	0	0	8x1	PVC/AC	33	1	0	0	0	0	0	32	32	0	0	0	0	0	0	0	32	0	0		PVC/AC	32	0	0	3		
15	0	0	0	15	0	0	2 1/4x1	SERV. SADDLE ALL 1/2, 1/4	15	15	0	0	0	0	0	15	15	0	0	0	0	0	0	0	15	0	0		SERV. SADDLE ALL 1/2, 1/4	15	0	0	1		
12	0	0	0	12	0	0	12x1	SERV. SADDLE C900/AC	12	2	0	0	0	0	0	10	10	0	0	0	0	0	0	0	10	0	0		SERV. SADDLE C900/AC	10	0	0	0		
1	0	0	0	1	0	0	24x1	SERV. SADDLE	1	1	0	0	0	0	0	1	1	0	0	0	0	0	0	0	1	0	0		SERV. SADDLE	1	0	0	0		
1	0	0	0	1	0	0	30x1	SERV. SADDLE	1	1	0	0	0	0	0	1	1	0	0	0	0	0	0	0	1	0	0		SERV. SADDLE	1	0	0	0		
0	0	0	0	0	0	0	16x1	SERV. SADDLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		SERV. SADDLE	0	0	0	0		
0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0			
0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0			

Subtotal	Material Issued During Dec 2	Subtotal + Oct - 2 Material Issued	Material Installed	Balance	Material Installed
176		176		176	
0		0		0	
0		0		0	
494		494		494	
0		0		0	
519		519		519	
0		0		0	
4113		4113		4113	
210		210		210	
25		25		25	
469		469		469	
47		47		47	
66		66		66	
225		225		225	
441		441		441	
95		95		95	
59		59		59	
17		17		17	
0		0		0	
0		0		0	
7		7		7	
9		9		9	
9		9		9	
1		1		1	
1		1		1	
0		0		0	
0		0		0	
399		399		399	
47		47		47	
-2		-2		-2	
55		55		55	
17		17		17	
35		35		35	
32		32		32	
15		15		15	
10		10		10	
1		1		1	
1		1		1	
0		0		0	
0		0		0	
0		0		0	
0		0		0	
3024		3024		3024	8920.8
0		0		0	0
0		0		0	0
156		156		156	957.84
0		0		0	0
1716		1716		1716	98978.88
0		0		0	108857.5
29809		29809		29809	125197.8
1088		1088		1088	21226.88
0		0		0	1638.84
484		484		484	3509
90		90		90	1562.4
106		106		106	10131.48
647		647		647	13425.25
78		78		78	903.24
7		7		7	217.91
37		37		37	727.42
38		38		38	1689.1
0		0		0	0
0		0		0	0
29		29		29	28719.28
29		29		29	5489.7
29		29		29	11858.97
7		7		7	408.45
7		7		7	252.42
6		6		6	675.06
0		0		0	50941.55
0		0		0	34600.8
1109		1109		1109	25041.22
11		11		11	447.37
66		66		66	1647.36
6		6		6	274.08
14		14		14	651.42
17		17		17	947.58
0		0		0	0
8		8		8	573.12
0		0		0	0
0		0		0	0
1		1		1	0
0		0		0	0
0		0		0	0
0		0		0	0
0		0		0	0
0		0		0	64182.95

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: **Dr. Edward Spitznagel/Michael A. Miller**

57. Refer to the Direct Testimony of Edward L. Spitznagel, Jr. at 6.

- a. Provide a comparison of Dr. Spitznagel's estimated residential daily usage to Kentucky-American's actual residential daily usage for each year in each study performed that Dr. Spitznagel has recommended an adjustment for weather normalization for Kentucky-American.
- b. Explain in detail how these estimates are reliable and accurate in regard to the accuracy of the estimates.
- c. Provide a comparison of Dr. Spitznagel's estimated commercial daily usage to Kentucky-American's actual commercial daily usage for each year in each study performed that Dr. Spitznagel has recommended an adjustment for weather normalization for Kentucky-American.
- d. Explain in detail how these estimates are reliable and accurate in regard to the accuracy of the estimates.

Response:

- a. See the attached schedule that compares the actual residential and commercial sales per customer per day by month and in total for the forecasted test-years in case numbers 2000-00120, 2004-00103 and 2007-00143 to the actual usage that mirrors Dr. Spitznagel's forecast period. The ORCOM system does not have historical information prior to 2000, and the EDIS software is no longer available to access the detailed information prior to 2000.
- b. The weather normalization process for determining forecasted test-year sales levels is meant to determine what sales levels would be in a weather normal year. It is not common that the weather in any particular year would be exactly normal based on the statistically determined weather normalized historical information utilized. No one can predict with absolute certainty what the weather will be in a forecasted period. The purpose of the weather normalization process is to determine a reasonable average usage for the forecasted period, with there being approximately equal opportunity and risk that the actual usage will be more or less than the average in a hot, dry, cool or wet year. As shown on the attached schedule the actual residential usage for the 12-month period ended November 2001 was lower than the usage estimated by Dr. Spitznagel which means the Company did not produce the full residential rate

increase awarded in case number 2000-00120. The usage for the 12-months ended November 2005 exceeded Dr. Spitznagel's estimate which means the Company generated slightly more residential revenue than the rate increase awarded. The usage for the 12-months ended November 2008 was very close to Dr. Spitznagel's estimate. In none of the three forecasted test-years did the Company exceed the Commission authorized ROE or WACC on rate base. The Company believes without normalized forecasted test-year sales the fluctuation between actual sales and the sales levels on which rates are based will fluctuate much more widely than the current method which would be a detriment to the Company in achieving its authorized ROE, will be potentially harmful to both the Company and the customer, and could lead to more frequent rate filings.

- c. Please see the attached schedule previously referenced in response to part b. above.
- d. See the answer to part b. above.

For the electronic version, refer to KAW_R_PSCDR2#57_010809.pdf.

KENTUCKY AMERICAN WATER
 PSCDR2#57a & c

Case# 2000-00120

		RESIDENTIAL GALLONS PER DAY		COMMERCIAL GALLONS PER DAY	
Days		ACTUAL	Spitznagel	ACTUAL	Spitznagel
Dec-00	31	158.50	175.29	1,366.80	1,629.15
Jan-01	31	167.90	168.69	1,294.80	1,367.34
Feb-01	28	154.30	165.74	1,226.80	1,353.29
Mar-01	31	150.00	160.60	1,293.50	1,422.83
Apr-01	30	151.20	164.49	1,279.30	1,342.28
May-01	31	198.80	161.38	1,507.70	1,370.08
Jun-01	30	188.30	175.41	1,560.50	1,564.34
Jul-01	31	214.00	191.54	1,709.50	1,540.57
Aug-01	31	194.00	205.80	1,658.00	1,706.52
Sep-01	30	186.30	213.66	1,568.90	1,909.76
Oct-01	31	198.10	217.47	1,680.70	1,716.53
Nov-01	30	162.40	205.85	1,401.80	1,706.16
TOTAL		2,123.80	2,205.92	17,548.30	18,628.85
Projection		177.22	183.94	1,464.40	1,553.43

Case# 2004-00103

		RESIDENTIAL GALLONS PER DAY		COMMERCIAL GALLONS PER DAY	
Days		ACTUAL	Spitznagel	ACTUAL	Spitznagel
Dec-04	30	144.00	147.27	1,217.00	1,147.08
Jan-05	31	149.00	164.82	1,141.00	1,378.90
Feb-05	31	143.00	140.54	1,154.00	1,143.46
Mar-05	28	142.00	146.97	1,185.00	1,264.93
Apr-05	31	122.00	142.52	1,123.00	1,306.75
May-05	30	153.00	162.15	1,220.00	1,344.21
Jun-05	31	177.00	171.42	1,382.00	1,412.64
Jul-05	30	238.00	213.74	1,664.00	1,717.95
Aug-05	31	219.00	195.26	1,725.00	1,560.23
Sep-05	31	218.00	205.86	1,846.00	1,595.50
Oct-05	30	197.00	154.37	1,609.00	1,457.86
Nov-05	31	173.00	138.80	1,450.00	1,289.04
TOTAL		2,075.00	1,983.72	16,716.00	16,618.55
Projection		173.06	165.42	1,394.33	1,385.52

Case# 2007-00143

Dec-07	30	141.00	145.19	1,111.00	1,225.68
Jan-08	31	138.00	145.45	1,043.00	1,233.67
Feb-08	31	141.00	139.18	1,124.00	1,293.16
Mar-08	29	136.00	141.30	1,101.00	1,267.45
Apr-08	31	133.00	142.26	1,084.00	1,295.95
May-08	30	147.00	153.90	1,207.00	1,325.24
Jun-08	31	170.00	163.15	1,281.00	1,394.65
Jul-08	30	189.00	202.14	1,426.00	1,565.91
Aug-08	31	201.00	220.64	1,669.00	1,728.00
Sep-08	31	206.00	189.93	1,542.00	1,746.12
Oct-08	30	188.00	161.67	1,523.00	1,508.06
Nov-08	31	157.00	147.74	1,294.00	1,313.44
TOTAL		1,947.00	1,952.55	15,405.00	16,897.33
Projection		162.35	162.80	1,284.39	1,408.90

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

58. Provide all letters, notes, memoranda, and related documents that Kentucky-American has received from American Water Works and/or the Service Company regarding the level of common stock dividends or directing Kentucky-American to file for rate increase.

Response:

This request seeks confidential information and the Company will seek confidential protection of that information. The Company will provide it to those who execute a confidentiality agreement. For the electronic version of the confidential documents, refer to KAW_R_PSCDR2#58_CONFIDENTIAL_010809.pdf.

There are no letters, notes, memoranda, or related documents from AWW or AWWSC directing the Company to file a rate case. The decision to file rate cases is determined by each local American Water operating company. In this case, that company is KAWC. American Water Works and the Service Company have not been in the practice of directing local operating company management to file for rate increases. The decision made by the operating company management is determined through the "normal" course of completing a five-year business plan. During the development of the Business Plan, Mr. Miller, the Assistant Treasurer of KAWC (Director of Rates of SE AWWSC) is provided a copy of the Base Plan at present rates. From the Base Plan Mr. Miller assesses the Company's capital spending plan, financing plan and income statement to determine if and when rate cases should be considered. Mr. Miller then recommends to the KAWC President, other KAWC management employees, and other Officers of KAWC the timeframe and magnitude for future rate increases. After concurrence from the President, management and other officers of KAWC, Mr. Miller incorporates those proposed rate increases into the planning process. Once the Business Plan is finalized with estimates of the scheduled rate increases included, the Plan is then submitted to the Company's Board of Directors for approval.

As the date approaches for the rate cases scheduled in the Business Plan, the Director of Rates then assesses the most current data to determine if the rate case is still needed at that time or should be moved. Once the Director of Rates determines the rate case should proceed, preliminary estimates of the case, potential issues surrounding the case and other pertinent information are discussed with the President and management of KAWC who authorize the preparation of the rate case to proceed.

For the electronic version, refer to KAW_R_PSCDR2#58_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller

59. Provide all letters, notes, memoranda, and related documents that Tennessee-American Water Company ("Tennessee-American") received from American Water Works and/or the Service Company regarding the level of common stock dividends or directing Tennessee-American to file for rate increase.

Response:

The Company objects to this question on the grounds that requested information of TAWC is not relevant to this proceeding. Notwithstanding the objection the Company responds, please see the response to PSCDR1#58 for reference to the dividend policy which is standard for all regulated subsidiaries of AWW. Mr. Miller is also the Director of Rates responsible for TAWC and in that role is the Treasurer/Comptroller of TAWC. The process of filing rates cases for TAWC is exactly the same as that described for KAWC.

For the electronic version, refer to KAW_R_PSCDR2#59_010809.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Witness: Michael A. Miller

60. Provide all letters, notes, memoranda, and related documents that any of the other operating subsidiaries received from American Water Works and/or the Service Company regarding the level of common stock dividends or directing the subsidiary to file for rate increase.

Response:

The Company objects to this question on the grounds that requested information of other AWW regulated subsidiaries is not relevant to this proceeding. Notwithstanding the objection, please see the response to PSCDR2#58 for reference to the dividend policy that is standard for all regulated subsidiaries of AWW. The process for determining rate case filings is exactly the same as described for KAWC in the response to PSCDR2#58

For the electronic version, refer to KAW_R_PSCDR2#60_010809.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Michael A. Miller

61. Kentucky-American currently has a separate charge for the Kentucky River Authority withdrawal fee. Explain why this fee should not be eliminated and costs be included in Kentucky-American's general rates.

Response:

The Kentucky General Assembly in 1986 authorized the KRA to assume responsibility from the U.S. Army Corps of Engineers for the locks and dams on the Kentucky River through passage of KRS 151.700. Subsequently, the legislature authorized the KRA to collect water use fees from all facilities using water from the Kentucky River basin through passage of 151.720. On December 17, 1993, KRA promulgated administrative regulations that established fees for the withdrawal of surface water and groundwater from the Kentucky River Basin. In anticipation of KRA's assessment of water use fees, the Company in Case Number 1992-00452 proposed revisions to its tariff to permit the billing, as a separate item, of an amount equal to the proportionate part of any KRA fees or charges. The Commission approved the tariff revision in that case.

The reasons that the Company sought and the Commission approved the KRA fee as a separate tariff charge on the bills of the customers in the 1992 case are still present today.

1. The withdraw fee imposed by the KRA is properly identified as a separate charge on the customer bill so that it is clear to the customers that a portion of their water bill goes directly to the KRA for support of infrastructure improvements undertaken by the KRA.
2. The KRA fee is based on the water withdrawals of the Company and can fluctuate widely from year to year depending on weather and conditions.
3. The separate tariff charge based on estimated water withdrawals and water sales for the upcoming year with an annual true-up for any over/under collection the prior year is the fairest way to pass the actual cost/savings from collections of the prior year to the vast majority of customers actually receiving the benefit of that cost. The Company admits that Mr. Miller and the rate department did not file the true-up from 2001-2005 due to a change in personnel, has apologized for that unfortunate situation, and corrected that situation. The Commission has now ordered the Company to file annual adjustments to the KRA charge and this method will assure that timely correction of any over/under collection of the KRA will be addressed.

4. The Company has not historically filed annual rate cases. If the KRA surcharge were discontinued, the rates of the Company would either be too high or too low due to the fluctuations that are present in the actual KRA withdrawal fees at any given time. In the absence of annual rate filings, the fluctuations in the KRA fee would not be trued up as often, and the true-up to actual customers would be less accurate (the longer the time between true-up, the more customers leaving or coming on the system)
5. Due to the fluctuation in the KRA fee, not only will the elimination of the current separate charge for the KRA delay timely correction of the charges to the customers whose usage drives that cost, but the Company could suffer in years where weather and continued customer conservation drives under collection of the KRA fee, which could potentially lead to more frequent rate cases.

The Company believes the current method of having the KRA fee as a separate charge on its bill is the best and fairest method for addressing the rate recovery of that fee for both the customers and the Company as described above.

For the electronic version, refer to KAW_R_PSCDR2#61_010809.pdf.