KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 11

Description of Filing Requirement:

Capital Construction Budget with a Three-Year Forecast

Response:

Please see attached.

For electronic version, see KAW_APP_EX11_103108.pdf

KENTUCKY AMERICAN WATER

PROPOSED CONSTRUCTION EXPENDITURES

Description		**Carry Over 2007**	**2008**	**Total 2009**	**2010**	**2011**
	Normal Recurring Construction		$ 14,648,379	$ 15,956,248	$ 15,737,700	$ 16,696,025
Current Investment Projects						
12020204	Source of Supply Project Dev	1,658,766	230,990	64,200	46,044	
12020402	Major Highway Relocations	2,910,241	268,377			
12020505	Replace Trac-Vac System at	1,140,227	137,648			
12020506	Sludge Handling Improvement	2,026,528	169,884			
12020508	Kentucky Reliability Improvement	6,006,967	1,400,365			
12020602	Yarnallton Road Main Extension	29,610	300,000			
12020607	New WTP On Pool 3 of Kentucky	4,668,478	31,599,999	66,786,790	57,044,731	200,000
12020702	Kentucky Major Highway Relocation	1,809,737	670,994	1,137,500	950,000	1,900,000
12300403	Owen County Main Extensions	1,968,937	336,000			
	Owenton Sewer				131,250	
IP-1202-5	North Broadway Main Replacement		535,000	1,200,000		
IP-1202-9	North Upper Main Replacement				50,000	
	Install 22,700' of 12" in Todds & Cleveland Rd					1,200,000
IP-1202-11	Install 19,000' of 12" along I-75				30,000	800,000
IP-1232-2	Owenton WTP Improvements					120,000
IP-1202-12	Install 16,000' if 12" Russell Cave Rd				60,000	850,000
IP-1202-13	Install 14,700' of 12" & 3800' of 8" Greenwich Rd				50,000	780,000
IP-1202-6	Install 34,000' of 16" along Carrick Pike		1,000,000	1,700,000		
IP-1232-1	Owenton-Post Acquisition Phase 2		767,402	29,123		
12020501	Ground Storage Tank			122,870	1,627,130	
12020701	Kentucky Incline Car	56,893	309,779	815,288		
12500503	Rockwell Village WW Pipe		399,750			
12020202	LEX-Major Highway Relocations	3,614,316	42			
	Carryovers from previous year		25,483			
		25,890,700	52,800,092	87,812,018	75,726,855	22,546,025

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 12

Description of Filing Requirement:

Description of Forecast Factors

Response:

Description of Forecast Factors used in preparing Kentucky-American Water's Forecasted Period is incorporated in each witness's prefiled testimony.

For electronic version, see KAW_APP_EX12_103108.pdf for this document and refer to KAW_APP_EX10_103108.pdf for electronic file names for each witness's prefiled testimony.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 13

Description of Filing Requirement:

Annual and monthly budget for the twelve months preceding the filing date, the base period and the forecasted period.

Response:

Please see attached for the 12 months preceding the filing date and the base period. Refer to Schedules C and D of Exhibit No. 37 for the forecasted period.

For electronic version, see KAW_APP_EX13_103108.pdf for this document and refer to KAW_APP_EX37C_103108.pdf for Schedule C and KAW_APP_EX37C_103108.pdf for Schedule D.

American Water Works Company
Kentucky-American Water Company
Annual & Monthly Budget RPT-KYAPPEX13P
12 Months Preceding Filing Date 10/31/08

Kentucky-American Water Co.

Description	November Plan	December Plan	January Plan	February Plan	March Plan	April Plan	May Plan	June Plan	July Plan	August Plan	September Plan	October Plan	12 Month Total
1 OPERATING REVENUES													
2 Water	4,179,926	4,461,816	4,316,916	4,187,303	4,252,405	4,293,293	4,505,218	4,720,578	5,462,973	5,465,386	5,469,284	5,260,855	56,575,953
3 Sewer	19,739	20,163											39,902
4 Other	157,614	157,604	164,703	164,704	164,702	164,703	164,702	164,703	164,702	164,703	164,702	164,703	1,962,245
5 Management													
6 Total Revenues	4,357,279	4,639,583	4,481,619	4,352,007	4,417,107	4,457,996	4,669,920	4,885,281	5,627,675	5,630,089	5,633,986	5,425,558	58,578,100
7 OPERATIONS & MAINTENANCE EX													
8 Labor	506,680	486,562	569,000	522,999	529,999	569,001	565,000	541,001	592,004	537,000	571,999	586,002	6,577,247
9 Purchased Water	37,300	40,500	40,700	39,450	40,800	41,900	42,350	43,600	45,850	47,850	47,350	40,700	508,350
10 Fuel & Power	256,587	226,564	162,684	160,373	159,317	193,632	214,999	244,077	301,383	296,847	291,399	268,869	2,776,731
11 Chemicals	123,624	123,626	120,531	108,408	123,935	110,568	139,146	151,139	169,450	168,533	168,985	132,860	1,640,805
12 Waste Disposal	13,725	19,800	18,221	24,660	24,221	18,221	24,660	18,221	30,660	19,221	25,660	19,221	256,491
13 Management Fees	552,893	569,351	642,386	620,759	638,706	624,200	620,564	626,769	615,487	587,800	599,863	614,675	7,313,453
14 Group Insurance	137,821	137,821	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	1,926,522
15 Pensions	37,977	37,977	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	507,854
16 Regulatory Expense	30,091	74,530	74,530	74,530	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	620,345
17 Insurance Other Than Group	65,072	65,072	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	734,894
18 Customer Accounting	115,240	118,649	127,947	126,806	127,379	127,739	129,604	131,499	138,032	138,053	138,088	136,254	1,555,290
19 Rents	2,500	2,500	3,015	2,515	2,515	3,015	2,515	2,515	3,015	2,515	2,515	3,015	32,150
20 General Office Expense	38,007	32,687	45,915	64,533	43,687	41,453	41,012	38,958	37,358	38,561	38,007	20,111	480,289
21 Miscellaneous	213,706	229,204	204,863	260,001	244,804	246,747	250,492	270,943	227,962	236,216	233,626	206,447	2,825,011
25 Other Maintenance	195,577	195,577	189,493	177,922	172,997	208,287	186,847	247,847	237,697	170,786	175,641	212,536	2,371,207
Total Maintenance & Operation	2,326,800	2,360,420	2,468,038	2,451,709	2,422,946	2,499,349	2,531,775	2,631,155	2,713,484	2,557,968	2,607,719	2,555,276	30,126,639
27 Depreciation	588,098	602,068	590,154	590,474	591,348	592,078	592,351	593,449	597,564	598,906	600,166	602,361	7,139,017
28 Amortization	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	410,580
29 General Taxes	239,557	237,746	289,559	285,909	286,465	289,559	289,242	287,337	291,384	287,020	292,597	290,908	3,367,283
30 State Income Taxes	30,500	45,555	31,935	26,793	33,599	32,916	42,685	46,794	76,038	85,391	83,537	76,598	612,341
31 Federal Income Taxes	222,656	333,594	171,158	166,549	199,081	196,666	254,388	290,205	511,938	582,621	580,945	538,186	4,047,987
32 Tax Savings Acquisition													
33 Total Operating Expenses	3,441,826	3,613,598	3,585,059	3,555,649	3,567,654	3,644,783	3,744,656	3,883,155	4,224,623	4,146,121	4,199,179	4,097,544	45,703,847
34 Utility Operating Income	915,453	1,025,985	896,560	796,358	849,453	813,213	925,264	1,002,126	1,403,052	1,483,968	1,434,807	1,328,014	12,874,253
35 OTHER INCOME & DEDUCTIONS													
36 Non-Operating Rental Incom													
37 Dividend Income-Common													
38 Dividend Income-Preferred													
39 Interest Income													
40 AFUDC Equity	65,591	56,815	65,146	67,530	65,854	64,382	72,332	75,574	90,330	133,045	175,806	212,372	1,144,777
41													
42 M & J Miscellaneous Income													
43 Gain(Loss)on Disposition													
45 Total Other Income	65,591	56,815	65,146	67,530	65,854	64,382	72,332	75,574	90,330	133,045	175,806	212,372	1,144,777
46 Miscellaneous Amortization	64	64	64	64	64	64	64	64	64	64	64	64	768
47 Tax Savings Acquisition													
48 Misc. Other Deductions	3,580	1,700	100,001	12,539	37,382	25,315	41,955	42,772	11,153	18,709	13,134	6,839	315,079
49 General Taxes													
50 State Income Taxes	295-	140-	8,250-	1,034-	3,084-	2,088-	3,461-	3,529-	920-	1,543-	1,084-	564-	25,992-
51 Federal Income Taxes	1,150-	546-	32,113-	4,027-	12,004-	8,129-	13,473-	13,735-	3,582-	6,008-	4,218-	2,196-	101,181-
52 Total Other Deductions	2,199	1,078	59,702	7,542	22,358	15,162	25,085	25,572	6,715	11,222	7,896	4,143	188,674
53 Total Other Income	63,392	55,737	5,444	59,988	43,496	49,220	47,247	50,002	83,615	121,823	167,910	208,229	956,103
54 Income Before Interest C	978,845	1,081,722	902,004	856,346	892,949	862,433	972,511	1,052,128	1,486,667	1,605,791	1,602,717	1,536,243	13,830,356
55 INTEREST CHARGES													
56 Interest on Long-Term Debt	515,828	515,828	505,000	505,000	505,000	487,253	487,253	487,253	487,253	487,253	487,253	487,253	5,957,427
57 Amortization and Debt	12,217	12,217	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	83,974
58 Interest-Short Term Bank	1,387	6,697	77,938	75,584	44,094	17,328	22,992	32,913	51,576	76,176	109,385	149,401	665,471
59 Other Interest Expense													
60 AFUDC-Debt	29,787-	25,802-	29,585-	30,668-	29,906-	29,238-	32,848-	34,321-	41,022-	60,420-	79,840-	96,446-	519,883-
61 Total Interest Charges	499,645	508,940	559,307	555,870	525,142	481,297	483,351	491,799	503,761	508,963	522,752	546,162	6,186,989
62 Net Income	479,200	572,782	342,697	300,476	367,807	381,136	489,160	560,329	982,906	1,096,828	1,079,965	990,081	7,643,367
64 Preferred Dividend Declare	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	459,900
65 Net Income to Common Stock	440,875	534,457	304,372	262,151	329,482	342,811	450,835	522,004	944,581	1,058,503	1,041,640	951,756	7,183,467

KENTUCKY AMERICAN WATER
CASE NO. 2008-00427
BUDGETED CONSTRUCTION EXPENDITURES
FOR THE TWELVE MONTHS PRECEDING THE FILING DATE

ITEM	DESCRIPTION	NOV 2007	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	TOTAL
DV	Projects Funded by Others (Contrib. /Adv./ Refunds)	347,792	443,912	210,824	244,690	336,686	317,520	349,786	288,455	355,219	201,892	559,977	277,139	3,933,891
A	Mains - New	20,000	15,928	46,578	32,283	46,578	66,386	14,455	21,950	9,637	46,042	15,526	44,519	379,882
B	Mains - Replaced / Restored	125,000	73,589	60,352	45,264	9,430	58,466	79,212	199,916	184,828	211,232	194,258	78,104	1,319,651
C	Mains - Unscheduled	5,000	5,000	7,102	5,326	1,110	6,880	9,321	23,525	21,750	24,857	22,860	11,796	144,527
D	Mains - Relocated	0	0	0	0	0	0	0	0	0	0	0	42,883	42,883
E	Hydrants, Valves, and Manholes - New	28,239	22,401	28,219	36,771	41,901	27,364	48,315	61,569	37,626	11,117	33,778	20,000	397,299
F	Hydrants, Valves, and Manholes - Replaced	1,011	0	0	15,875	375	1,375	12,375	0	0	19,250	24,125	8,299	82,685
G	Services and Laterals - New	99,859	98,908	8,241	29,991	82,888	55,925	43,376	101,293	50,069	79,349	138,102	47,060	835,059
H	Services and Laterals - Replaced	30,834	20,832	20,165	31,337	11,882	34,865	36,041	51,276	45,448	43,684	74,208	32,818	433,390
I	Meters - New	0	0	115,546	118,910	60,877	7,883	76,294	91,157	95,359	56,107	149,475	201,975	973,582
J	Meters - Replaced	75,000	68,064	109,141	76,693	53,095	22,123	134,214	141,588	81,118	106,191	176,985	59,537	1,103,749
K	ITS Equipment and Systems	7,811	85,765	1,299	5,455	10,650	4,935	17,923	20,780	50,911	5,455	4,676	14,810	230,468
L	SCADA Equipment and Systems	5,350	10,700	26,000	0	0	0	0	0	25,000	0	0	2,892	69,942
M	Security Equipment and Systems	0	0	0	0	0	0	4,000	0	0	0	0	6,000	10,000
N	Offices and Operations Centers	0	10,000	23,408	1,024	0	2,341	7,315	5,121	293	9,217	7,608	389,246	455,571
O	Vehicles	155,494	113,382	9,585	20,365	11,120	9,200	9,200	10,350	9,200	10,740	52,315	11,431	422,382
P	Tools and Equipment	22,310	33,758	5,115	11,124	5,755	39,473	12,665	11,147	10,046	6,502	18,543	44,595	221,033
Q	Process Plant Facilities and Equipment	117,889	96,401	61,142	21,493	21,505	74,358	35,339	52,972	32,822	117,783	94,509	55,859	782,072
R	Capitalized Tank Rehabilitation / Painting	0	0	0	0	0	0	0	0	0	0	0	14,195	14,195
S	Engineering Studies	9,021	9,796	1,680	2,680	3,800	4,920	6,040	7,040	7,040	10,840	11,400	43,399	117,656
	SUBTOTAL ITEMS	**1,050,610**	**1,108,435**	**734,396**	**699,282**	**697,652**	**734,015**	**895,869**	**1,088,141**	**1,016,364**	**960,257**	**1,578,341**	**1,406,554**	**11,969,917**
PROJ	**INVESTMENT PROJECTS:**													
12020204	Source of Supply Project Dev	135,000	136,469	15,000	15,000	15,000	5,000	5,000	5,000	2,000	2,000	81	81	335,631
12020201	LEX-Leestown Rd Main Improvmts	0	0											0
12020402	Major Highway Relocations	126,756	42,754	5,000	15,000	100,000	250,000	425,000	450,000	375,000	375,000	300,000	300,000	2,764,510
12020505	Replace Trac-Vac System at	38,000	8,134											46,134
12020506	Sludge Handling Improvement	119,980	79,112	25,000	25,000									249,092
12020508	Kentucky Reliability Improvemt	594,022	597,867	350,000	310,000	200,964	150,000	100,000	100,000					2,402,853
12020602	Yarnallton Road Main Extension													
12020607	New WTP On Pool 3 of Kentucky	228,000	190,211	20,000	20,000	100,000	100,000	500,000	1,000,000	3,000,000	7,000,000	7,000,000	7,000,000	26,158,211
12020702	KY MAJOR HIGHWAY	269,073	270,808											539,881
12300403	Owen County Main Extensions	250,000	179,035											429,035
12300604	Owen County SCADA System	618	0											618
12020501	Ground Storage Tank	0	0											0
12020603	Highway Relocation-Clays Mill	0	0											0
12020701	KENTUCKY INCLINE CAR	12,526	20,660	5,000	5,000	8,000	8,000	10,000	10,000	23,471	23,471	35,206	35,206	196,540
12500503	Rockwell Villege WW Pipe	0	26,750	2,000	2,000	5,000	5,000	10,000	20,000	50,000	75,000	75,000	75,000	345,750
	Owenton Chemical Bulk Storage				5,000	10,000	10,000	10,000	75,000	140,000	140,000	140,000	140,000	670,000
	North Broadway Replacement				10,000	10,000	10,000	10,000	250,000	340,000	340,000	340,000	340,000	1,650,000
12020613	Highway Relocation-Clays Mill				10,000	10,000	10,000			50,000	145,000	160,000	155,000	540,000
	SUBTOTAL INVESTMENT PROJECTS	**1,773,976**	**1,551,800**	**422,000**	**417,000**	**458,964**	**548,000**	**1,070,000**	**1,910,000**	**3,980,471**	**8,100,471**	**8,050,287**	**8,045,287**	**36,328,255**
	TOTAL CONSTRUCTION	**$2,824,586**	**$2,660,235**	**$1,156,396**	**$1,116,282**	**$1,156,616**	**$1,282,015**	**$1,965,869**	**$2,998,141**	**$4,996,835**	**$9,060,728**	**$9,628,628**	**$9,451,841**	**$15,819,744**

American Water Works Company
Kentucky-American Water Company
Base Period RPT-KYAPPEX13B
12 Months Base Period Ending 1/31/09

Kentucky-American Water Co.

Description	February Plan	March Plan	April Plan	May Plan	June Plan	July Plan	August Plan	September Plan	October Plan	November Plan	December Plan	January Plan	12 Month Total
1 OPERATING REVENUES													
2 Water	4,187,303	4,252,405	4,293,293	4,505,218	4,720,578	5,462,973	5,465,386	5,469,284	5,260,855	4,769,678	4,581,775	4,215,351	57,184,099
3 Sewer												25,762	25,762
4 Other	164,704	164,702	164,703	164,702	164,703	164,702	164,703	164,702	164,703	164,702	164,703	185,485	1,997,214
5 Management													
6 Total Revenues	4,352,007	4,417,107	4,457,996	4,669,920	4,885,281	5,627,675	5,630,089	5,633,986	5,425,558	4,934,380	4,746,478	4,426,598	59,207,075
7 OPERATIONS & MAINTENANCE EX													
8 Labor	522,999	529,999	569,001	565,000	541,001	592,004	537,000	571,999	586,002	529,001	622,002	575,381	6,741,389
9 Purchased Water	39,450	40,800	41,900	42,350	43,600	45,850	47,850	47,350	40,700	38,150	41,350	11,639	480,989
10 Fuel & Power	160,373	159,317	193,632	214,999	244,077	301,383	296,847	291,399	268,869	244,565	218,304	241,268	2,835,033
11 Chemicals	108,408	123,935	110,568	139,146	151,139	169,450	168,533	168,985	132,860	128,118	115,409	189,512	1,706,063
12 Waste Disposal	24,660	24,221	18,221	24,660	18,221	30,660	19,221	25,660	19,221	19,221	25,660	14,065	263,691
13 Management Fees	620,759	638,706	624,200	620,564	626,769	615,487	587,800	599,863	614,675	576,917	605,772	629,076	7,360,588
14 Group Insurance	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	165,088	168,428	157,083	1,976,391
15 Pensions	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	43,190	50,479	525,569
16 Regulatory Expense	74,530	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	45,833	13,553	546,413
17 Insurance Other Than Group	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	60,475	59,918	725,143
18 Customer Accounting	126,806	127,379	127,739	129,604	131,499	138,032	138,053	138,088	136,254	131,931	130,278	135,689	1,591,352
19 Rents	2,515	2,515	3,015	2,515	2,515	3,015	2,515	2,515	3,015	2,515	2,515	4,729	33,894
20 General Office Expense	64,533	43,687	41,453	41,012	38,958	37,358	38,561	38,007	20,111	27,165	27,179	53,315	471,339
21 Miscellaneous	260,001	244,804	246,747	250,492	270,943	227,962	236,216	233,626	206,447	199,956	212,803	276,339	2,866,336
25 Other Maintenance	177,922	172,997	208,287	186,847	247,847	237,697	170,786	175,641	212,536	167,396	168,144	207,040	2,333,140
Total Maintenance & Operation	2,451,709	2,422,946	2,499,349	2,531,775	2,631,155	2,713,484	2,557,968	2,607,719	2,555,276	2,379,521	2,487,342	2,619,086	30,457,330
27 Depreciation	590,474	591,348	592,078	592,351	593,449	597,564	598,906	600,166	602,361	603,978	620,452	572,007	7,155,134
28 Amortization	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	44,392	420,757
29 General Taxes	285,909	286,465	289,559	289,242	287,337	291,384	287,020	292,597	290,908	286,385	293,765	299,369	3,479,940
30 State Income Taxes	26,793	33,599	32,916	42,685	46,794	76,038	85,391	83,537	76,598	63,039	49,180	34,947	651,517
31 Federal Income Taxes	166,549	199,081	196,666	254,388	290,205	511,938	582,621	580,945	538,186	442,820	329,579	220,950	4,313,928
32 Tax Savings Acquisition													
33 Total Operating Expenses	3,555,649	3,567,654	3,644,783	3,744,656	3,883,155	4,224,623	4,146,121	4,199,179	4,097,544	3,809,958	3,814,533	3,790,751	46,478,606
34 Utility Operating Income	796,358	849,453	813,213	925,264	1,002,126	1,403,052	1,483,968	1,434,807	1,328,014	1,124,422	931,945	635,847	12,728,469
35 OTHER INCOME & DEDUCTIONS													
36 Non-Operating Rental Incom													
37 Dividend Income-Common													
38 Dividend Income-Preferred													
39 Interest Income													
40 AFUDC Equity	67,530	65,854	64,382	72,332	75,574	90,330	133,045	175,806	212,372	243,106	241,617	283,069	1,725,017
41													
42 M & J Miscellaneous Income													
43 Gain(Loss)on Disposition													
45 Total Other Income	67,530	65,854	64,382	72,332	75,574	90,330	133,045	175,806	212,372	243,106	241,617	283,069	1,725,017
46 Miscellaneous Amortization	64	64	64	64	64	64	64	64	64	64	64	64	768
47 Tax Savings Acquisition													
48 Misc. Other Deductions	12,539	37,382	25,315	41,955	42,772	11,153	18,709	13,134	6,839	16,125	36,689	124,481	387,093
49 General Taxes													
50 State Income Taxes	1,034-	3,084-	2,088-	3,461-	3,529-	920-	1,543-	1,084-	564-	1,330-	3,027-	10,270-	31,934-
51 Federal Income Taxes	4,027-	12,004-	8,129-	13,473-	13,735-	3,582-	6,008-	4,218-	2,196-	5,178-	11,782-	39,974-	124,306-
52 Total Other Deductions	7,542	22,358	15,162	25,085	25,572	6,715	11,222	7,896	4,143	9,681	21,944	74,301	231,621
53 Total Other Income	59,988	43,496	49,220	47,247	50,002	83,615	121,823	167,910	208,229	233,425	219,673	208,768	1,493,396
54 Income Before Interest C	856,346	892,949	862,433	972,511	1,052,128	1,486,667	1,605,791	1,602,717	1,536,243	1,357,847	1,151,618	844,615	14,221,865
55 INTEREST CHARGES													
56 Interest on Long-Term Debt	505,000	505,000	487,253	487,253	487,253	487,253	487,253	487,253	487,253	487,253	487,253	480,826	5,876,103
57 Amortization and Debt	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,954	5,876	71,370
58 Interest-Short Term Bank	75,584	44,094	17,328	22,992	32,913	51,576	76,176	109,385	149,401	180,259	207,603	135,953	1,103,264
59 Other Interest Expense													
60 AFUDC-Debt	30,668-	29,906-	29,238-	32,848-	34,321-	41,022-	60,420-	79,840-	96,446-	110,403-	109,727-	128,552-	783,391-
61 Total Interest Charges	555,870	525,142	481,297	483,351	491,799	503,761	508,963	522,752	546,162	563,063	591,083	494,103	6,267,346
62 Net Income	300,476	367,807	381,136	489,160	560,329	982,906	1,096,828	1,079,965	990,081	794,784	560,535	350,512	7,954,519
64 Preferred Dividend Declare	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	38,325	6,511	428,086
65 Net Income to Common Stock	262,151	329,482	342,811	450,835	522,004	944,581	1,058,503	1,041,640	951,756	756,459	522,210	344,001	7,526,433

KENTUCKY AMERICAN WATER
CASE NO. 2008-00427
BUDGETED CONSTRUCTION EXPENDITURES
FOR THE BASE YEAR - TWELVE MONTHS ENDING JANUARY 31, 2009

ITEM	DESCRIPTION	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009
DV	Projects Funded by Others (Contrib. /Adv./ Refunds)	244,690	336,686	317,520	349,786	288,455	355,219	201,892	559,977	277,139	203,636	342,674	251,296
A	Mains - New	32,283	46,578	66,386	14,455	21,950	9,637	46,042	15,526	44,519	11,028	36,792	15,680
B	Mains - Replaced / Restored	45,264	9,430	58,466	79,212	199,916	184,828	211,232	194,258	78,104	78,104	83,122	50,000
C	Mains - Unscheduled	5,326	1,110	6,880	9,321	23,525	21,750	24,857	22,860	11,796	21,926	18,032	0
D	Mains - Relocated	0	0	0	0	0	0	0	0	42,883	42,883	42,883	50,000
E	Hydrants, Valves, and Manholes - New	36,771	41,901	27,364	48,315	61,569	37,626	11,117	33,778	20,000	20,000	33,331	6,768
F	Hydrants, Valves, and Manholes - Replaced	15,875	375	1,375	12,375	0	0	19,250	24,125	8,299	12,410	11,488	0
G	Services and Laterals - New	29,991	82,888	55,925	43,376	101,293	50,069	79,349	138,102	47,060	67,434	28,140	20,100
H	Services and Laterals - Replaced	31,337	11,882	34,865	36,041	51,276	45,448	43,684	74,208	32,818	38,168	38,165	67,159
I	Meters - New	118,910	60,877	7,883	76,294	91,157	95,359	56,107	149,475	201,975	201,975	204,557	79,674
J	Meters - Replaced	76,693	53,095	22,123	134,214	141,588	81,118	106,191	176,985	59,537	60,607	58,469	65,251
K	ITS Equipment and Systems	5,455	10,650	4,935	17,923	20,780	50,911	5,455	4,676	14,810	14,810	15,000	0
L	SCADA Equipment and Systems	0	0	0	0	0	25,000	0	0	2,892	2,892	2,892	0
M	Security Equipment and Systems	0	0	0	4,000	0	0	0	0	6,000	1,000	1,000	0
N	Offices and Operations Centers	1,024	0	2,341	7,315	5,121	293	9,217	7,608	389,246	269,946	212,210	90,000
O	Vehicles	20,365	11,120	9,200	9,200	10,350	9,200	10,740	52,315	11,431	51,656	281,264	0
P	Tools and Equipment	11,124	5,755	39,473	12,665	11,147	10,046	6,502	18,543	44,595	33,446	99,855	2,000
Q	Process Plant Facilities and Equipment	21,493	21,505	74,358	35,339	52,972	32,822	117,783	94,509	55,859	55,859	51,943	30,756
R	Capitalized Tank Rehabilitation / Painting	0	0	0	0	0	0	0	0	14,195	13,185	13,185	0
S	Engineering Studies	2,680	3,800	4,920	6,040	7,040	7,040	10,840	11,400	43,399	42,899	40,819	0
	SUBTOTAL ITEMS	**699,282**	**697,652**	**734,015**	**895,869**	**1,088,141**	**1,016,364**	**960,257**	**1,578,341**	**1,406,554**	**1,243,862**	**1,615,824**	**728,684**
PROJ	**INVESTMENT PROJECTS:**												
12020204	Source of Supply Project Dev	15,000	15,000	5,000	5,000	5,000	2,000	2,000	81	81	336	308	0
12020201	LEX-Leestown Rd Main Improvmts									0			
12020402	Major Highway Relocations	15,000	100,000	250,000	425,000	450,000	375,000	375,000	300,000	4,136	4,136	4,136	
12020505	Replace Trac-Vac System at									8,000	8,000	8,000	0
12020506	Sludge Handling Improvement	25,000											
12020508	Kentucky Reliability Improvement	310,000	200,964	150,000	100,000	100,000				370	370	370	0
12020602	Yarnallton Road Main Extension									59,592	59,842	60,092	
12020607	New WTP On Pool 3 of Kentucky	20,000	100,000	100,000	500,000	1,000,000	3,000,000	7,000,000	7,000,000	3,750,000	4,200,000	4,400,000	5,500,000
12020702	KY MAJOR HIGHWAY									133,317	133,317	74,765	
12300403	Owen County Main Extensions									100	100	66	
12300604	Owen County SCADA System												
12020501	Ground Storage Tank												
12020603	Highway Relocation-Clays Mill												
12020701	KENTUCKY INCLINE CAR	5,000	8,000	8,000	10,000	10,000	23,471	23,471	35,206	44,487	38,343	24,014	
12500503	Rockwell Villege WW Pipe	2,000	5,000	5,000	10,000	20,000	50,000	75,000	75,000	0	0	0	
	Owenton Chemical Bulk Storage	5,000	10,000	10,000	10,000	75,000	140,000	140,000	140,000	133,667	151,164	135,573	
	North Broadway Replacement	10,000	10,000	10,000	10,000	250,000	340,000	340,000	340,000	144,030	145,825	77,510	125,000
12020613	Highway Relocation-Clays Mill	10,000	10,000	10,000			50,000	145,000	160,000	0	0	0	
IP-1202-6	Install 34,000' of 16" along Carrick Pike									174,271	227,621	326,621	372,838
IP-1232-1	Owenton-Post Acquisition Phase 2												29,123
	SUBTOTAL INVESTMENT PROJECTS	**417,000**	**458,964**	**548,000**	**1,070,000**	**1,910,000**	**3,980,471**	**8,100,471**	**8,050,287**	**4,452,051**	**4,969,054**	**5,111,455**	**6,026,961**
	TOTAL CONSTRUCTION	**$1,116,282**	**$1,156,616**	**$1,282,015**	**$1,965,869**	**$2,998,141**	**$4,996,835**	**$9,060,728**	**$9,628,628**	**$5,858,605**	**$6,212,916**	**$6,727,279**	**$6,755,645**

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 14

Description of Filing Requirement:

Statement of Attestation signed by Kentucky-American Water Company's Chief Officer (Mr. Nick Rowe) in charge of Kentucky Operations.

Response:

Please see attached.

For electronic version, see KAW_APP_EX14_103108.pdf

PUBLIC SERVICE COMMISSION

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 2008-00427

Comes Nick O. Rowe, Chairman of the Board of Directors of Kentucky-American Water Company, and as required by proposed 807 KAR 5:001, Section 10, (9), (e), does hereby attest as follows:

1. That the forecast utilized in Case No. 2008-00427 by Kentucky-American Water Company is, in my opinion, reasonable, reliable, made in good faith and all basic assumptions used in the forecast have been identified and justified;

2. That the forecast utilized by Kentucky-American Water Company in Rate Case No. 2008-00427 contains the same assumptions and methodologies as used by the management of Kentucky-American Water Company, and

3. That productivity and efficiency gains are included in the forecast.

Nick O. Rowe

Date: 10-31-08

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 15

Description of Filing Requirement:

Information regarding major construction projects which constitute 5% or more of the annual construction budget.

Response:

Please see attached.

For electronic version, see KAW_APP_EX15_103108.pdf

KENTUCKY AMERICAN WATER
CASE NO. 2008 - 00427
MAJOR CONSTRUCTION PROJECTS
COMPRISING 5 % OR MORE OF THE ANNUAL BUDGET

Investment Project Number	Project Description	Actual or Estimated Start Up Date	Estimated Completion Date	Estimated Costs Inclusive of AFUDC			Estimated Costs Exclusive of AFUDC			Costs Incurred to Date * Inclusive of AFUDC	Costs Incurred to Date * Exclusive of AFUDC
				2008	2009	2010	2008	2009	2010		
12020607	New WTP on Pool 3 of KY River	04/2006	06/2010	31,599,999	66,786,790	57,044,731	30,901,923	65,723,912	52,920,310	25,543,829	25,096,690

* Represents CWIP costs @ 9/30/2008

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 16

Description of Filing Requirement:

Information regarding major construction projects which constitute less than 5% of the annual construction budget.

Response:

Please see attached.

For electronic version, see KAW_APP_EX16_103108.pdf

KENTUCKY AMERICAN WATER
CASE NO. 2008 - 427
MAJOR CONSTRUCTION PROJECTS
COMPRISING 5 % OR LESS OF THE ANNUAL BUDGET

Investment Project Number	Project Description	Actual or Estimated Start Up Date	Estimated Completion Date	Estimated Costs Inclusive of AFUDC 2008	2009	2010	Estimated Costs Exclusive of AFUDC 2008	2009	2010	Costs Incurred to Date * Inclusive of AFUDC	Costs Incurred to Date * Exclusive of AFUDC
Various	Aggregate of all Construction Costs Incurred Under 5 % of the Annual Construction Budget	Various	Various	21,201,472	21,025,228	18,682,124	19,645,901	18,992,308	18,497,853	21,667,097	20,821,220

* Represents CWIP costs @ 9/30/2008

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 17

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Operating Income Statements

Response:

Please see attached.

For electronic version, see KAW_APP_EX17_103108.pdf

PROJECTED ANNUAL INCOME STATEMENT
KENTUCKY-AMERICAN WATER COMPANY
(000'S OMITTED)

	2009	2010	2011
Operating Revenues	$59,363	$59,676	$59,994
Operating Expenses			
Operation & Maintenance	32,354	34,296	36,102
Depreciation and Amortization	9,075	10,022	14,327
General Taxes	3,585	3,826	5,281
Income Taxes	3,392	1,735	(3,983)
Total Operating Expenses	48,406	49,879	51,727
Utility Operating Income	10,957	9,797	8,267
Other Income	2,837	4,101	203
Total Income	13,794	13,898	8,470
Income Deductions	337	338	341
Income Before Interest	13,457	13,560	8,129
Interest Charges	7,962	10,749	14,581
Net Income	5,495	2,811	(6,452)
Preferred Dividends	78	78	78
Net Income to Common	5,417	2,733	(6,530)
Common Dividends	4,063	2,050	-
Balance for Retained Earnings	1,354	683	(6,530)
Payout ratio	75.00%	75.00%	0.00%
Return on Common Equity - 12/31	4.20%	1.88%	-4.70%
Common Equity - 12/31	128,829	145,512	138,982

Note: Forecast does not include projection of current rate case.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 18

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Balance Sheet

Response:

(000)	2009	2010	2011
Fixed Assets	$409,402	$477,164	$488,207
Non-Utility Property	270	270	270
Current Assets	9,372	9,388	9,598
Deferred Debits	12,016	11,567	11,644
TOTAL	$431,060	$498,389	$509,719
Total Capital	$300,244	$359,317	$362,510
Current Liabilities	9,776	12,117	14,076
Deferred Credits	121,040	126,955	133,133
TOTAL	$431,060	$498,389	$509,719

For electronic version, see KAW_APP_EX18_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 19

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Cash Flow Statements

Response:

Please see attached.

For electronic version, see KAW_APP_EX19_103108.pdf.

KENTUCKY-AMERICAN

(000'S OMITTED)

SOURCE AND APPLICATION OF FUNDS

	SOURCE OF FUNDS										APPLICATION OF FUNDS			
	Increase in Capital											Reductions in Capital		
	Security Sales											Maturities & Sinking Funds		
Year	Debt	Preferred	Common	Ret Earnings	Change YE Bank Loans	Adv and CIAC	Depr and Amort	Deferred Taxes	Other	Total	Gross Constr.	Debt	Preferred	Total
2009	71,500	0	32,500	1,354	(26,344)	6,875	9,075	2,771	2,729	100,460	97,360	3,100	0	100,460
2010	28,000	0	16,000	2,528	15,082	7,275	10,022	2,951	2,792	84,650	81,550	3,100	0	84,650
2011	25,000	0	0	(6,530)	(14,594)	7,000	14,327	2,569	1,730	29,502	26,402	3,100	0	29,502

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 20

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Revenue Requirements

Response:

Please refer to Exhibit No. 17 for Revenue Requirements.

For electronic version, see KAW_APP_EX20_103108.pdf for this document and KAW_APP_EX17_103108.pdf for Revenue Requirements.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 21

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Employee Level

Response:

Number of Employees	2009	2010	2011
	145	154	154

For electronic version, see KAW_APP_EX21_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 22

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Labor Cost Changes

Response:

Total Labor Cost Changes	2009	2010	2011
O&M	$6,685,733	$7,269,769	$7,556,031
Capital	$1,756,082	$1,978,720	$2,053,733
Total	$8,441,815	$9,248,489	$9,609,764

For electronic version, see KAW_APP_EX22_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 23

Description of Filing Requirement:

Financial Forecast (for 2009–2011) Capital Structure Requirements

Response:

Please see attached.

For electronic version, see KAW_APP_EX23_103108.pdf.

Kentucky-American
FINANCING PROJECTIONS
Increments of New Capital
(000'S OMITTED)

Calendar Year	Bank Loans	Debt	Preferred	Common
2009	(26,344)	71,500	0	32,500
2010	15,082	28,000	0	16,000
2011	(14,594)	25,000	0	0

Total Capitalization

As of December 31,	Bank Loans	Debt	Preferred	Common
2009	31,428	148,200	5,956	128,829
2010	46,510	162,200	5,956	145,512
2011	31,916	187,200	5,956	138,982

Capitalization Ratios

As of December 31,	Bank Loans	Debt	Preferred	Common
2009	10.00%	47.14%	1.89%	40.97%
2010	12.91%	45.03%	1.65%	40.40%
2011	8.77%	51.42%	1.64%	38.18%

As of December 31,	Total Debt Ratio	Total Equity Ratio
2009	57%	43%
2010	58%	42%
2011	60%	40%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 24

Description of Filing Requirement:

Financial Forecast (For 2009-2011) Rate Base

Response:

12/31/2009	Rate Base	$ 263,000,000
12/31/2010	Rate Base	$ 366,000,000
12/31/2011	Rate Base	$ 369,000,000

For electronic version, see KAW_APP_EX24_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 25

Description of Filing Requirement:

Financial Forecast (2009-2011) Water Sales (Gallons)

Response:

Water Sales (000 Gallons)	2009	2010	2011
Residential	6,405,973	6,519,687	6,633,401
Commercial	4,381,832	4,817,234	4,870,468
Industrial	683,001	683,001	683,001
Other	2,007,376	2,007,376	2,007,376
Total	13,478,182	14,027,298	14,194,246

For electronic version, see KAW_APP_EX25_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 26

Description of Filing Requirement:

Financial Forecast (for 2009-2011) Customer Forecast

Response:

Customers	2009	2010	2011
Residential	109,467	111,398	113,329
Commercial	8,901	9,000	9,099
Industrial	21	21	21
Other	2,633	2,681	2,729
Total	121,022	123,100	125,178

For electronic version, see KAW_APP_EX26_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 27

Description of Filing Requirement:

Most Recent Stock or Bond Prospectus

Response:

There has been no common stock prospectus. Since the Company has been utilizing the services of American Water Capital Corp (AWCC), the Company no longer generates a prospectus for its long-term debt obtained from AWCC. Before the utilization of AWCC, the Company did generate a prospectus for its Long-term Debt obtained by the Company in the private bond placement market. Attached is the note the Company executed with AWCC for its $47.0 million Long-term debt issued on October 22, 2007 at 6.593% for a term of 30 Years. The Company reviewed the market data for 10 and 30-year A-rated bonds at the time of issuing the note and determined the interest rate was at or below what it could have obtained by any other means and accepted the terms contained in the note.

Please see attached copy of the executed Note for the $47.0 million of Long-term debt obtained on October 22, 2007 from AWCC.

For electronic version, see KAW_APP_EX27_103108.pdf

PROMISSORY NOTE
FOR LONG-TERM BORROWINGS
6.593% Maturity - October 15, 2037

$47,000,000 **October 22, 2007**

FOR VALUE RECEIVED, **Kentucky-American Water Company**, an **Kentucky** corporation (herein "Borrower") hereby promises to pay to the order of American Water Capital Corp., a Delaware corporation ("Lender"), in same day funds at its offices at 1025 Laurel Oak Road, Voorhees, NJ 08043 or such other place as Lender may from time to time designate, the principal sum of **Forty Seven Million** dollars **($47,000,000)**, together with interest thereon from the date hereof until paid in full. Interest shall be charged on the unpaid outstanding principal balance hereof at a rate per annum equal to the rate paid and to be paid by Lender with respect to the borrowings it made in order to provide funds to Borrower hereunder. Interest on borrowings shall be due and payable in immediately available funds on the same business day on which the Lender must pay interest on the borrowings it made in order to provide funds to the Borrower hereunder. The principal amount hereof shall be due and payable hereunder at such times and in such amounts and in such installments hereunder as the Lender must pay with respect to the borrowings it made in order to provide funds to the Borrower hereunder. Lender has provided Borrower with a copy of the documentation evidencing the borrowings made by Lender in order to provide funds to Borrower hereunder. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowings hereunder shall be deemed conclusive.

The occurrence of one or more of any of the following shall constitute an event of default hereunder:

(a) Borrower shall fail to make any payment of principal and/or interest due hereunder or under any other promissory note between Lender and Borrower within five business days after the same shall become due and payable, whether at maturity or by acceleration or otherwise;

(b) Borrower shall apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation of law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or if action shall be taken by Borrower for the purposes of effecting any of the foregoing; or

(c) Any order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking reorganization of Borrower or all or a substantial part of the assets of Borrower, or appointing a receiver, trustee or liquidator of Borrower or any of its property, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days.

Upon the occurrence of any event of default, the entire unpaid principal sum hereunder plus all interest accrued thereon plus all other sums due and payable to Lender hereunder shall, at the option of Lender, become due and payable immediately. In addition to the foregoing, upon the occurrence of any event of default, Lender may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Lender by law, equity, statute or otherwise.

Borrower hereby waivers presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor in connection with any default in the payment of, or any enforcement of the payment of, all amounts due hereunder. To the extent permitted by law, Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

Following the occurrence of any event of default, Borrower will pay upon demand all costs and expenses (including all amounts paid to attorneys, accountants, and other advisors employed by Lender), incurred by Lender in the exercise of any of its rights, remedies or powers hereunder with respect to such event of default, and any amount thereof not paid promptly following demand therefor shall be added to the principal sum hereunder and will bear interest at the contract rate set forth herein from the date of such demand until paid in full. In connection with and as part of the foregoing, in the event that this Note is placed in the hands of an attorney for the collection of any sum payable hereunder, Borrower agrees to pay reasonable attorneys' fees for the collection of the amount being claimed hereunder, as well as all costs, disbursements and allowances provided by law.

If for any reason one or more of the provisions of this Note or their application to any entity or circumstances shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This Note inures to the benefit of Lender and binds Borrower and Lender's and Borrower's respective successors and assigns, and the words "Lender" and "Borrower" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

This Promissory Note is one of the promissory notes referred to in the Financial Services Agreement dated as of June 15, 2000 between Borrower and Lender to which reference is made for a statement of additional rights and obligations of Lender and Borrower.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note the day and year first written above.

Kentucky-American Water Company

By: Rochelle Kowalski
Rochelle Kowalski
VP of Finance