

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 37

Description of Filing Requirement:

<u>Schedule</u>	<u>Description</u>
A.	Jurisdictional Financial Summary for the Base and Forecasted Period
B.	Jurisdictional Rate Base Summary for the Base and Forecasted Period
C.	Jurisdictional Operating Income Summary for Base and Forecasted Period
D.	Jurisdictional Adjustment of Operating Income
E.	Jurisdictional Federal and State Income Tax Summary for Base and Forecasted Periods
F.	Organizational Membership Dues, Initiation Fees, Country Club Expenditures, Charitable Contributions, Marketing Expenses, Sales Expenses, Advertising Expenses, Professional Service Expenses, Civic and Political Activity Expenses, Employee Parties and Outing Expenses, Employee Gift Expenses, and Rate Case Expenses for the Base and Forecasted Periods
G.	Payroll Cost Analysis
H.	Computation of Gross Revenue Conversion Factor
I.	Comparative Income Statements, Revenue Statistics and Sales Statistics for Five Most Recent Calendar Years, the Base Period, Forecasted Period and Two Calendar Years Beyond the Forecast Period
J.	Cost of Capital Summary for Base Period and Forecasted Period
K.	Comparative Financial Data and Earning Measures for the Ten Most Recent Calendar Years, Base Period and Forecasted Period
L.	Narrative Description and Explanation of all Proposed Tariff Change
M.	Revenue Summary for Base Period and Forecasted Period with Detailed Billing Analysis for all Customer Classes
N.	Typical Bill Comparison Under Present and Proposed Rates for all Customer Classes

Response:

Accounting Schedules provided under separate cover.

For electronic version, refer to KAW_APP_EX37_103108.pdf

**EXHIBIT 37
SCHEDULE A**

JURISDICTIONAL FINANCIAL SUMMARY FOR THE RATE BASE AND FORCASTED PERIOD

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
A	Overall Financial Summary

For electronic version, see KAW_APP_EX37A_103108.pdf

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): W/P-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	\$305,544,471	\$243,471,735
5				
6	FORECASTED OPERATING INCOME AT CURRENT RATES	C-1	14,898,191	13,339,727
7				
8	EARNED RATE OF RETURN		4.88%	5.48%
9				
10	RATE OF RETURN	J-1	8.54%	7.93%
11				
12	REQUIRED OPERATING INCOME		26,093,498	19,307,309
13				
14	OPERATING INCOME DEFICIENCY		11,195,307	5,967,582
15				
16	GROSS REVENUE CONVERSION FACTOR	H-1	1,651,998	1,651,998
17				
18	REVENUE DEFICIENCY (1)		18,494,634	9,858,438
19				
20	ADJUSTED OPERATING REVENUES	C-1	62,245,272	59,470,621
21				
22	REVENUE REQUIREMENT		\$80,739,906	\$69,329,059
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**EXHIBIT 37
SCHEDULE B**

JURISDICTIONAL RATE BASE SUMMARY FOR THE BASE AND FORCASTED PERIOD

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

Schedule	Description
B-1	Rate Base Summary
B-2	Plant in Service by Major Grouping
B-2.1	Plant in Service by Account and Subaccounts
B-2.2	Proposed Adjustments to Plant in Service
B-2.3	Gross Additions, Retirements and Transfers
B-2.4	Property Merged or Acquired
B-2.5	Leased Property
B-2.6	Property Held for Future Use Included in Rate Base
B-2.7	Property Excluded from Rate Base
B-3	Accumulated Depreciation and Amortization
B-3.1	Adjustments to Accumulated Depreciation and Amortization
B-3.2	Depreciation Accrual Rates and Accumulated Balances by Account
B-4	Construction Work in Progress
B-4.1	Construction Work in Progress - Percent Complete
B-5	Allowance for Working Capital
B-5.1	Working Capital Components
B-5.2	Working Capital - Lead / Lag Study
B-6	Deferred Credits and Accumulated Deferred Income Taxes
B-7	Jurisdictional Percentages
B-7.1	Jurisdictional Statistics - Rate Base
B-7.2	Explanation of Changes in Jurisdictional Procedures
B-8	Comparative Balance Sheets

For electronic version, see KAW_APP_EX37B_103108.pdf

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
2	Utility Plant In Service	B-2	\$372,100,801
4	Property Held for Future Use	B-2.6	0
6	Utility Plant Acquisition Adjustments	W/P-1-2	29,364
8	Accumulated Depreciation	B-3	(92,696,202)
11	Net Utility Plant In Service		279,433,963
16	Construction Work in Progress	B-4	46,732,365
17	Working Capital Allowance	B-5	4,296,000
19	Other Working Capital Allowance	B-5	575,573
21	Contributions in Aid of Construction	B-6	(44,796,716)
22	Customer Advances	B-6	(14,020,977)
25	Deferred Income Taxes	B-6	(30,991,444)
27	Deferred Investment Tax Credits	B-6	(93,534)
29	Deferred Maintenance	W/P-1-11	1,833,038
31	Deferred Debits	W/P-1-12	2,013,859
33	Other Rate Base Elements	W/P-1-12	(1,510,392)
45	Jurisdictional Rate Base		\$243,471,735

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

SCHEDULE B-1
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): W/P-1

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	\$395,901,041	\$387,567,724
4	Property Held for Future Use	B-2.6	0	0
6	Utility Plant Acquisition Adjustments	W/P-1-2	11,963	18,488
8	Accumulated Depreciation	B-3	(102,285,596)	(98,516,471)
11	Net Utility Plant In Service		283,627,408	289,069,741
15	Construction Work in Progress	B-4 / W/P-1-5	135,704,098	102,817,344
17	Working Capital Allowance	B-5	4,271,000	4,271,000
19	Other Working Capital Allowance	B-5	575,573	575,573
21	Contributions in Aid of Construction	B-6	(46,235,776)	(45,274,826)
22	Customer Advances	B-6	(16,780,247)	(15,618,202)
25	Deferred Income Taxes	B-6	(34,001,726)	(33,911,117)
27	Deferred Investment Tax Credits	B-6	(87,154)	(83,326)
29	Deferred Maintenance	W/P-1-11	3,793,755	2,951,785
31	Deferred Debits	W/P-1-12	1,905,411	1,958,946
33	Other Rate Base Elements	W/P-1-12	(1,015,992)	(1,212,447)
46	Jurisdictional Rate Base		\$341,756,350	\$305,544,471

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

SCHEDULE B-2
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): WP-1

Line No.	Major Property Group	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	End of Period Adjusted Jurisdiction
2	Intangibles	\$ 565,749	100%	\$ 565,749	-	\$ 565,749
5	Source of Supply	33,225,864		33,225,864	-	33,225,864
7	Water Treatment	39,963,355		39,963,355	-	39,963,355
9	Transmission anc	269,878,294		269,878,294	-	269,878,294
11	General	28,467,539		28,467,539	-	28,467,539
13	Completed Consi	-		-	-	-
15	Other	-		-	-	-
17	Total	\$ 372,100,801		\$ 372,100,801	\$ -	\$ 372,100,801

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: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WP-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	\$ 729,649	100%	\$ 729,649	-	\$ 729,649	\$ 660,957
2							
3	Source of Supply	34,296,868		34,296,868	-	34,296,868	33,720,174
4							
5	Water Treatment	40,053,355		40,053,355	-	40,053,355	40,010,174
6							
7	Transmission anc	290,317,836		290,317,836	-	290,317,836	283,355,004
8							
9	General	30,503,333		30,503,333	-	30,503,333	29,821,415
10							
11	Completed Consi	-		-	-	-	-
12							
13	Other	-		-	-	-	-
14							
15		\$ 395,901,041		\$ 395,901,041	-	\$ 395,901,041	\$ 387,567,724
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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							
3		<u>Intangible Plant</u>					
4	301	Organization	\$ 37,534		\$ 37,534	-	\$ 37,534
5	302	Franchise/Consents	70,261	100%	70,261	-	70,261
6	3031	Other P/E Intangibles	8,375		8,375	-	8,375
7	3036	Other P/E Comprehensive Studies	449,579		449,579	-	449,579
8		Total Intangibles	\$ 565,749		\$ 565,749	\$ -	\$ 565,749
9							
10		<u>Source of Supply and Pumping Plant</u>					
11	310	Land and Land Rights - SS	\$ 335,512		\$ 335,512	-	\$ 335,512
12	311	Structures and Improvements	2,637,041		2,637,041	-	2,637,041
13	312	Collecting and Impounding Reservoirs	1,012,457		1,012,457	-	1,012,457
14	313	Lake, River and Other Intakes	537,098		537,098	-	537,098
15	314	Wells and Springs	0		0	-	-
16	316	Supply Mains	5,138,874		5,138,874	-	5,138,874
17	320	Land and Land Rights - Pumping	91,827		91,827	-	91,827
18	321	Structures and Improvements	5,477,547		5,477,547	-	5,477,547
19	323	Other Power Production Equipment	791,800		791,800	-	791,800
20	325	Electric Pumping Equipment	15,608,890		15,608,890	-	15,608,890
21	326	Diesel Pumping Equipment	724,442		724,442	-	724,442
22	328	Other Pumping Equipment	870,376		870,376	-	870,376
23							
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25							
26		Total Source of Supply & Pumping	\$ 33,225,864		\$ 33,225,864	\$ -	\$ 33,225,864
27							
28		<u>Water Treatment Plant</u>					
29	330	Land and Land Rights	\$ 68,164		\$ 68,164	-	\$ 68,164
30	331	Structures and Improvements	8,720,959		8,720,959	-	8,720,959
31	332	Water Treatment Equipment	31,174,232		31,174,232	-	31,174,232
32	334	Water Treatment - GAC	-		-	-	-
33		Total Water Treatment	\$ 39,963,355		\$ 39,963,355	\$ -	\$ 39,963,355
34							
35							
36		<u>Transmission and Distribution Plant</u>					
37	340	Land and Land Rights	\$ 4,034,999		\$ 4,034,999	-	\$ 4,034,999
38	341	T & D Structures and Improvements	831,753		831,753	-	831,753
39	342	Distribution Reservoirs and Standpipes	12,757,006		12,757,006	-	12,757,006
40	343	Transmission and Distribution Mains	172,250,768		172,250,768	-	172,250,768
41	345	Services	38,648,232		38,648,232	-	38,648,232
42	346	Meters	13,847,616		13,847,616	-	13,847,616
43	347	Meter Installations	15,770,609		15,770,609	-	15,770,609
44	348	Hydrants	11,737,312		11,737,312	-	11,737,312
45		Total Transmission and Distribution	\$ 269,878,294		\$ 269,878,294	\$ -	\$ 269,878,294
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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
1							
2							
3							
4		General Plant					
5	3892	Stores Shop & Garage Land	\$ -		\$ -		\$ -
6	390	Structures and Improvements	7,472,820	100%	7,472,820		7,472,820
7	391	Office Furniture and Equipment	9,092,442		9,092,442		9,092,442
8	392	Transportation Equipment	3,587,594		3,587,594		3,587,594
9	393	Stores Equipment	33,927		33,927		33,927
10	394	Tools, Shop and Garage Equipment	2,106,359		2,106,359		2,106,359
11	395	Laboratory Equipment	984,595		984,595		984,595
12	396	Power Operated Equipment	1,592,421		1,592,421		1,592,421
13	397	Communication Equipment	2,182,305		2,182,305		2,182,305
14	398	Miscellaneous Equipment	1,276,591		1,276,591		1,276,591
15	399	Other Tangible Property	138,485		138,485		138,485
16		Total General	\$ 28,467,539		\$ 28,467,539		\$ 28,467,539
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19							
20		Total Utility Plant in Service	\$ 372,100,801		\$ 372,100,801		\$ 372,100,801
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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): WP-1
WITNESS RESPONSIBLE: S.A. Miller / L. Bridwell
SCHEDULE B-2.2
PAGE 1 OF 2

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: ___ 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

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

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

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: ___ 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

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

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

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized		Expenses Incurred	
							Acct No.	Amount	Acct No.	Description
1										
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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

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

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

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized		Expenses Incurred	
							Acct No.	Amount	Acct No.	Description
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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: X BASE PERIOD 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	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
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

Line No.	Acct No.	Account Title	Forecasted		Accumulated Reserve Balances			13 Month Average
			Period Total Company	Jurisdictional Percent	Total Company	Jurisdictional Total	Adjusted Jurisdiction	
1								
2								
3		General Plant						
4	389.2	Stores Shop & Garage Land						
5	390	Structures and Improvements	\$ 7,480,320	100%	1,803,078	1,803,078	\$ 1,706,404	
6	391	Office Furniture and Equipment	9,708,764		9,371,827	9,371,827	9,043,926	
7	392	Transportation Equipment	3,812,970		2,741,869	2,741,869	2,721,689	
8	393	Stores Equipment	33,927		33,643	33,643	32,767	
9	394	Tools, Shop and Garage Equipment	2,755,839		869,374	869,374	824,937	
10	395	Laboratory Equipment	1,342,673		847,239	847,239	802,393	
11	396	Power Operated Equipment	1,592,421		990,314	990,314	954,884	
12	397	Communication Equipment	2,361,343		962,336	962,336	891,293	
13	398	Miscellaneous Equipment	1,276,591		515,118	515,118	481,734	
14	399	Other Tangible Property	138,485		328,343	328,343	324,503	
15		BWA Acquisition						
16								
17		Total General	30,503,333		18,463,141	18,463,141	17,784,530	
18								
19								
20		Total Utility Plant in Service	\$395,901,041		\$102,285,596	\$102,285,596	\$98,516,471	
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KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2008-00427
 ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
 AS OF JANUARY 31, 2009

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD
 TYPE OF FILING: X_ 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 FORECASTED PERIOD
TYPE OF FILING: 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
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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, 2009

SCHEDULE B-3.2
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 - 3

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	4,499,092	929,703	2.01%	90,432	-5%	39.2	R2.5
5	390.2	Stores, Shop & Garage Structures	1,018,771	210,521	2.33%	23,737	0%	32.6	R3
6	390.3	Misc Structures	1,954,957	403,977	4.19%	81,913	0%	21.2	R1.5
7	391.1	Office Furniture	2,308,445	2,155,333	7.48%	172,672	0%	4.8	SQ
8	391.2	Mainframe Computer & Periph Equipment	63,922	59,682	8.04%	5,139	0%	4.5	SQ
9	391.21	Personal Computer & Periph Equipment	864,038	806,729	9.52%	82,256	0%	2.1	SQ
10	391.22	Other Office Machines and Equipment	210,383	196,429	17.49%	36,796	0%	0.0	SQ
11	391.25	Mainframe Software	4,553,519	4,251,499	6.87%	312,827	0%	2.5	SQ
12	391.26	Personal Computer Software	349,991	326,777	0.00%	-	0%	0.0	SQ
13	391.28	Other Software	636,859	594,618	18.00%	114,635	0%	1.0	SQ
14	391.3	Other Office	105,285	98,302	7.17%	7,549	0%	5.1	SQ
15	392.11	Transportation Equipment - Light Trucks	1,823,744	1,336,005	7.22%	131,674	20%	7.1	S2.5
16	392.12	Transportation Equipment - Heavy Trucks	1,102,538	807,677	6.48%	71,444	15%	8.1	S2.5
17	392.2	Transportation Equipment - Cars	335,314	245,638	10.90%	36,549	15%	3.2	R4
18	392.3	Other Transportation Equipment	325,998	238,814	6.39%	20,831	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	2,106,359	762,761	5.67%	119,431	0%	12.2	SQ
21	395	Laboratory Equipment	984,595	737,358	7.10%	69,906	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	756,474	6.12%	130,017	0%	7.7	SQ
24	397.1	Communication Equipment	57,849	20,599	6.12%	3,540	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			\$310,056,976	\$92,696,201		\$7,541,474			
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Adjusted jurisdiction plant investment represents UPIS 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: X ORIGINAL UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WP-1-3

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	4,506,592	1,086,282	2.01%	90,582	-5%	39.2	R2.5
5	390.2	Stores, Shop & Garage Structures	1,018,771	245,568	2.33%	23,737	0%	32.6	R3
6	390.3	Misc Structures	1,954,957	471,228	4.19%	81,913	0%	21.2	R1.5
7	391.1	Office Furniture	2,955,112	2,852,557	7.48%	221,042	0%	4.8	SQ
8	391.2	Mainframe Computer & Periph Equipment	18,921	18,264	8.04%	1,521	0%	4.5	SQ
9	391.21	Personal Computer & Periph Equipment	878,694	848,199	9.52%	83,652	0%	2.1	SQ
10	391.22	Other Office Machines and Equipment	210,383	203,082	17.49%	36,796	0%	0.0	SQ
11	391.25	Mainframe Software	4,553,519	4,395,492	6.87%	312,827	0%	2.5	SQ
12	391.26	Personal Computer Software	349,991	337,845	0.00%	-	0%	0.0	SQ
13	391.28	Other Software	636,859	614,757	18.00%	114,635	0%	1.0	SQ
14	391.3	Other Office Equipment	105,285	101,631	7.17%	7,549	0%	5.1	SQ
15	392.11	Transportation Equipment - Light Trucks	1,763,197	1,267,898	7.22%	127,303	20%	7.1	S2.5
16	392.12	Transportation Equipment - Heavy Trucks	1,073,461	771,915	6.48%	69,560	15%	8.1	S2.5
17	392.2	Transportation Equipment - Cars	435,314	313,030	10.90%	47,449	15%	3.2	R4
18	392.3	Other Transportation Equipment	540,998	389,026	6.39%	34,570	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	2,755,839	869,374	5.67%	156,256	0%	12.2	SQ
21	395	Laboratory Equipment	1,342,673	847,239	7.10%	95,330	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	865,796	6.12%	130,017	0%	7.7	SQ
24	397.1	Communication Equipment	236,887	96,540	6.12%	14,497	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		BWA Acquisition							
29									
30			<u>\$330,617,421</u>	<u>\$102,285,596</u>		<u>\$8,092,694</u>			
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Adjusted jurisdiction plant investment represents UPIS 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

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1-5

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

Line No.	Project Number	Description of Project	Construction Amount	Accumulated AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
2	DV	Mains	\$251,296	-	-	\$251,296	100%	\$251,296	NA
3	DV	Services	-	-	-	-	-	-	NA
4	DV	Meter Installations	-	-	-	-	-	-	NA
5	DV	Hydrants	-	-	-	-	-	-	NA
6	A	Mains - New	14,339	1,339	-	15,678	-	15,678	NA
7	B	Mains - Planned Replacement / Restored	46,991	3,009	-	50,000	-	50,000	NA
8	C	Mains - Unschedule Replacements	(777)	777	-	-	-	-	NA
9	D	Mains - Relocation	47,944	2,056	-	50,000	-	50,000	NA
10	E	Hydrants, Valves, and Manholes - New	5,953	816	-	6,769	-	6,769	NA
11	F	Hydrants, Valves, and Manholes - Replaced	(399)	399	-	-	-	-	NA
12	G	Services and Laterals - New	20,101	-	-	20,101	-	20,101	NA
13	H	Services and Laterals - Replaced	67,159	-	-	67,159	-	67,159	NA
14	I	Meters New	79,674	-	-	79,674	-	79,674	NA
15	J	Meter - Replaced	65,251	-	-	65,251	-	65,251	NA
16	K	ITS Equipment and Systems	1	-	-	1	-	1	NA
17	L	SCADA Equipment and Systems	-	-	-	-	-	-	NA
18	M	Security Equipment and System	-	-	-	-	-	-	NA
19	N	Offices and Operations Centers	90,000	-	-	90,000	-	90,000	NA
20	O	Vehicles	-	-	-	-	-	-	NA
21	P	Tools and Equipment	2,000	-	-	2,000	-	2,000	NA
22	Q	Process Plant Facilities and Equipment	30,756	-	-	30,756	-	30,756	NA
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-	-	-	NA
24	S	Engineering Studies	(1,789)	1,789	-	-	-	-	NA
25	1202-5	Rep N Broadway Water Line	647,225	12,775	-	660,000	-	660,000	0.38%
26	1202-6	US 460 Main Extension	1,352,269	21,949	-	1,374,218	-	1,374,218	50.87%
27	12020204	Development-Reg SOS Solution	1,819,653	75,929	-	1,895,582	-	1,895,582	94.78%
28	12020607	Ins WTR TRT PLT KY River Pool 3	40,242,643	1,523,902	-	41,766,545	-	41,766,545	26.09%
29	12020701	Ins Incline Chain (Replacement)	297,461	9,875	-	307,336	-	307,336	31.02%
30	12020402	Major highway relocations	(39,681)	39,681	-	-	-	-	100.00%
31	12020508	KY Reliability Improvements	(410,083)	410,083	-	-	-	-	100.00%
32	IP-1232-1	Owenton Bulk Storage Design	(14,134)	14,134	-	-	-	-	100.00%
33	12020505	Replace Trac-Vac System	(241)	241	-	-	-	-	100.00%
34	12020506	Sludge Handling Improvement	(200)	200	-	-	-	-	100.00%
35	12020702	Major Highway Relocations	(24,723)	24,723	-	-	-	-	100.00%
36	12020602	Ins 8" DI Yarmalton Road Ext.	(5,454)	5,454	-	-	-	-	54.30%
37									100.00%
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			\$44,583,235	\$2,149,131		\$46,732,366		\$46,732,366	

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

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): ___ WP-1-5

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

Line No.	Project Number	Description of Project	Construction Amount	Accumulated AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1			\$631,757	\$0		\$631,757	100%	\$631,757	N/A
2	DV	Mains	-	-	-	-	-	-	N/A
3	DV	Services	-	-	-	-	-	-	N/A
4	DV	Meter Installations	-	-	-	-	-	-	N/A
5	DV	Hydrants	-	-	-	-	-	-	N/A
6	A	Mains - New	8,488	4,005	-	12,493	-	12,493	N/A
7	B	Mains - Planned Replacement / Restored	85,397	7,103	-	92,500	-	92,500	N/A
8	C	Mains - Unschedule Replacements	7,346	1,693	-	9,039	-	9,039	N/A
9	D	Mains - Relocation	82,896	7,104	-	90,000	-	90,000	N/A
10	E	Hydrants, Valves, and Manholes - New	27,431	1,376	-	28,807	-	28,807	N/A
11	F	Hydrants, Valves, and Manholes - Replaced	14,146	1,079	-	15,225	-	15,225	N/A
12	G	Services and Laterals - New	87,246	-	-	87,246	-	87,246	N/A
13	H	Services and Laterals - Replaced	94,235	-	-	94,235	-	94,235	N/A
14	I	Meters New	54,327	-	-	54,327	-	54,327	N/A
15	J	Meter - Replaced	207,739	-	-	207,739	-	207,739	N/A
16	K	ITS Equipment and Systems	17,758	-	-	17,758	-	17,758	N/A
17	L	SCADA Equipment and Systems	-	-	-	-	-	-	N/A
18	M	Security Equipment and System	-	-	-	-	-	-	N/A
19	N	Offices and Operations Centers	10,666	-	-	10,666	-	10,666	N/A
20	O	Vehicles	3,703	-	-	3,703	-	3,703	N/A
21	P	Tools and Equipment	55,000	-	-	55,000	-	55,000	N/A
22	Q	Process Plant Facilities and Equipment	51,992	-	-	51,992	-	51,992	N/A
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-	-	-	N/A
24	S	Engineering Studies	2,798	1,004	-	3,802	-	3,802	N/A
25	1202-5	Rep N Broadway Water Line	(9,827)	9,827	-	-	-	-	100.00%
26	1202-6	US 460 Main Extension	-	-	-	-	-	-	100.00%
27	12020204	Development-Reg SOS Solution	1,807,445	156,511	-	1,963,956	-	1,963,956	98.20%
28	12020607	Ins WTR TRT PLT KY River Pool 3	128,342,865	2,838,118	-	131,180,983	-	131,180,983	81.94%
29	12020701	Ins Incline Chain (Replacement)	(24,789)	24,789	-	-	-	-	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	Sudge Handling Improvement	(26,115)	-	-	-	-	-	100.00%
35	12020702	Major Highway Relocations	-	26,115	-	-	-	-	79.20%
36	12020602	Ins 8' DI Yarmallton Road Ext.	-	-	-	-	-	-	100.00%
37	12020501	Ground Storage Tankl	1,076,790	16,080	-	1,092,870	-	1,092,870	62.45%
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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.

\$132,609,294

\$3,094,804

\$0

\$135,704,098

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

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-1-5

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

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	251,296	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	15,678	NA
7	B	NA	NA	NA	NA	NA	50,000	NA
8	C	NA	NA	NA	NA	NA	-	NA
9	D	NA	NA	NA	NA	NA	50,000	NA
10	E	NA	NA	NA	NA	NA	6,769	NA
11	F	NA	NA	NA	NA	NA	-	NA
12	G	NA	NA	NA	NA	NA	20,101	NA
13	H	NA	NA	NA	NA	NA	67,159	NA
14	I	NA	NA	NA	NA	NA	79,674	NA
15	J	NA	NA	NA	NA	NA	65,251	NA
16	K	NA	NA	NA	NA	NA	1	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	90,000	NA
20	O	NA	NA	NA	NA	NA	-	NA
21	P	NA	NA	NA	NA	NA	2,000	NA
22	Q	NA	NA	NA	NA	NA	30,756	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	-	NA
25	1202-5	Apr-08	Jul-09	62.50%	2,850,037	2,770,076	660,000	23.83%
26	1202-6	May-08	Jun-09	64.29%	2,700,000	2,700,000	1,374,218	50.90%
27	12020204	Apr-02	Nov-10	80.77%	600,000	2,000,000	1,895,582	94.78%
28	12020607	Aug-06	Nov-10	61.54%	139,528,531	160,098,063	41,766,545	26.09%
29	12020701	Dec-07	Dec-09	54.17%	1,149,793	1,181,960	307,336	26.00%
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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					<u>\$158,510,356</u>	<u>\$186,227,825</u>	<u>\$46,732,366</u>	

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

DATA: ___ BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-5

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

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	\$631,757	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	12,493	NA
7	B	NA	NA	NA	NA	NA	92,500	NA
8	C	NA	NA	NA	NA	NA	9,039	NA
9	D	NA	NA	NA	NA	NA	90,000	NA
10	E	NA	NA	NA	NA	NA	28,807	NA
11	F	NA	NA	NA	NA	NA	15,225	NA
12	G	NA	NA	NA	NA	NA	87,246	NA
13	H	NA	NA	NA	NA	NA	94,235	NA
14	I	NA	NA	NA	NA	NA	54,327	NA
15	J	NA	NA	NA	NA	NA	207,739	NA
16	K	NA	NA	NA	NA	NA	17,758	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	10,666	NA
20	O	NA	NA	NA	NA	NA	3,703	NA
21	P	NA	NA	NA	NA	NA	55,000	NA
22	Q	NA	NA	NA	NA	NA	51,992	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	3,802	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	1,963,956	98.20%
28	12020607	Aug-06	Nov-10	88.46%	139,528,531	160,098,063	131,180,983	81.94%
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	-	0.00%
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	1,092,870	62.45%
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\$135,704,098

\$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	<u>\$4,296,000</u>	<u>100.00%</u>	<u>\$4,296,000</u>
4						
5						
6						
7	Materials and Supplies	13 Month Average Balance	B-5.1	<u>\$575,573</u>	<u>100.00%</u>	<u>\$575,573</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ALLOWANCE FOR WORKING CAPITAL
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

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	\$4,271,000	100.00%	\$4,271,000
7						
8						
9						
10	Materials and Supplies	13 Month Average Balance	B-5.1	\$575,573	100.00%	\$575,573
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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-1-7

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	\$ 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
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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-1-7

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							
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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	(A) Date Service Furnished and Date Collections Deposited	42.56	
10			
11	(B) Date Expenses Incurred and Date of Payment	<u>19.43</u>	
12			
13	(C) Net Interval	<u>23.13</u>	
14			
15	Total Working Capital		<u><u>\$4,296,437</u></u>
16			
17			
18	Use		<u><u>\$4,296,000</u></u>
19			
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SCHEDULE B-5.2
PAGE 2 OF 6
Witness Responsible: S.A. Miller

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
AS OF JANUARY 31, 2009

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-8 & W/P-1-6

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	Opab	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		8,335,535	0.00	-
25	Depreciation and Amortization			
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	\$67,609,642		\$1,317,251,613
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			19.43
42				
43				
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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	Monthly - Arrears Full Bills	15.21	\$801,770,918
6	Other Revenues	34.54	78,370,811
7	Fire Service	(15.26)	(53,826,598)
8			
9	<u>Total</u>		<u>\$826,315,131</u>
10			
11			
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20			
21	Average Median Service Days		14.12
22	Number of Days between the Reading Date and the Billing Date		4.17
23			
24	Number of Days between the Billing Date and the Date the Bills are Paid		24.27
25			
26			
27	Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received		<u>42.56</u>
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29			
30			
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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 4 OF 6
Witness Responsible: S.A. Miller

DATA: ___ BASE PERIOD ___ X 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>\$81,039,563</u>
4			
5	Average Daily Operating Funds		222,026
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>24.26</u>	
12			
13	(C) Net Interval	<u>19.24</u>	
14			
15	Total Working Capital		<u>\$4,270,999</u>
16			
17			
18	Use		<u>\$4,271,000</u>
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SCHEDULE B-5.2
PAGE 5 OF 6
Witness Responsible: S.A. Miller

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

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-8 & W/P-1-6

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	Opab	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	2,345,689
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	431,442	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	31,760,768		239,068,978
23				
24	Depreciation and Amortization	8,411,301	0.00	-
25	Taxes, Other than Income			
26	Payroll - FUTA	5,507	69.86	384,719
27	Payroll - SUTA	5,210	75.14	391,479
28	Payroll - FICA	530,568	15.00	7,958,520
29	Other	3,211,258	70.95	227,838,765
30	Income Taxes - Current - SIT	1,426,377	52.75	75,241,387
31	Income Taxes - Current - FIT	7,821,298	30.13	235,655,709
32	Deferred Income Taxes	1,315,462	0.00	-
33	Interest Expense - Long - Term Debt	9,532,987	119.64	1,140,526,565
34	Interest Expense - Short - Term Debt	1,222,178	14.60	17,843,799
35	Preferred Dividends	458,317	46.40	21,265,909
36	Net Income	15,338,332	0.00	-
37	Net Operating Funds	\$81,039,563		\$1,966,175,820
38				
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			24.26
42				
43				
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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): W/P-8

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3	\$53,140,593	15.21	\$808,268,420
4			
5	5,384,560	34.54	185,982,702
6			
7	<u>-3,720,119</u>	<u>(15.26)</u>	<u>(56,769,016)</u>
8			
9	<u>\$62,245,272</u>		<u>\$937,482,106</u>
10			
11			
12			
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19			
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Average Median Service Days 15.06
 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 43.50

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF JANUARY 31, 2009

SCHEDULE B-6
PAGE 1 OF 2
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): W/P-1

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
2						
3	252	Customer Advances	W/P-1-8	\$14,020,977		\$14,020,977
4					100.00%	
5	271	Contributions in Aid of Constr	W/P-1-8	\$44,796,716		\$44,796,716
6						
7	255	Investment Tax Credits:		\$93,534		\$93,534
8		Pre 1971 3% Credit	W/P-1-9			
9		1971-1975 4% Credit				
10		1975-12/31/85 10% Credit				
11				\$93,534		\$93,534
12						
13						
14						
15						
16	282	Deferred Taxes:		\$29,495,001		\$29,495,001
17		Utility Plant in Service	W/P-1-9	713,051		713,051
18		Deferred Maintenance	W/P-1-9	783,392		783,392
19		Deferred Debits	W/P-1-9			
20						
21						
22						
23						
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50				\$30,991,444		\$30,991,444

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount	13-Month Average Balance
2							
3	252	Customer Advances	W/P-1-8	\$16,780,247	100.00%	\$16,780,247	\$15,618,202
4							
5	271	Contributions in Aid of Constr	W/P-1-8	\$46,235,776		\$46,235,776	\$45,274,826
6							
7	255	Investment Tax Credits:					
8		Pre 1971 3% Credit	W/P-1-9	\$87,154		\$87,154	\$83,326
9		1971-1975 4% Credit					
10		1975-12/31/85 10% Credit					
11							
12							
13							
14							
15							
16	282	Deferred Taxes:					
17		Utility Plant in Service	W/P-1-9	\$31,784,751		\$31,784,751	\$32,000,843
18		Deferred Maintenance	W/P-1-9	1,475,770		1,475,770	1,148,244
19		Deferred Debits	W/P-1-9	741,205		741,205	762,030
20							
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				\$34,001,726		\$34,001,726	\$33,911,117

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				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

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

SCHEDULE B-7.1
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.	Description	Statistic Total Company	Adjustment	Adjusted Statistic	Statistic For Rate Area	Allocation Factor
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4						
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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
1				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

**EXHIBIT 37
SCHEDULE C**

JURISDICTIONAL OPERATING INCOME SUMMARY FOR BASE AND FORECASTED PERIOD

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
C-1	Operating Income Summary
C-2	Adjusted Operating Income Statement
C-2.1	Operating Revenues and Expenses by Account - Jurisdictional
C-2.2	Comparison of Total Company Account Balances

For electronic version, see KAW_APP_EX37C_103108.pdf

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	\$62,245,272	\$18,494,634	\$80,739,906
3	Operating Expenses			
4	Operation and Maintenance	31,760,768	141,176	31,901,944
5	Depreciation and Amortization	8,398,250	0	8,398,250
6	Taxes Other Than Income	3,752,543	30,535	3,783,078
7	State Income Taxes	512,472	1,099,376	1,611,848
8	Federal Income Taxes	2,923,048	6,028,241	8,951,289
9	Total Operating Expenses	47,347,081	7,299,328	54,646,409
10	Utility Operating Income	\$14,898,191	\$11,195,306	\$26,093,497
11	Rate Base	\$ 305,544,471		\$305,544,471
12	Rate of Return	4.88%		8.54%

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	(\$340,747)	Sch D-1	\$ 56,860,712
4	Other Operating Revenues	2,269,162	3,115,398	Sch D-1	5,384,560
5		59,470,621	2,774,651		62,245,272
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	43,842	Sch D-1	1,598,785
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	2,854,026		31,760,768
24					
25	Depreciation	7,851,307	50,354	Sch D-1	7,901,661
26	Amortization	471,177	25,412	Sch D-1	496,589
27	General Taxes				
28	Property and Capital Stock	2,637,334	476,268	Sch D-1	3,113,602
29	Gross Receipts and Sales	0	97,656	Sch D-1	97,656
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	(190,860)	Sch E-1.5	327,001
34	Deferred	353,738	(168,267)	Sch E-1.5	185,471
35					
36					
37	Federal Income Taxes				
38	Current	2,939,576	(1,146,519)	Sch E-1.5	1,793,057
39	Deferred	1,910,207	(695,419)	Sch E-1.5	1,214,788
40	Deferred - ITC	(84,795)	(2)	Sch E-1.5	(84,797)
41					
42					
43					
44	Total Operating Expenses	46,130,894	1,216,187		47,347,081
45					
46	Utility Operating Income	\$13,339,727	\$1,558,464		\$14,898,191
47					
48					
49					
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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	Jurisdictional Method/Description
		Revenues & Expenses	Unadjusted Jurisdiction		
2	Operating Revenues				
3	Water Sales	\$57,201,459	\$57,201,459		Not Applicable to Kentucky-American
4	Other Operating Revenues	2,269,162	2,269,162		Water Company
5		<u>59,470,621</u>	<u>59,470,621</u>		
6	Operating Expenses			100.00%	
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		<u>28,906,742</u>	<u>28,906,742</u>		
23	Total O & M Expenses				
24	Depreciation	7,851,307	7,851,307		
25	Amortization	471,177	471,177		
26	General Taxes				
27	Property and Capital Stock	2,637,334	2,637,334		
28	Gross Receipts and Sales	0	0		
29	Payroll	532,391	532,391		
30	Miscellaneous	95,356	95,356		
31	State Income Taxes				
32	Current	517,861	517,861		
33	Deferred	353,738	353,738		
34					
35	Federal Income Taxes				
36	Current	2,939,576	2,939,576		
37	Deferred	1,910,207	1,910,207		
38	Deferred - ITC	(84,795)	(84,795)		
39					
40					
41					
42					
43					
44	Total Operating Expenses	<u>46,130,894</u>	<u>46,130,894</u>		
45	Utility Operating Income	<u>\$13,339,727</u>	<u>\$13,339,727</u>		
46					
47					
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
Page 1 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
403000	Maint Exp ARO/Net Neg Sta/Depr Expense													
BASE PERIOD	523,908	945,712	567,413	569,907	580,593	584,352	670,006	671,566	674,061	675,978	692,752	695,061	7,851,309	
FORECAST PERIOD	703,400	712,205	718,431	720,439	723,173	725,638	746,447	746,447	747,623	749,830	752,036	754,242	8,799,911	
DIFFERENCE	-179,492	233,507	-151,018	-150,532	-142,580	-141,286	-76,441	-74,881	-73,562	-73,852	-59,284	-59,181	-948,602	
													PERCENT CHANGE	-10.78%
404430	Amort-Reg Asset AFUDC													
BASE PERIOD	5,282	7,272	4,969	5,946	5,946	5,946	5,946	5,946	5,946	5,946	5,946	6,000	71,091	
FORECAST PERIOD	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	
DIFFERENCE	-718	1,272	-1,031	-54	-54	-54	-54	-54	-54	-54	-54	0	-909	
													PERCENT CHANGE	-1.26%
404440	Amort-Reg Asset													
BASE PERIOD	575	575	575	575	575	575	575	575	575	575	575	575	6,900	
FORECAST PERIOD	575	575	575	575	575	575	575	575	575	575	575	575	6,900	
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0	
													PERCENT CHANGE	100.00%
406000	Amortization of UPAA													
BASE PERIOD	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	21,612	
FORECAST PERIOD	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	21,612	
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0	
													PERCENT CHANGE	100.00%
407000	Amort-Prop Losses													

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 2 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	TOTAL	
BASE PERIOD	34,349	34,349	34,349	34,349	34,349	34,349	34,215	34,215	34,215	34,215	34,215	36,016	413,185	
FORECAST PERIOD	36,016	36,016	36,016	36,016	36,016	36,016	36,016	36,016	36,016	36,016	36,016	36,016	432,192	
DIFFERENCE	-1,667	-1,667	-1,667	-1,667	-1,667	-1,667	-1,801	-1,801	-1,801	-1,801	-1,801	0	-19,007	
ACCOUNT	408030	Utility Reg Assessment F											PERCENT CHANGE	-4.40%
BASE PERIOD	-13,775	23,284	6,968	14,917	6,968	6,968	7,638	10,438	7,638	7,638	7,638	9,039	95,359	
FORECAST PERIOD	9,039	9,039	9,039	12,239	9,039	9,039	9,039	9,762	9,762	9,762	9,762	9,762	115,283	
DIFFERENCE	-22,814	14,245	-2,071	2,678	-2,071	-2,071	-1,401	676	-2,124	-2,124	-2,124	-723	-19,924	
ACCOUNT	408100	Property Taxes											PERCENT CHANGE	-17.28%
BASE PERIOD	232,588	232,588	232,588	232,588	55,136	221,045	236,771	236,771	236,771	236,771	236,771	246,946	2,637,334	
FORECAST PERIOD	246,946	246,946	246,946	246,946	246,946	246,946	246,946	260,379	260,379	260,379	260,379	260,379	3,030,517	
DIFFERENCE	-14,358	-14,358	-14,358	-14,358	-191,810	-25,901	-10,175	-23,608	-23,608	-23,608	-23,608	-13,433	-393,183	
ACCOUNT	408140	FUTA											PERCENT CHANGE	-12.97%
BASE PERIOD	504	-195	104	40	44	32	0	0	0	0	0	0	529	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	504	-195	104	40	44	32	0	0	0	0	0	0	529	
ACCOUNT	408160	FICA											PERCENT CHANGE	100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

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

SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	31,779	56,463	36,989	35,261	58,806	40,713	42,611	45,388	46,499	41,976	49,356	43,384	529,225		
FORECAST PERIOD	43,808	46,095	42,111	44,284	43,899	43,552	47,192	49,952	45,669	49,560	50,913	49,018	556,053		
DIFFERENCE	-12,029	10,368	-5,122	-9,023	14,907	-2,839	-4,581	-4,564	830	-7,584	-1,557	-5,634	-26,828		
ACCOUNT	408180	SUTA												PERCENT CHANGE	-4.82%
BASE PERIOD	989	1,351	123	77	41	54	0	0	0	0	0	0	2,635		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	989	1,351	123	77	41	54	0	0	0	0	0	0	2,635		
ACCOUNT	409100	SIT-Current												PERCENT CHANGE	100.00%
BASE PERIOD	39,260	-8,115	28,432	28,001	126,839	83,129	98,285	101,010	102,482	47,413	32,000	6,086	684,822		
FORECAST PERIOD	118,482	164,990	161,139	135,156	132,427	82,648	66,242	53,712	20,491	37,012	16,438	39,464	1,028,201		
DIFFERENCE	-79,222	-173,105	-132,707	-107,155	-5,588	481	32,043	47,298	81,991	10,401	15,562	-33,378	-343,379		
ACCOUNT	409110	SIT-Prior Year Adj												PERCENT CHANGE	-33.40%
BASE PERIOD	0	0	0	21,261	0	0	0	0	0	0	0	0	21,261		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	0	0	0	21,261	0	0	0	0	0	0	0	0	21,261		
ACCOUNT	409150	FIT-Current												PERCENT CHANGE	100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	293,606	-155,588	170,455	167,869	717,424	313,390	363,636	383,835	397,094	189,984	130,555	34,638	3,006,898	
FORECAST PERIOD	472,130	653,161	638,170	537,031	526,410	332,649	268,789	220,005	90,696	155,001	74,920	164,548	4,133,510	
DIFFERENCE	-178,524	-808,749	-467,715	-369,162	191,014	-19,259	94,847	163,830	306,398	34,983	55,635	-129,910	-1,126,612	
ACCOUNT	409160													PERCENT CHANGE -27.26%
BASE PERIOD	0	0	0	-1,734,426	0	0	0	0	0	0	0	0	-1,734,426	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	0	0	0	-1,734,426	0	0	0	0	0	0	0	0	-1,734,426	
ACCOUNT	410600													PERCENT CHANGE 100.00%
BASE PERIOD	0	0	0	12,107	0	0	0	0	0	0	0	0	12,107	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	0	0	0	12,107	0	0	0	0	0	0	0	0	12,107	
ACCOUNT	410900													PERCENT CHANGE 100.00%
BASE PERIOD	0	0	0	2,002,130	0	0	0	0	0	0	0	0	2,002,130	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	0	0	0	2,002,130	0	0	0	0	0	0	0	0	2,002,130	
ACCOUNT	412210													PERCENT CHANGE 100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	-638	-638	-638	-638	-638	-638	0	0	0	0	0	0	0	-3,828		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-638	-638	-638	-638	-638	-638	0	0	0	0	0	0	0	-3,828		
ACCOUNT	412220	ITC Restored - 4%													PERCENT CHANGE	100.00%
BASE PERIOD	-525	-525	-525	-525	-525	-525	0	0	0	0	0	0	0	-3,150		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-525	-525	-525	-525	-525	-525	0	0	0	0	0	0	0	-3,150		
ACCOUNT	412230	ITC Restored - 10%													PERCENT CHANGE	100.00%
BASE PERIOD	-5,903	-5,903	-5,903	-5,903	-5,903	-5,903	-20,315	956	-10,785	-4,012	-10,271	-628	-80,473			
FORECAST PERIOD	-4,891	-13,325	-20,315	956	-10,785	-4,012	-10,271	-628	-7,797	4,789	-9,565	-8,953	-84,797			
DIFFERENCE	-1,012	7,422	14,412	-6,859	4,882	-1,891	-10,044	1,584	-2,988	-8,801	-706	8,325	4,324			
ACCOUNT	415100	M&J Revenues-Outside													PERCENT CHANGE	-5.10%
BASE PERIOD	-10,368	-2,938	-6,805	-1,060	-29,886	-4,813	0	0	0	0	0	0	0	-55,870		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-10,368	-2,938	-6,805	-1,060	-29,886	-4,813	0	0	0	0	0	0	0	-55,870		
ACCOUNT	416100	M&J Expenses-Outside													PERCENT CHANGE	100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	4,550	3,919	4,329	4,997	4,726	16,104	0	0	0	0	0	0	0	38,625		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	4,550	3,919	4,329	4,997	4,726	16,104	0	0	0	0	0	0	0	38,625		
ACCOUNT	416110	M&J Expenses-Inside													PERCENT CHANGE	100.00%
BASE PERIOD	0	0	120	902	644	1,118	0	0	0	0	0	0	0	2,784		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	0	0	120	902	644	1,118	0	0	0	0	0	0	0	2,784		
ACCOUNT	420100	AFUDC - Equity													PERCENT CHANGE	100.00%
BASE PERIOD	-88,356	-99,924	-108,907	-174,382	-97,155	-97,840	-133,045	-175,806	-212,372	-243,106	-241,617	-283,069	-1,955,579			
FORECAST PERIOD	-254,060	-41,633	-82,103	-118,240	-152,409	-185,789	-204,553	-224,168	-247,583	-287,676	-321,483	-359,444	-2,479,141			
DIFFERENCE	165,704	-58,291	-26,804	-56,142	55,254	87,949	71,508	48,362	35,211	44,570	79,866	76,375	523,562			
ACCOUNT	420210	AFUDC Debt													PERCENT CHANGE	-21.12%
BASE PERIOD	-41,649	-46,736	-51,131	-47,004	-45,629	-45,889	-60,420	-79,840	-96,446	-110,403	-109,727	-128,552	-863,426			
FORECAST PERIOD	-115,378	-18,907	-37,286	-53,697	-69,215	-84,373	-92,895	-101,803	-112,436	-130,644	-145,997	-163,237	-1,125,868			
DIFFERENCE	73,729	-27,829	-13,845	6,693	23,586	38,484	32,475	21,963	15,990	20,241	36,270	34,685	262,442			
ACCOUNT	425100	Amort UPAA													PERCENT CHANGE	-23.31%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(s):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	-35	-35	-35	-35	-35	-35	0	0	0	0	0	0	0	-210		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-35	-35	-35	-35	-35	-35	0	0	0	0	0	0	0	-210		
ACCOUNT	425300	Amort PS Exp w/ mandator													PERCENT CHANGE	100.00%
BASE PERIOD	64	64	64	64	64	64	0	0	0	0	0	0	0	384		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	64	64	64	64	64	64	0	0	0	0	0	0	0	384		
ACCOUNT	426100	Donations Deduct													PERCENT CHANGE	100.00%
BASE PERIOD	16,375	6,880	19,277	24,528	22,448	9,560	12,959	6,334	1,339	10,775	31,339	64,184	225,998			
FORECAST PERIOD	16,640	6,132	5,623	6,524	1,379	3,373	1,379	64,184	6,684	18,830	18,566	22,099	171,413			
DIFFERENCE	-265	748	13,654	18,004	21,069	6,187	11,580	-57,850	-5,345	-8,055	12,773	42,085	54,585			
ACCOUNT	426160	Other Lobbying Expenses													PERCENT CHANGE	31.84%
BASE PERIOD	0	5,393	0	0	0	0	0	0	0	0	0	0	0	5,393		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	7,725	0	0	0	7,725		
DIFFERENCE	0	5,393	0	0	0	0	0	0	0	-7,725	0	0	0	-2,332		
ACCOUNT	426200	Other Income Deductions													PERCENT CHANGE	-30.19%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

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

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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	4,500	850	2,215	2,000	1,550	20,000	5,750	6,800	5,500	5,350	5,350	60,297	120,162	
FORECAST PERIOD	27,873	5,530	6,432	7,336	5,690	5,424	5,424	60,447	6,649	5,574	8,000	13,903	158,282	
DIFFERENCE	-23,373	-4,680	-4,217	-5,336	-4,140	14,576	326	-53,647	-1,149	-224	-2,650	46,394	-38,120	
														PERCENT CHANGE
														-24.08%
ACCOUNT	427100													
BASE PERIOD	126,978	126,978	126,978	126,978	126,978	126,978	0	0	0	0	0	0	761,868	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	126,978	126,978	126,978	126,978	126,978	126,978	0	0	0	0	0	0	761,868	
														PERCENT CHANGE
														100.00%
ACCOUNT	427120													
BASE PERIOD	329,216	328,624	311,468	311,468	311,468	311,468	487,253	487,253	487,253	487,253	487,253	480,826	4,820,803	
FORECAST PERIOD	678,021	678,021	678,021	678,021	829,061	829,061	829,061	829,061	829,061	811,314	811,314	896,899	9,376,916	
DIFFERENCE	-348,805	-349,397	-366,553	-366,553	-517,593	-517,593	-341,808	-341,808	-341,808	-324,061	-324,061	-416,073	-4,556,113	
														PERCENT CHANGE
														-48.59%
ACCOUNT	428000													
BASE PERIOD	7,225	7,225	7,224	7,784	7,313	7,231	5,954	5,954	5,954	5,954	5,954	5,876	79,648	
FORECAST PERIOD	10,501	10,501	10,501	10,501	13,751	13,751	13,751	13,751	13,751	13,751	13,751	15,501	153,762	
DIFFERENCE	-3,276	-3,276	-3,277	-2,717	-6,438	-6,520	-7,797	-7,797	-7,797	-7,797	-7,797	-9,625	-74,114	
														PERCENT CHANGE
														-48.20%
ACCOUNT	431100													

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
Page 9 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	67,065	63,275	52,720	58,912	51,743	34,793	76,176	109,385	149,401	180,259	207,603	135,953		1,187,285
FORECAST PERIOD	78,702	91,498	100,837	116,986	85,774	49,047	74,830	106,771	118,875	112,585	116,630	116,313		1,168,848
DIFFERENCE	-11,637	-28,223	-48,117	-58,074	-34,031	-14,254	1,346	2,614	30,526	67,674	90,973	19,640		18,437
ACCOUNT	437100													PERCENT CHANGE 1.58%
BASE PERIOD	38,323	38,323	38,322	38,310	38,263	38,242	6,511	6,511	6,511	6,511	6,511	6,511		268,849
FORECAST PERIOD	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511		78,132
DIFFERENCE	31,812	31,812	31,811	31,799	31,752	31,731	0	0	0	0	0	0		190,717
ACCOUNT	461000													PERCENT CHANGE 244.10%
BASE PERIOD	16,646	14,505	15,037	15,671	17,263	15,910	15,024	15,587	12,913	13,416	14,692	16,207		182,871
FORECAST PERIOD	-17,772	-17,318	-16,621	-17,820	-14,871	-16,068	-16,207	-16,036	-15,115	-15,722	-17,141	-15,281		-195,972
DIFFERENCE	34,418	31,823	31,658	33,491	32,134	31,978	31,231	31,623	28,028	29,138	31,833	31,488		378,843
ACCOUNT	461020													PERCENT CHANGE -193.31%
BASE PERIOD	10,235	9,482	9,046	7,931	8,240	7,247	7,198	7,578	7,507	6,550	5,981	9,612		96,607
FORECAST PERIOD	-9,049	-8,906	-8,881	-8,932	-8,502	-9,086	-11,872	-9,612	-8,821	-9,237	-9,346	-8,500		-110,744
DIFFERENCE	19,284	18,388	17,927	16,863	16,742	16,333	19,070	17,190	16,328	15,787	15,327	18,112		207,351
ACCOUNT	461100													PERCENT CHANGE -187.23%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
Page 10 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	-2,384,607	-2,206,863	-2,227,329	-2,407,390	-2,642,854	-2,826,153	-2,940,599	-2,848,003	-2,747,632	-2,542,218	-2,381,015	-2,371,569	-30,526,232		
FORECAST PERIOD	-3,300,598	-3,573,980	-3,639,427	-3,501,143	-3,407,392	-3,090,607	-2,985,671	-3,019,708	-2,877,838	-2,993,444	-2,923,526	-3,151,971	-38,465,305		
DIFFERENCE	915,991	1,367,117	1,412,098	1,093,753	764,538	264,454	45,072	171,705	130,206	451,226	542,511	780,402	7,939,073		
ACCOUNT	461110	Res Sales Unbilled												PERCENT CHANGE	-20.64%
BASE PERIOD	154,567	-76,139	-39,533	-39,650	-94,395	-119,090	0	0	0	0	0	0	0	-214,240	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	154,567	-76,139	-39,533	-39,650	-94,395	-119,090	0	0	0	0	0	0	0	-214,240	
ACCOUNT	461200	Com Sales Billed												PERCENT CHANGE	100.00%
BASE PERIOD	-1,100,930	-994,127	-1,029,664	-1,160,554	-1,228,236	-1,318,797	-1,478,634	-1,475,490	-1,432,774	-1,311,683	-1,193,285	-1,085,825	-14,809,999		
FORECAST PERIOD	-1,655,242	-1,764,467	-1,856,755	-1,770,295	-1,710,830	-1,513,802	-1,413,019	-1,419,835	-1,357,923	-1,464,855	-1,447,967	-1,550,812	-18,925,802		
DIFFERENCE	554,312	770,340	827,091	609,741	482,594	195,005	-65,615	-55,655	-74,851	153,172	254,682	464,987	4,115,803		
ACCOUNT	461210	Com Sales Unbilled												PERCENT CHANGE	-21.75%
BASE PERIOD	33,878	-122,774	6,037	-29,596	-44,723	115,586	0	0	0	0	0	0	-41,592		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	33,878	-122,774	6,037	-29,596	-44,723	115,586	0	0	0	0	0	0	-41,592		
ACCOUNT	461300	Ind Sales Billed												PERCENT CHANGE	100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 11 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	-120,170	-114,376	-116,980	-141,567	-97,832	-151,229	-171,119	-196,314	-177,738	-158,123	-150,767	-110,146	-1,706,361	
FORECAST PERIOD	-185,301	-207,320	-201,789	-217,045	-207,756	-173,339	-172,927	-149,719	-159,827	-170,601	-176,668	-174,387	-2,196,679	
DIFFERENCE	65,131	92,944	84,809	75,478	109,924	22,110	1,808	-46,595	-17,911	12,478	25,901	64,241	490,318	
ACCOUNT	461310													PERCENT CHANGE -22.32%
BASE PERIOD	2,795					5,692							-7,540	
FORECAST PERIOD	0					0							0	
DIFFERENCE	2,795					5,692							-7,540	
ACCOUNT	461400													PERCENT CHANGE 100.00%
BASE PERIOD	-412					-4,346							-7,814	
FORECAST PERIOD	0					0							0	
DIFFERENCE	-412					-4,346							-7,814	
ACCOUNT	462000													PERCENT CHANGE 100.00%
BASE PERIOD	-105,194					-107,553							-1,856,434	
FORECAST PERIOD	-249,405					-251,984							-3,026,898	
DIFFERENCE	144,211					144,431							1,170,464	
ACCOUNT	462100													PERCENT CHANGE -38.67%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	543	-998	1,027	-1	-526	329	0	0	0	0	0	0	0	374
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	543	-998	1,027	-1	-526	329	0	0	0	0	0	0	0	374
ACCOUNT	462210 Ind WW Serv Billed													PERCENT CHANGE 100.00%
BASE PERIOD	579	588	1,086	183	112	1,097	1,444	1,433	1,719	1,721	1,587	2,174	13,723	
FORECAST PERIOD	-3,304	-2,786	-2,141	-4,733	-4,511	-2,693	-1,126	-2,174	-3,328	-1,979	-2,781	-3,056	-34,612	
DIFFERENCE	3,883	3,374	3,227	4,916	4,623	3,790	2,570	3,607	5,047	3,700	4,368	5,230	48,335	
ACCOUNT	463000 Pub Fire Billed													PERCENT CHANGE -139.65%
BASE PERIOD	-193,020	-193,020	-192,401	-193,020	-194,001	-197,285	-102,086	-102,086	-102,086	-102,086	-102,086	-102,739	-1,775,916	
FORECAST PERIOD	-129,198	-129,309	-129,419	-129,529	-129,640	-129,750	-129,861	-129,971	-130,082	-130,192	-130,303	-130,413	-1,557,667	
DIFFERENCE	-63,822	-63,711	-62,982	-63,491	-64,361	-67,535	27,775	27,885	27,996	28,106	28,217	27,674	-218,249	
ACCOUNT	464200 Pub Auth Billed													PERCENT CHANGE 14.01%
BASE PERIOD	-339,731	-327,714	-399,733	-362,740	-402,249	-434,491	-431,033	-482,793	-468,186	-347,047	-449,624	-288,735	-4,734,076	
FORECAST PERIOD	-496,098	-562,246	-546,183	-597,452	-570,475	-423,458	-432,614	-384,046	-321,435	-442,238	-437,336	-436,115	-5,649,696	
DIFFERENCE	156,367	234,532	146,450	234,712	168,226	-11,033	1,581	-98,747	-146,751	95,191	-12,288	147,380	915,620	
ACCOUNT	464210 Pub Auth Unbilled													PERCENT CHANGE -16.21%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 13 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	-3,066	14,872	-66,020	7,116	34,613	-117,411	0	0	0	0	0	0	0	-129,896		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-3,066	14,872	-66,020	7,116	34,613	-117,411	0	0	0	0	0	0	0	-129,896		
ACCOUNT	466000	SFR Billed													PERCENT CHANGE	100.00%
BASE PERIOD	-98,609	-94,408	-89,369	-92,333	-106,771	-128,323	-147,550	-170,233	-138,074	-114,156	-110,633	-59,138	-1,349,597			
FORECAST PERIOD	-165,667	-140,194	-151,330	-172,491	-148,463	-177,106	-116,561	-85,606	-93,987	-78,801	-90,042	-121,252	-1,541,500			
DIFFERENCE	67,058	45,786	61,961	80,158	41,692	48,783	-30,989	-84,627	-44,087	-35,355	-20,591	62,114	191,903			
ACCOUNT	466100	Sales for Resale Unbilled													PERCENT CHANGE	-12.45%
BASE PERIOD	13,618	16,052	-12,078	5,770	-21,295	-44,198	0	0	0	0	0	0	-42,131			
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0			
DIFFERENCE	13,618	16,052	-12,078	5,770	-21,295	-44,198	0	0	0	0	0	0	-42,131			
ACCOUNT	471100	Oth Rev-Reconnection Charge													PERCENT CHANGE	100.00%
BASE PERIOD	-58,941	-68,432	-62,764	-61,961	-55,497	-58,344	-20,129	-20,128	-20,129	-20,128	-20,129	-41,600	-508,182			
FORECAST PERIOD	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-41,600	-499,200			
DIFFERENCE	-17,341	-26,832	-21,164	-20,361	-13,897	-16,744	21,471	21,472	21,471	21,472	21,471	0	-8,982			
ACCOUNT	471200	Oth Rev-NSF Check Charge													PERCENT CHANGE	1.80%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S):
 SCHEDULE C-2.2
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 WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	-45,418	-45,760	-44,946	-53,024	-61,468	-65,618	-62,084	-62,084	-62,084	-62,084	-62,084	-51,849	-678,503		
FORECAST PERIOD	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-51,849	-622,188		
DIFFERENCE	6,431	6,089	6,903	-1,175	-9,619	-13,769	-10,235	-10,235	-10,235	-10,235	-10,235	0	-56,315		
ACCOUNT	472000	Oth Rev-Rents Water Prop												PERCENT CHANGE	9.05%
BASE PERIOD	-7,835	-8,335	-7,835	-7,835	-8,595	-7,835	-7,196	-7,196	-7,196	-7,196	-7,196	-7,835	-92,085		
FORECAST PERIOD	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-7,835	-94,020		
DIFFERENCE	0	-500	0	0	-760	0	639	639	639	639	639	0	1,935		
ACCOUNT	474100	Oth Rev-Collect for Othe												PERCENT CHANGE	-2.06%
BASE PERIOD	-87,479	-84,229	-84,027	-90,172	-90,863	-89,786	-75,294	-75,294	-75,294	-75,294	-75,294	-84,201	-987,227		
FORECAST PERIOD	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-84,201	-1,010,412		
DIFFERENCE	-3,278	-28	174	-5,971	-6,662	-5,585	8,907	8,907	8,907	8,907	8,907	0	23,185		
ACCOUNT	474300	Oth Rev-Other Water Rev												PERCENT CHANGE	-2.29%
BASE PERIOD	-711	0	2	0	0	-2,457	0	0	0	0	0	0	-3,166		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	-711	0	2	0	0	-2,457	0	0	0	0	0	0	-3,166		
ACCOUNT	602000	Purchased Water-Outside												PERCENT CHANGE	100.00%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	-8,963	4,557	5,181	3,238	2,579	3,469	47,850	47,350	40,700	38,150	41,350	11,639		237,100	
FORECAST PERIOD	10,091	7,753	12,023	16,453	9,693	6,603	16,512	11,988	8,450	14,165	15,960	12,815		142,506	
DIFFERENCE	-19,054	-3,196	-6,842	-13,215	-7,114	-3,134	31,338	35,362	32,250	23,985	25,390	-1,176		94,594	
ACCOUNT	603100	Wtr & Waste Wtr Exp SS												PERCENT CHANGE	66.38%
BASE PERIOD	2,766	2,370	2,052	3,771	4,602	573	3,645	3,645	3,645	3,645	3,645	3,660		38,019	
FORECAST PERIOD	3,410	3,410	3,410	3,765	3,410	3,410	3,410	3,935	3,571	3,571	3,571	3,935		42,808	
DIFFERENCE	-644	-1,040	-1,358	6	1,192	-2,837	235	-290	74	74	74	-275		-4,789	
ACCOUNT	610000	Labor Maint SS												PERCENT CHANGE	-11.19%
BASE PERIOD	0	0	23	0	83	428	0	0	0	0	0	0		534	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0		0	
DIFFERENCE	0	0	23	0	83	428	0	0	0	0	0	0		534	
ACCOUNT	617100	Mat and Sup Maint SS												PERCENT CHANGE	100.00%
BASE PERIOD	20,993	3,299	10,791	12,594	2,665	3,816	9,130	9,680	9,130	9,680	9,130	7,700		108,608	
FORECAST PERIOD	8,750	18,250	8,750	8,750	8,750	8,750	14,750	9,625	9,625	9,625	57,325	19,625		182,575	
DIFFERENCE	12,243	-14,951	2,041	3,844	-6,085	-4,934	-5,620	55	-495	55	-48,195	-11,925		-73,967	
ACCOUNT	623110	Purch Power P												PERCENT CHANGE	-40.51%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	185,379	261,044	208,489	292,851	291,078	305,732	296,847	291,399	268,869	244,565	218,304	241,268	3,105,825		
FORECAST PERIOD	387,544	430,614	436,206	422,734	409,987	357,495	256,360	256,636	238,476	268,389	252,000	364,291	4,080,732		
DIFFERENCE	-202,165	-169,570	-227,717	-129,883	-118,909	-51,763	40,487	34,763	30,393	-23,824	-33,696	-123,023	-974,907		
ACCOUNT	626500	Misc Oper P												PERCENT CHANGE	-23.89%
BASE PERIOD	450	-78	1,132	-927	616	-494	220	220	220	220	1,650	250	3,479		
FORECAST PERIOD	250	250	250	250	250	250	250	262	262	262	262	262	3,060		
DIFFERENCE	200	-328	882	-1,177	366	-744	-30	-42	-42	-42	1,388	-12	419		
ACCOUNT	630200	Labor Maint P												PERCENT CHANGE	13.69%
BASE PERIOD	5,424	3,848	5,756	5,976	4,939	6,532	0	0	0	0	0	1,066	33,541		
FORECAST PERIOD	1,066	1,066	1,066	1,066	1,066	1,100	1,100	0	0	0	0	0	7,530		
DIFFERENCE	4,358	2,782	4,690	4,910	3,873	5,432	-1,100	0	0	0	0	1,066	26,011		
ACCOUNT	641100	Chemicals WT												PERCENT CHANGE	345.43%
BASE PERIOD	127,439	115,854	111,187	101,462	115,721	114,340	159,698	160,150	124,025	119,283	106,574	189,512	1,545,245		
FORECAST PERIOD	211,234	269,947	290,298	329,265	258,902	211,748	194,779	211,578	150,431	189,346	207,835	222,569	2,747,932		
DIFFERENCE	-83,795	-154,093	-179,111	-227,803	-143,181	-97,408	-35,081	-51,428	-26,406	-70,063	-101,261	-33,057	-1,202,687		
ACCOUNT	641110	Chemicals Carbon AWSI												PERCENT CHANGE	-43.77%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	0	0	0	47,180	10,841	16,627	0	0	0	0	0	0	0	74,648		
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
DIFFERENCE	0	0	0	47,180	10,841	16,627	0	0	0	0	0	0	0	74,648		
ACCOUNT														PERCENT CHANGE	100.00%	
642100														PERCENT CHANGE	100.00%	
LABOR OPER WT Super/Eng	109,142	118,512	113,677	116,381	123,958	184,450	0	0	0	0	0	12,933	0	779,053		
BASE PERIOD	9,485	12,985	9,485	12,985	9,485	16,934	16,934	0	0	0	0	0	0	88,293		
FORECAST PERIOD	99,657	105,527	104,192	103,396	114,473	167,516	-16,934	0	0	0	0	12,933	0	690,760		
DIFFERENCE	ACCOUNT														PERCENT CHANGE	782.35%
642300														PERCENT CHANGE	782.35%	
CONTR SVC-LAB TESTING OP	13,949	13,774	11,989	6,200	10,512	16,223	16,723	15,116	9,440	11,125	14,840	9,462	149,353			
BASE PERIOD	15,308	10,048	18,175	17,063	8,865	18,210	14,062	10,451	12,784	12,887	15,277	18,215	171,345			
FORECAST PERIOD	-1,359	3,726	-6,186	-10,863	1,647	-1,987	2,661	4,665	-3,344	-1,762	-437	-8,753	-21,992			
DIFFERENCE	ACCOUNT														PERCENT CHANGE	-12.83%
643100														PERCENT CHANGE	-12.83%	
UNIFORMS WT	8,159	6,343	5,907	5,472	9,767	5,136	5,479	5,544	4,928	6,096	5,730	6,938	75,499			
BASE PERIOD	7,011	6,998	7,005	7,005	6,998	7,017	6,979	7,333	7,343	7,348	7,299	7,284	85,620			
FORECAST PERIOD	1,148	-655	-1,098	-1,533	2,769	-1,881	-1,500	-1,789	-2,415	-1,252	-1,569	-346	-10,121			
DIFFERENCE	ACCOUNT														PERCENT CHANGE	-11.82%
643300														PERCENT CHANGE	-11.82%	
WASTE DISPOSAL EXP WT																

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	14,015	13,320	13,595	11,364	12,286	16,267	10,221	16,660	10,221	10,221	16,660	14,065	158,895	
FORECAST PERIOD	17,638	20,094	15,536	16,580	15,268	14,165	14,993	15,533	16,510	20,464	18,426	15,414	200,621	
DIFFERENCE	-3,623	-6,774	-1,941	-5,216	-2,982	2,102	-4,772	1,127	-6,289	-10,243	-1,766	-1,349	-41,726	
ACCOUNT	643310	Amort Waste Disp Exp												
BASE PERIOD	8,438	8,438	8,438	8,438	8,438	8,438	9,000	9,000	9,000	9,000	9,000	9,000	95,628	
FORECAST PERIOD	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	
DIFFERENCE	-1,562	-1,562	-1,562	-1,562	-1,562	-1,562	-1,000	-1,000	-1,000	-1,000	-1,000	-10,000	-24,372	
ACCOUNT	650000	Labor Maint WT Super/Eng												
BASE PERIOD	5,714	5,590	7,505	7,761	7,350	10,718	0	0	0	0	0	1,066	45,704	
FORECAST PERIOD	1,066	1,066	1,066	1,066	1,066	1,100	1,100	0	0	0	0	0	7,530	
DIFFERENCE	4,648	4,524	6,439	6,695	6,284	9,618	-1,100	0	0	0	0	1,066	38,174	
ACCOUNT	651100	Amort Def Maint WT												
BASE PERIOD	23,768	34,090	23,181	28,779	27,613	34,301	24,390	27,895	25,540	21,800	28,048	26,682	326,087	
FORECAST PERIOD	56,682	61,682	26,267	26,267	30,267	26,267	26,267	28,609	27,851	27,851	36,651	27,851	402,602	
DIFFERENCE	-32,914	-27,592	-3,086	2,512	-2,654	8,034	-1,877	-804	-2,311	-6,051	-8,603	-1,169	-76,515	
ACCOUNT	652100	Misc Maint WT Equip												
ACCOUNT		PERCENT CHANGE												
		-20.80%												
		-20.31%												
		506.96%												
		-19.01%												

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	0	0	0	0	25,085	0	0	0	0	0	0	0	0	25,085	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	0	0	0	0	25,085	0	0	0	0	0	0	0	0	25,085	
ACCOUNT														PERCENT CHANGE	100.00%
662100	Uniforms TD														
BASE PERIOD	1,475	669	1,999	1,534	1,066	953	1,825	1,825	1,825	1,825	1,825	1,475	1,475	18,296	
FORECAST PERIOD	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,551	1,551	1,551	1,551	1,551	1,551	18,255	
DIFFERENCE	-25	-831	499	34	-434	-547	325	274	274	274	274	-76	-76	41	
ACCOUNT														PERCENT CHANGE	0.22%
662200	Labor Oper TD														
BASE PERIOD	125,843	134,075	131,351	134,405	143,459	359,474	0	0	0	0	0	0	0	1,028,607	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	125,843	134,075	131,351	134,405	143,459	359,474	0	0	0	0	0	0	0	1,028,607	
ACCOUNT														PERCENT CHANGE	100.00%
665300	Office & Admin Supplies														
BASE PERIOD	22,819	21,596	20,113	22,115	29,365	11,798	30,647	30,647	26,147	28,247	28,247	25,512	25,512	297,253	
FORECAST PERIOD	25,202	30,702	29,202	30,702	26,202	28,202	25,702	27,336	26,821	29,396	26,100	26,100	26,100	331,667	
DIFFERENCE	-2,383	-9,106	-9,089	-8,587	3,163	-16,404	4,945	3,311	-674	-1,149	2,147	-588	-588	-34,414	
ACCOUNT														PERCENT CHANGE	-10.38%
666000	Rents-Real Prop Oper TD														

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	796	543	490	1,113	802	25	315	315	315	315	315	315	315	5,659	
FORECAST PERIOD	315	315	315	315	315	315	315	324	324	324	324	324	324	3,825	
DIFFERENCE	481	228	175	798	487	-290	0	-9	-9	-9	-9	-9	-9	1,834	
ACCOUNT	670000 Labor Maint TD													PERCENT CHANGE	47.95%
BASE PERIOD	1,248	282	639	1,158	865	2,456	0	0	0	0	0	0	0	6,648	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	1,248	282	639	1,158	865	2,456	0	0	0	0	0	0	0	6,648	
ACCOUNT	671200 Labor Maint TD Struct &													PERCENT CHANGE	100.00%
BASE PERIOD	684	1,546	1,261	967	1,050	1,204	0	0	0	0	0	0	0	6,712	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	684	1,546	1,261	967	1,050	1,204	0	0	0	0	0	0	0	6,712	
ACCOUNT	672120 Amort Def Maint TD													PERCENT CHANGE	100.00%
BASE PERIOD	8,773	8,773	8,773	8,773	8,773	8,773	11,263	11,263	14,263	14,263	14,263	14,263	721	118,674	
FORECAST PERIOD	721	721	721	721	721	721	721	721	721	721	721	721	721	8,652	
DIFFERENCE	8,052	8,052	8,052	8,052	8,052	8,052	10,542	10,542	13,542	13,542	13,542	13,542	0	110,022	
ACCOUNT	672200 Labor Maint TD Dist Res													PERCENT CHANGE	1271.64%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	2,555	1,286	2,040	1,202	1,191	2,054	0	0	0	0	0	0	0	10,328	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	2,555	1,286	2,040	1,202	1,191	2,054	0	0	0	0	0	0	0	10,328	
ACCOUNT	Labor Maint TD Mains													PERCENT CHANGE	100.00%
673200															
BASE PERIOD	18,303	23,139	22,275	22,699	15,705	28,793	0	0	0	0	0	0	0	130,914	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	18,303	23,139	22,275	22,699	15,705	28,793	0	0	0	0	0	0	0	130,914	
ACCOUNT	Labor Maint TD Services													PERCENT CHANGE	100.00%
675200															
BASE PERIOD	11,416	11,411	19,589	14,876	11,515	23,573	0	0	0	0	0	0	0	92,380	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	11,416	11,411	19,589	14,876	11,515	23,573	0	0	0	0	0	0	0	92,380	
ACCOUNT	Labor Maint TD Meters													PERCENT CHANGE	100.00%
676200															
BASE PERIOD	6,183	5,752	8,237	6,930	6,902	-14,064	0	0	0	0	0	0	0	19,940	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	6,183	5,752	8,237	6,930	6,902	-14,064	0	0	0	0	0	0	0	19,940	
ACCOUNT	Labor Maint TD Hydrants													PERCENT CHANGE	100.00%
676400															

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	2,168	3,791	2,459	21,112	10,184	11,466	0	0	0	0	0	0	0	51,180
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	2,168	3,791	2,459	21,112	10,184	11,466	0	0	0	0	0	0	0	51,180
PERCENT CHANGE														100.00%
ACCOUNT	678100 Misc Maint TD													
BASE PERIOD	23,029	42,671	7,622	46,211	20,458	9,742	46,600	46,600	46,600	41,350	36,100	34,775	401,758	
FORECAST PERIOD	45,175	50,675	41,675	45,675	42,175	41,675	31,675	36,888	36,888	42,563	46,368	43,068	504,500	
DIFFERENCE	-22,146	-8,004	-34,053	536	-21,717	-31,933	14,925	9,712	9,712	-1,213	-10,268	-8,293	-102,742	
PERCENT CHANGE													-20.37%	
ACCOUNT	903100 Misc Oper CA													
BASE PERIOD	446	529	-1,409	496	612	472	0	0	0	0	0	0	1,146	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	446	529	-1,409	496	612	472	0	0	0	0	0	0	1,146	
PERCENT CHANGE													100.00%	
ACCOUNT	903200 Labor Oper CA Cust Serv													
BASE PERIOD	77,788	78,624	75,323	74,089	66,842	96,200	0	0	0	0	0	0	468,866	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	77,788	78,624	75,323	74,089	66,842	96,200	0	0	0	0	0	0	468,866	
PERCENT CHANGE													100.00%	
ACCOUNT	903300 Bank Service Charges CA													

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	28,216	13,321	-10,174	21,701	21,498	17,459	22,888	22,888	22,888	22,888	22,888	20,900	227,361	
FORECAST PERIOD	20,900	20,900	20,900	20,900	20,900	20,900	20,900	21,527	21,527	21,527	21,527	21,527	253,935	
DIFFERENCE	7,316	-7,579	-31,074	801	598	-3,441	1,988	1,361	1,361	1,361	1,361	-627	-26,574	
ACCOUNT	903520		Postage CA										PERCENT CHANGE	-10.46%
BASE PERIOD	49,362	49,041	53,229	52,555	53,605	54,768	54,000	54,000	54,000	54,000	54,000	58,479	641,039	
FORECAST PERIOD	55,933	55,933	55,933	55,933	55,933	55,933	55,933	60,728	55,285	58,080	58,080	58,080	681,784	
DIFFERENCE	-6,571	-6,892	-2,704	-3,378	-2,328	-1,165	-1,933	-6,728	-1,285	-4,080	-4,080	399	-40,745	
ACCOUNT	904000		Uncollectible Accts-MIs										PERCENT CHANGE	-5.98%
BASE PERIOD	-8,009	-15,933	58,289	90,287	102,963	12,995	48,095	48,130	46,296	41,973	40,320	36,674	502,080	
FORECAST PERIOD	53,779	57,659	58,945	57,758	55,906	50,112	47,877	47,345	45,193	48,147	47,506	50,634	620,861	
DIFFERENCE	-61,788	-73,592	-656	32,529	47,057	-37,117	218	785	1,103	-6,174	-7,186	-13,960	-118,781	
ACCOUNT	905100		Office & Admin Supplies										PERCENT CHANGE	-19.13%
BASE PERIOD	247	591	1,388	-244	-6	93	500	500	500	500	500	525	5,094	
FORECAST PERIOD	525	525	525	525	525	525	525	551	551	551	551	551	6,430	
DIFFERENCE	-278	66	863	-769	-531	-432	-25	-51	-51	-51	-51	-26	-1,336	
ACCOUNT	920000		Labor Oper AG										PERCENT CHANGE	-20.78%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	FEB 10	MAR 10	APR 10	MAY 10	TOTAL	
BASE PERIOD	71,874	78,168	85,034	293,619	58,767	-189,106	507,846	541,457	554,070	501,235	590,070	530,935	590,070	501,235	590,070	530,935	3,623,969	
FORECAST PERIOD	538,838	563,018	516,553	540,442	538,838	528,159	573,544	624,395	570,866	619,496	636,416	612,720	636,416	619,496	636,416	612,720	6,863,285	
DIFFERENCE	-466,964	-484,850	-431,519	-246,823	-480,071	-717,265	-65,698	-82,938	-16,796	-118,261	-46,346	-81,785	-46,346	-118,261	-46,346	-81,785	-3,239,316	
ACCOUNT	920500	Incen Plan-Off-Long Term															PERCENT CHANGE	-47.20%
BASE PERIOD	22,324	37,662	26,082	42,843	47,191	49,173	0	0	0	0	0	0	0	0	0	0	225,275	
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DIFFERENCE	22,324	37,662	26,082	42,843	47,191	49,173	0	0	0	0	0	0	0	0	0	0	225,275	
ACCOUNT	921100	Meals Deduct															PERCENT CHANGE	100.00%
BASE PERIOD	14,798	6,520	17,820	24,574	21,301	55,394	10,566	8,708	6,421	13,277	9,061	12,435	12,435	13,277	9,061	12,435	200,875	
FORECAST PERIOD	32,486	23,235	26,735	15,810	16,835	18,192	16,212	12,908	12,974	26,620	16,742	14,686	233,435	26,620	16,742	14,686	233,435	
DIFFERENCE	-17,688	-16,715	-8,915	8,764	4,466	37,202	-5,646	-4,200	-6,553	-13,343	-7,681	-2,251	-32,560	-13,343	-7,681	-2,251	-32,560	
ACCOUNT	921130	Dues/Membership Deduct															PERCENT CHANGE	-13.95%
BASE PERIOD	-4,570	692	1,382	792	966	1,287	977	2,645	177	550	4,583	9,809	19,290	550	4,583	9,809	19,290	
FORECAST PERIOD	1,500	1,100	700	2,487	85	315	170	9,859	4,155	1,309	2,080	1,777	25,537	1,309	2,080	1,777	25,537	
DIFFERENCE	-6,070	-408	682	-1,695	881	972	807	-7,214	-3,978	-759	2,503	8,032	-6,247	-759	2,503	8,032	-6,247	
ACCOUNT	921200	Credit Line Fees															PERCENT CHANGE	-24.46%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	44,065	41,539	41,961	31,632	49,142	47,381	37,345	36,098	23,890	23,587	27,674	52,093	456,407		
FORECAST PERIOD	41,333	43,406	43,622	42,118	46,070	45,857	50,189	53,324	51,693	50,119	52,132	43,408	563,271		
DIFFERENCE	2,732	-1,867	-1,661	-10,486	3,072	1,524	-12,844	-17,226	-27,803	-26,532	-24,458	8,685	-106,864		
ACCOUNT	921220	Office & Admin Supplies												PERCENT CHANGE	-18.97%
BASE PERIOD	1,698	137	2,564	2,438	2,977	1,503	1,508	1,808	1,508	1,508	1,878	2,538	22,065		
FORECAST PERIOD	2,638	2,438	2,538	2,538	2,538	2,538	2,538	2,597	2,897	2,497	2,697	2,597	31,051		
DIFFERENCE	-940	-2,301	26	-100	439	-1,035	-1,030	-789	-1,389	-989	-819	-59	-8,986		
ACCOUNT	923100	Management Fees												PERCENT CHANGE	-28.94%
BASE PERIOD	629,399	709,697	672,753	647,544	762,748	634,226	587,800	599,863	614,675	576,917	605,772	629,076	7,670,470		
FORECAST PERIOD	650,353	667,327	610,408	648,022	638,092	622,371	661,908	637,180	605,148	672,811	661,412	640,017	7,715,049		
DIFFERENCE	-20,954	42,370	62,345	-478	124,656	11,855	-74,108	-37,317	9,527	-95,894	-55,640	-10,941	-44,579		
ACCOUNT	923200	Contr Svc-Acctg Oper AG												PERCENT CHANGE	-0.58%
BASE PERIOD	6,065	6,016	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,206	72,287		
FORECAST PERIOD	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,392	6,392	6,392	6,392	6,392	75,402		
DIFFERENCE	-141	-190	-206	-206	-206	-206	-206	-392	-392	-392	-392	-186	-3,115		
ACCOUNT	923300	Contr Svc-Legal Oper AG												PERCENT CHANGE	-4.13%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
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WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	6,828	11,968	36,540	-21,046	4,509	30,500	6,250	6,250	6,250	6,250	6,250	6,550	6,550	107,099	
FORECAST PERIOD	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	78,600	
DIFFERENCE	278	5,418	29,990	-27,596	-2,041	23,950	-300	-300	-300	-300	-300	0	0	28,499	
ACCOUNT	923500	Contr Svc-Other Oper CA												PERCENT CHANGE	36.26%
BASE PERIOD	31,712	30,700	45,067	71,902	57,417	58,371	48,536	51,853	52,189	42,292	38,921	51,834	580,794		
FORECAST PERIOD	73,784	59,834	58,984	69,934	60,284	56,034	55,884	57,227	59,692	71,037	63,248	83,032	768,974		
DIFFERENCE	-42,072	-29,134	-13,917	1,968	-2,867	2,337	-7,348	-5,374	-7,503	-28,745	-24,327	-31,198	-188,180		
ACCOUNT	924000	Ins Other Oper AG												PERCENT CHANGE	-24.47%
BASE PERIOD	4,550	30,903	28,303	29,453	29,313	29,467	3,000	3,000	3,000	3,000	3,000	3,368	170,357		
FORECAST PERIOD	3,368	3,368	3,368	3,368	3,368	3,368	3,368	3,705	3,705	3,705	3,705	3,705	42,101		
DIFFERENCE	1,182	27,535	24,935	26,085	25,945	26,099	-368	-705	-705	-705	-705	-337	128,256		
ACCOUNT	925110	Ins Work Comp AG												PERCENT CHANGE	304.64%
BASE PERIOD	14,497	14,902	14,902	14,902	14,902	14,902	13,142	13,142	13,142	13,142	13,142	12,680	167,397		
FORECAST PERIOD	12,680	12,680	12,680	12,680	12,680	12,680	12,680	13,611	13,611	13,611	13,611	13,611	156,815		
DIFFERENCE	1,817	2,222	2,222	2,222	2,222	2,222	462	-469	-469	-469	-469	-931	10,582		
ACCOUNT	925300	Injuries and Damages												PERCENT CHANGE	6.75%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 27 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	-900	900	0	-1,393	-100	-100	1,500	1,500	1,500	1,500	1,500	1,000	1,000	6,907
FORECAST PERIOD	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
DIFFERENCE	-1,900	-100	-1,000	-2,393	-1,100	-1,100	500	500	500	500	500	0	0	-5,093
ACCOUNT	925400	Ins Gen Liab Oper AG												
BASE PERIOD	23,329	-37,880	7,537	7,537	-25,839	9,430	44,333	44,333	44,333	44,333	44,333	43,870	43,870	249,649
FORECAST PERIOD	43,870	43,870	43,870	43,870	43,870	43,870	43,870	47,590	47,590	47,590	47,590	47,590	47,590	545,040
DIFFERENCE	-20,541	-81,750	-36,333	-36,333	-69,709	-34,440	463	-3,257	-3,257	-3,257	-3,257	-3,720	-3,720	-295,391
ACCOUNT	926100	PBOP Oper AG												
BASE PERIOD	62,198	62,198	62,198	62,198	62,198	62,198	57,028	57,028	57,028	57,028	57,028	47,000	47,000	705,328
FORECAST PERIOD	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,616	47,616	47,616	47,616	47,616	47,616	567,080
DIFFERENCE	15,198	15,198	15,198	15,198	15,198	15,198	10,028	9,412	9,412	9,412	9,412	-616	-616	138,248
ACCOUNT	926110	Group Ins Oper AG												
BASE PERIOD	160,727	116,302	113,659	117,262	118,625	110,436	108,060	108,060	108,060	108,060	111,400	110,083	110,083	1,390,734
FORECAST PERIOD	110,083	110,083	110,083	110,083	110,083	110,083	110,083	114,577	114,577	114,577	114,577	114,577	114,577	1,343,466
DIFFERENCE	50,644	6,219	3,576	7,179	8,542	353	-2,023	-6,517	-6,517	-6,517	-3,177	-4,494	-4,494	47,268
ACCOUNT	926200	Employee Awards AG												
ACCOUNT	926200	PERCENT CHANGE												
		-42.44%												
		PERCENT CHANGE												
		-54.20%												
		PERCENT CHANGE												
		24.38%												
		PERCENT CHANGE												
		3.52%												

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 28 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	15,790	10,984	4,522	2,562	1,180	13,763	14,900	7,700	6,400	7,200	8,650	11,600	105,251		
FORECAST PERIOD	5,900	4,000	11,300	5,100	20,000	5,300	5,950	11,600	14,400	10,000	4,935	1,300	99,785		
DIFFERENCE	9,890	6,984	-6,778	-2,538	-18,820	8,463	8,950	-3,900	-8,000	-2,800	3,715	10,300	5,466		
ACCOUNT	926250	401k Oper AG												PERCENT CHANGE	5.48%
BASE PERIOD	7,235	8,514	7,856	8,208	8,253	8,669	7,706	8,223	8,452	7,591	8,907	9,049	98,663		
FORECAST PERIOD	9,173	9,786	8,946	9,399	9,333	9,247	10,036	10,303	9,419	10,222	10,501	10,110	116,475		
DIFFERENCE	-1,938	-1,272	-1,090	-1,191	-1,080	-578	-2,330	-2,080	-967	-2,631	-1,594	-1,061	-17,812		
ACCOUNT	926400	Pension Oper AG												PERCENT CHANGE	-15.29%
BASE PERIOD	67,034	67,034	67,034	67,034	67,034	67,034	43,190	43,190	43,190	43,190	43,190	50,479	668,633		
FORECAST PERIOD	50,479	50,479	50,479	50,479	50,479	50,479	50,479	47,231	47,231	47,231	47,231	47,231	589,508		
DIFFERENCE	16,555	16,555	16,555	16,555	16,555	16,555	-7,289	-4,041	-4,041	-4,041	-4,041	3,248	79,125		
ACCOUNT	926600	DCP Oper AG												PERCENT CHANGE	13.42%
BASE PERIOD	5,166	5,570	7,212	7,192	6,927	7,492	2,500	2,500	2,500	2,500	3,000	9,500	62,059		
FORECAST PERIOD	9,600	9,800	9,800	9,800	9,900	9,900	9,900	9,900	9,900	9,900	10,000	10,000	118,400		
DIFFERENCE	-4,434	-4,230	-2,588	-2,608	-2,973	-2,408	-7,400	-7,400	-7,400	-7,400	-7,000	-500	-56,341		
ACCOUNT	928100	Reg Comm Amort Rate Case												PERCENT CHANGE	-47.59%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
ACCOUNT/TITLE
SCHEDULE C-2.2
Page 29 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL	
BASE PERIOD	42,460	12,415	12,631	12,566	12,631	11,317	45,833	45,833	45,833	45,833	45,833	12,700		345,885	
FORECAST PERIOD	29,367	29,367	29,367	29,367	29,367	29,367	29,367	29,367	29,367	29,367	29,367	29,367		352,404	
DIFFERENCE	13,093	-16,952	-16,736	-16,801	-16,736	-18,050	16,466	16,466	16,466	16,466	16,466	-16,667		-6,519	
														PERCENT CHANGE	-1.85%
ACCOUNT	928300													PERCENT CHANGE	-1.85%
BASE PERIOD	853	853	884	853	853	2,208	0	0	0	0	0	853		7,357	
FORECAST PERIOD	853	853	853	853	853	853	853	853	853	853	853	853		10,236	
DIFFERENCE	0	0	31	0	0	1,355	-853	-853	-853	-853	-853	0		-2,879	
														PERCENT CHANGE	-28.13%
ACCOUNT	930210													PERCENT CHANGE	-28.13%
BASE PERIOD	24,377	76,954	32,583	1,547	41,151	44,679	48,804	44,862	30,920	29,414	33,625	32,125		441,041	
FORECAST PERIOD	66,311	38,594	37,320	38,196	22,649	28,583	106,524	34,295	46,628	54,712	29,454	57,695		560,961	
DIFFERENCE	-41,934	38,360	-4,737	-36,649	18,502	16,096	-57,720	10,567	-15,708	-25,298	4,171	-25,570		-119,920	
														PERCENT CHANGE	-21.38%
ACCOUNT	930230													PERCENT CHANGE	-21.38%
BASE PERIOD	3,369	3,369	3,216	591	2,780	2,780	2,300	2,300	2,300	2,300	2,300	4,600		32,205	
FORECAST PERIOD	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600		55,200	
DIFFERENCE	-1,231	-1,231	-1,384	-4,009	-1,820	-1,820	-2,300	-2,300	-2,300	-2,300	-2,300	0		-22,995	
														PERCENT CHANGE	-41.66%
ACCOUNT	930260													PERCENT CHANGE	-41.66%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):
SCHEDULE C-2.2
Page 30 of 31
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL		
BASE PERIOD	1,513	1,219	976	2,396	1,004	1,702	1,615	2,198	1,565	2,218	1,565	2,051		20,022		
FORECAST PERIOD	1,821	2,251	1,721	1,828	2,051	2,028	3,637	2,210	1,818	2,664	1,816	2,271		26,116		
DIFFERENCE	-308	-1,032	-745	568	-1,047	-326	-2,022	-12	-253	-446	-251	-220		-6,094		
ACCOUNT	930600	Trans Oper AG													PERCENT CHANGE	-23.33%
BASE PERIOD	61,873	64,326	67,063	85,926	65,400	58,437	39,000	39,000	39,000	39,000	39,000	83,162		681,187		
FORECAST PERIOD	83,162	83,162	83,162	83,162	83,162	83,162	83,162	83,162	83,858	83,162	83,162	83,162		998,640		
DIFFERENCE	-21,289	-18,836	-16,099	2,764	-17,762	-24,725	-44,162	-44,162	-44,858	-44,162	-44,162	0		-317,453		
ACCOUNT	930880	Co Dues Deduct NAWC													PERCENT CHANGE	-31.79%
BASE PERIOD	2,285	28,571	2,101	2,004	2,053	2,053	0	4,400	250	1,545	4,400	2,537		52,199		
FORECAST PERIOD	2,537	3,337	2,537	2,537	2,537	2,537	2,537	2,613	2,723	30,938	2,613	2,613		60,059		
DIFFERENCE	-252	25,234	-436	-533	-484	-484	-2,537	-1,787	-2,473	-29,393	1,787	-76		-7,860		
ACCOUNT	930890	Directors Fees													PERCENT CHANGE	-13.09%
BASE PERIOD	1,000	3,000	6,906	2,012	874	4,088	706	2,566	5,006	3,206	706	4,212		34,282		
FORECAST PERIOD	2,167	4,106	1,712	3,334	4,212	1,712	212	4,212	1,712	2,334	9,517	5,373		40,603		
DIFFERENCE	-1,167	-1,106	5,194	-1,322	-3,338	2,376	494	-1,646	3,294	872	-8,811	-1,161		-6,321		
ACCOUNT	931000	Rents-Equipment Oper AG													PERCENT CHANGE	-15.57%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 2008-00427

COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

THE TWELVE MONTHS ENDED JANUARY 31, 2009 (BASE PERIOD) AND MAY 31, 2010 (FORECAST PERIOD)

DATA: X BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED
 WORKPAPER REFERENCE NO(S):
 SCHEDULE C-2.2
 Page 31 of 31
 WITNESS RESPONSIBLE: M. MILLER / S. MILLER

ACCOUNT/TITLE	FEB 08	MAR 08	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	MAY 10	TOTAL
BASE PERIOD	-650	1,417	3,826	691	2,135	5,976	2,200	2,200	2,700	2,200	2,200	4,414	4,414	29,309
FORECAST PERIOD	4,414	4,414	4,414	4,414	4,414	4,414	4,414	4,546	4,546	4,546	4,546	4,546	4,546	53,628
DIFFERENCE	-5,064	-2,997	-588	-3,723	-2,279	1,562	-2,214	-2,346	-1,846	-2,346	-2,346	-132	-132	-24,319
														PERCENT CHANGE -45.35%
ACCOUNT 932100	Mat and Sup Maint AG													
BASE PERIOD	1,828	1,828	1,828	3,961	748	2,179	3,333	3,333	3,333	3,333	3,333	3,333	3,333	32,370
FORECAST PERIOD	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,433	3,433	3,433	3,433	3,433	3,433	40,496
DIFFERENCE	-1,505	-1,505	-1,505	628	-2,585	-1,154	0	-100	-100	-100	-100	-100	-100	-8,126
														PERCENT CHANGE -20.07%
ACCOUNT 932700	Contr Svc-Other Maint AG													
BASE PERIOD	19,358	8,506	10,951	4,528	9,507	25,061	4,970	5,470	41,970	4,970	4,970	10,775	10,775	151,036
FORECAST PERIOD	7,240	6,865	8,099	6,847	7,408	6,900	7,789	10,940	9,207	12,444	6,950	10,302	10,302	100,991
DIFFERENCE	12,118	1,641	2,852	-2,319	2,099	18,161	-2,819	-5,470	32,763	-7,474	-1,980	473	473	50,045
														PERCENT CHANGE 49.55%

Note: This schedule ties to the budget and does not reflect adjustments made for rate relief.

**EXHIBIT 37
SCHEDULE D**

JURISDICTIONAL ADJUSTMENT OF OPERATING INCOME

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

Schedule	Description
D-1	Summary of Adjustments to Operating Income
D-2.1	Detailed Adjustments
D-2.2	Detailed Adjustments
D-2.3	Detailed Adjustments
D-2.4	Detailed Adjustments
D-3	Summary of Jurisdictional Factors
D-4	Jurisdictional Statistics
D-5	Explanation of Change in Jurisdictional Procedures

For electronic version, see KAW_APP_EX37D_103108.pdf

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 1 of 19
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): SCH D-2.1/D-2.2 (TOTAL COMPANY)

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	246,531	0	0	246,531
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	(7,814)	0	0	(7,814)
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	1,300,207	(46,137)	0	0	(46,137)
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	2,331,769	134,280	0	0	134,280
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	4,734,077	(226,617)	0	0	(226,617)
15	464210	OPA - Unbilled	129,897	(129,897)	0	0	(129,897)
16	466000	Sales for Resale - Billed	1,349,598	15,227	0	0	15,227
17	466100	Sales for Resale - Unbilled	42,132	(42,132)	0	0	(42,132)
18		Total Water Revenues	57,201,459	(340,747)	0	0	(340,747)
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	3,094,804	3,094,804
37		TOTAL OTHER OPERATING REVENUES	2,269,162	0	20,594	3,094,804	3,115,398
38							
39		TOTAL OPERATING REVENUES	\$59,470,621	(\$340,747)	\$20,594	\$3,094,804	\$2,774,651
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

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 UPDATED REVIS
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	1,090,666	0	0	0	0	0	0	0	1,090,666
4	641200	Softening Chemicals	0	0	0	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	643300	Waste Disposal Expenses	158,894	0	0	0	28,337	0	0	0	0	0	28,337
14	643310	Amort Waste Disposal Expenses	95,625	0	0	0	14,375	0	0	0	0	0	14,375
15	644000	Rents	0	0	0	0	0	0	0	0	0	0	0
16	650000	Maint Supervision & Engineering Ord	93,965	(93,965)	0	0	0	0	0	0	0	0	(93,965)
17	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0	0	0
18	651100	Maint WT Struc & Improvements-Mat Ord	194,098	0	0	0	0	0	0	0	0	0	0
19	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
20	651120	Amort WT Structures	157,073	0	0	0	0	0	0	0	0	0	0
21	651200	Maint WT Struc & Improvements-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
22	651210	Maint WT Struc & Improvements-Labor Prg	0	0	0	0	0	0	0	0	0	0	0
23	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	0	0	0	0	0	0
24	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0	0	0
25	652200	Maint Softening Equipment-Materials	0	0	0	0	0	0	0	0	0	0	0
26	652300	Maint General WT Equipment-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
27	652310	Maint General WT Equipment-Labor Prg	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 8 of 19
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): 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)													
1	920000	Salaries	\$829,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,274
2	920500	Incentive Plan Expense	405,981	0	0	0	0	0	0	0	0	0	(32,270)
3	921100	Expenses of Employees	156,133	0	0	0	0	0	0	0	0	0	0
4	921130	Dues for Clubs - Ded	19,288	0	0	0	0	0	0	0	0	0	0
5	921200	Misc Office Expenses	312,262	0	0	0	0	0	0	0	0	0	0
6	923100	Service Company Charges	7,670,470	0	0	0	0	(57,878)	0	0	0	0	(57,878)
7	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0	0	0
8	923200	Auditing Services	72,288	0	0	0	0	0	0	0	0	0	0
9	923300	Legal Services	107,099	0	0	0	0	0	0	0	0	0	0
10	923400	Engineering Services	0	0	0	0	0	0	0	0	0	0	0
11	923500	Other Services - Current	577,559	0	0	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	166,990	0	0	0	0	0	0	0	0	0	0
13	924000	Property Insurance	192,769	0	0	0	0	0	0	0	0	0	0
14	925110	Workers Compensation	0	0	0	0	0	0	0	0	0	0	0
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	6,907	0	0	0	0	0	0	0	0	0	0
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0	0	0
21	925400	General Liability	205,778	0	0	0	0	0	0	0	0	180,348	180,348
22		EMPLOYEE PENSIONS & BENEFITS											0
23	926100	Accrued OPEB Expense	705,327	0	0	0	0	0	(145,049)	0	0	0	(145,049)
24	926110	Group Insurance Expense	1,390,734	0	0	0	0	0	(140,742)	0	0	0	(140,742)
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	(215,882)	0	0	0	0	0	215,882	0	0	0	215,882
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	105,250	0	0	0	0	0	0	0	0	0	0
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	98,664	0	0	0	0	0	0	0	0	0	0
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	(61,830)	0	0	0	0	0	61,830	0	0	0	61,830
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	668,633	0	0	0	0	0	0	(86,932)	0	0	(86,932)
44	926600	Other Pension Plan Expenses	62,058	0	0	0	0	0	0	0	0	0	0
45	926700	Pension Plan Prmts - Union	0	0	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	(68,316)	0	0	0	0	0	0	68,316	0	0	68,316
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	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 UPDATED 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													
1				\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,565)	\$0	(\$7,565)
2	928100	Amort Expense of Rate Proceedings	\$345,884	0	0	0	0	0	0	0	0	0	0
3	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0	0	0
4	928200	Tax Savings	0	0	0	0	0	0	0	0	0	0	0
5	928300	Amort of Other Regulatory Expenses	7,355	0	0	0	0	0	0	0	9,908	0	9,908
6	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	0	0	0
7	928500	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	930680	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 Prtg	0	0	0	0	0	0	0	0	0	0	0
30	932110	Amort A&G Struc & Improv	0	0	0	0	0	0	0	0	0	0	0
31	932120	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0	0	0
32	932200	Maint A&G Struc & Improv-Labor Prtg	0	0	0	0	0	0	0	0	0	0	0
33	932210	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0	0	0
34	932300	Maint A&G Office Furniture-Material Prtg	0	0	0	0	0	0	0	0	0	0	0
35	932310	Maint A&G Office Furniture-Material Prtg	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 Prtg	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 Prtg	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 Prtg	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 Prtg	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

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 10 of 19
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): SCH D-2.3 (TOTAL COMPANY)

Line No.	Line 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
2	08	Operation Labor Expenses	\$6,630,142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	24	Maintenance Labor Expenses	0	0	0	0	0	0	0	0	0	0	0
5		Total Labor	\$6,630,142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8		Total Operation Expenses	\$26,917,379	(\$302,505)	\$639,995	\$1,090,666	\$42,712	(\$57,878)	(\$8,079)	(\$18,616)	\$2,343	\$129,061	\$1,517,698
9		Total Maintenance Expenses	1,989,363	734,911	0	0	0	0	0	0	0	0	734,911
11		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
17	08	Labor	\$6,630,142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	09	Purchased Water	326,689	0	0	0	0	0	0	0	0	0	0
19	10	Fuel and Power	2,958,624	0	639,995	0	0	0	0	0	0	0	639,995
20	11	Chemicals	1,654,395	0	1,090,666	0	0	0	0	0	0	0	1,090,666
21	12	Waste Disposal	254,519	0	0	42,712	0	0	0	0	0	0	42,712
22	13	Management Fees	7,670,470	0	0	0	0	(57,878)	0	0	0	0	(57,878)
23	14	Group Insurance	1,818,349	0	0	0	0	0	(8,079)	0	0	0	(8,079)
24	15	Pension	600,317	0	0	0	0	0	0	(18,616)	0	0	(18,616)
25	16	Regulatory Expense	353,239	0	0	0	0	0	0	0	2,343	0	2,343
26	17	Insurance Other than Group	565,537	0	0	0	0	0	0	0	0	129,061	129,061
27	18	Customer Accounting	1,554,943	0	0	0	0	0	0	0	0	0	0
28	19	Rents	34,970	0	0	0	0	0	0	0	0	0	0
29	20	General Office Expense	507,707	0	0	0	0	0	0	0	0	0	0
30	21	Miscellaneous	2,813,226	0	0	0	0	0	0	0	0	0	0
31	25	Other Maintenance	1,163,615	0	0	0	0	0	0	0	0	0	0
33		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
34		State Income Tax Impact	6.00%	\$25,944	\$38,400	\$65,440	\$2,563	(\$3,473)	(\$485)	(\$1,117)	\$141	\$7,744	\$135,157
36		Federal Income Tax Impact	35.00%	\$142,262	\$210,558	\$358,829	\$14,052	(\$19,042)	(\$2,658)	(\$6,125)	\$771	\$42,461	\$741,108
38		Net Operating Income Impact		\$284,200	\$391,037	\$666,397	\$26,097	(\$35,363)	(\$4,936)	(\$11,374)	\$1,431	\$78,856	\$1,376,344

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 16 of 19
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): SCH D-2.3 (TOTAL COMPANY)

Line No.	Account Number	Description	Base Period	Adj D-13 Sch D-2.3	Adj D-14 Sch D-2.3	Adj D-15 Sch D-2.3	Adj D-16 Sch D-2.3	Adj D-17 Sch D-2.3	Adj D-21 Sch D-2.3	Total Adjustments	Grand Total Adjustments
ADMINISTRATIVE & GENERAL EXP(A&G)											
1	920000	Salaries	\$829,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,274
2	920500	Incentive Plan Expense	405,981	0	0	0	0	0	0	0	(32,270)
3	921100	Expenses of Employees	156,133	0	0	(26,956)	0	0	0	(26,956)	(26,956)
4	921130	Dues for Clubs - Ded	19,288	0	0	6,128	0	0	0	6,128	6,128
5	921200	Misc Office Expenses	312,262	0	0	83,653	0	0	0	83,653	83,653
6	923100	Service Company Charges	7,670,470	0	0	0	0	0	0	0	(57,878)
7	923190	Service Company Charges - Out Agency	0	0	0	0	0	0	0	0	0
8	923200	Auditing Services	72,288	0	0	0	3,114	0	0	3,114	3,114
9	923300	Legal Services	107,099	0	0	0	(28,970)	0	0	(28,970)	(28,970)
10	923400	Engineering Services	0	0	0	0	0	0	0	0	0
11	923500	Other Services - Current	577,559	0	0	0	0	0	0	0	0
12	923500	Other Services - Current	166,990	0	0	0	141,748	0	0	141,748	141,748
13	924000	Property Insurance	192,769	0	0	0	0	0	0	0	(11,348)
14	925110	Workers Compensation	0	0	0	0	0	0	0	0	(39,939)
15	925120	Workers Comp Cap (A&B)	0	0	0	0	0	0	0	0	0
16	925130	Workers Comp Cap (H)	0	0	0	0	0	0	0	0	0
17	925140	Workers Comp Cap (C&R)	0	0	0	0	0	0	0	0	0
18	925200	Injuries and Damages - Salaries	0	0	0	0	0	0	0	0	0
19	925300	Injuries and Damages - Expenses	6,907	0	0	0	5,021	0	0	5,021	5,021
20	925310	Injuries and Damages - Expenses	0	0	0	0	0	0	0	0	0
21	925400	General Liability	205,778	0	0	0	0	0	0	0	180,348
22		EMPLOYEE PENSIONS & BENEFITS									
23	926100	Accrued OPEB Expense	705,327	0	0	0	0	0	0	0	(145,049)
24	926110	Group Insurance Expense	1,390,734	0	0	0	0	0	0	0	(140,742)
25	926120	Other Grp Insurance Exp	0	0	0	0	0	0	0	0	0
26	926130	Group Ins Cap (A&B)	0	0	0	0	0	0	0	0	0
27	926140	Group Ins Cap (H)	0	0	0	0	0	0	0	0	0
28	926150	Group Ins Reimb	0	0	0	0	0	0	0	0	0
29	926160	Group Ins Cap (C&R)	(215,882)	0	0	0	0	0	0	0	215,882
30	926170	Group Ins Pretax Contribution	0	0	0	0	0	0	0	0	0
31	926200	Other Welfare & Educational Expenses	105,250	0	0	0	(5,969)	0	0	(5,969)	(5,969)
32	926210	Educational Expenses	0	0	0	0	0	0	0	0	0
33	926220	ESOP Contribution Expense	0	0	0	0	0	0	0	0	0
34	926250	401-K Contributions Expense	98,664	0	0	0	18,921	0	0	18,921	18,921
35	926260	401-K Cap (A&B)	0	0	0	0	0	0	0	0	0
36	926270	401-K Cap (H)	0	0	0	0	0	0	0	0	0
37	926280	401-K Cap (C&R)	0	0	0	0	0	0	0	0	0
38	926300	Suppl Pen Pay	0	0	0	0	0	0	0	0	0
39	926330	OPEB Expense Cap (A&B)	0	0	0	0	0	0	0	0	0
40	926340	OPEB Expense Cap (H)	0	0	0	0	0	0	0	0	0
41	926360	OPEB Expense Cap (C&R)	(61,830)	0	0	0	0	0	0	0	61,830
42	926370	FAS 112 Cost	0	0	0	0	0	0	0	0	0
43	926400	Pension Plan Payments - Current	668,633	0	0	0	0	0	0	0	(86,932)
44	926600	Other Pension Plan Expenses	62,058	0	0	0	64,828	0	0	64,828	64,828
45	926700	Pension Plan Prmts - Union	0	0	0	0	0	0	0	0	0
46	926800	Pensions - Capitalized - (A&B)	(68,316)	0	0	0	0	0	0	0	68,316
47	926900	Pensions - Capitalized - (H)	0	0	0	0	0	0	0	0	0
48	926910	Pensions - Capitalized - (C&R)	0	0	0	0	0	0	0	0	0

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 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 UPDATED 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	\$0	\$0	\$0	\$0
2	403100	Depreciation - CIAC	(296,507)	296,507	\$0	\$0	(\$246,153)
3			\$7,851,307	\$50,354	\$0	\$0	\$50,354
4							
5							
6		State Income Tax Impact	6.00%	\$3,021	\$0	\$0	\$0
7		Federal Income Tax Impact	35.00%	\$16,567	\$0	\$0	\$0
8		Net Operating Income Impact		\$30,766	\$0	\$0	\$0
9							
10		<u>AMORTIZATION EXPENSE</u>					
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	(983)	0	(983)
16		TOTAL AMORTIZATION	\$471,177	\$0	\$25,412	\$0	\$25,412
17							
18		State Income Tax Impact	6.00%	\$0	\$1,525	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	\$8,360	\$0	\$0
20				\$0	\$15,527	\$0	\$0
21		Net Operating Income Impact		\$0	\$15,527	\$0	\$0
22							
23							
24							
25	408100	TAXES, OTHER THAN INCOME	\$2,637,334	\$0	\$0	\$476,268	\$476,268
26	408110	Real & Personal Property Taxes	0	0	0	97,656	97,656
27	408120	Gross Income & Receipts Taxes	0	0	0	0	0
28	408030	Invested Capital Tax	95,356	0	0	(95,356)	(95,356)
29	408140	Other General Taxes	529	0	0	19,257	19,257
30	408150	FUTA	0	0	0	(14,279)	(14,279)
31	408040	FUTA Capitalized - (A Work Order)	0	0	0	0	0
32	408050	FUTA Capitalized - (H Work Order)	0	0	0	0	0
33	408160	FUTA Capitalized - (C & R Work Order)	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)	2,635	0	0	11,501	11,501
37	408180	SUTA	0	0	0	(8,926)	(8,926)
38	408190	SUTA Capitalized - (A Work Order)	0	0	0	0	0
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	\$487,462	\$0	\$487,462
43							
44		State Income Tax Impact	6.00%	\$0	\$29,248	\$0	\$0
45		Federal Income Tax Impact	35.00%	\$0	\$180,849	\$0	\$0
46		Net Operating Income Impact		\$0	\$277,365	\$0	\$0
47							
48							
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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	Workpaper Reference	Amount
1	Billed Revenues-Adjustment D-1		
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$30,588,335
3			30,526,232
4			_____
5			\$62,103
6			_____
7	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$15,056,530
8			14,809,999
9			_____
10			\$246,531
11			_____
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$1,623,443
13			1,706,360
14			_____
15			(\$82,917)
16			_____
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$4,507,460
18			4,734,077
19			_____
20			(\$226,617)
21			_____
22	To adjust Sales For Resale (OWU) billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$1,364,825
23			1,349,598
24			_____
25			\$15,227
26			_____
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$2,466,049
28			2,331,769
29			_____
30			\$134,280
31			_____
32	To adjust Private Fire Service billed revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$1,254,070
33			1,300,207
34			_____
35			(\$46,137)
36			_____
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.	W/P-2	\$0
38			7,814
39			_____
40			(\$7,814)
41			_____
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		\$94,656
44			_____
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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 REVISIED
WORKPAPER REFERENCE NO(S): W/P-2 (TOTAL COMPANY)

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

Line No.	Purpose and Description of Adjustment	Workpaper Reference	Amount
1			
2	To eliminate the net change in Residential water unbilled accrued utility revenues recorded during the base period.		
3			
4			
5			
6			
7	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.		
8			
9			
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11			
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.		
13			
14			
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16			
17	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.		
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22	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period.		
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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

SCHEDULE D-2.1
Page 3 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	Workpaper Reference	Amount
<u>Billed Revenues-Adjustment D-1</u>			
1			
2	To eliminate Residential billed sewer revenue for forecasted test period.		
3		RESIDENTIAL	
4		Forecasted Amount	\$0
5		Base Period Amount	0
6		Pro Forma Adjustment	\$0
7	To eliminate Commercial billed sewer revenue for the forecasted test period.		
8		COMMERCIAL	
9		Forecasted Amount	\$0
10		Base Period Amount	0
11		Pro Forma Adjustment	\$0
12	To eliminate Industrial billed sewer revenue for the forecasted test period.		
13		INDUSTRIAL	
14		Forecasted Amount	\$0
15		Base Period Amount	0
16		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.		0
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	Total Sewer Revenue Adjustment		0
	Total Revenue Adjustment		(\$340,747)

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			
4			
5			
6			
7	To adjust Returned Check Charges for the forecasted test period level of bad checks.		
8			
9			
10			
11			
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			
14			
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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.		
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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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Other Revenues-Adjustment D-2	Workpaper Reference	Amount
RECONNECTION FEES/ACTIVATION FEES		
Forecasted Amount	W/P-2	\$1,163,736
Base Period Amount		1,163,735
Pro Forma Adjustment		\$1
OTHER MISC SERV REVENUES		
Forecasted Amount	W/P-2	\$21,588
Base Period Amount		22,950
Pro Forma Adjustment		(\$1,362)
OTHER REVENUES		
Forecasted Amount	W/P-2	\$1,104,432
Base Period Amount		1,082,477
Pro Forma Adjustment		\$21,955
Total Other Revenue Adjustment		\$20,594
AFUDC-Adjustment D-3		
AFUDC ABOVE THE LINE		
Forecasted Amount	W/P-2	\$3,094,804
Base Period Amount		0
Pro Forma Adjustment		\$3,094,804

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

SCHEDULE D-2.3
Page 1 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	Worksheet Reference	Amount
1	<u>Labor, Adjustment D-4</u>		
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.	W/P-3-1	\$7,062,548
3			6,630,142
4			<u>\$432,406</u>
5			
6	<u>Fuel & Power, Adjustment D-5</u>		
7	Fuel and Power expense is being adjusted to reflect the forecasted sales.	W/P-3-2	\$3,598,619
8			2,958,624
9			<u>\$639,995</u>
10			
11	<u>Chemicals, Adjustment D-6</u>		
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.	W/P-3-3	\$2,745,061
13			1,654,395
14			<u>\$1,090,666</u>
15			
16			
17	<u>Waste Disposal, Adjustment D-7</u>		
18	Waste Disposal expense reflects two year amortization of the lagoon cleaning along with other normal recurring waste disposal expenses.	W/P-3-4	\$297,231
19			254,519
20			<u>\$42,712</u>
21			
22	<u>Management Fees, Adjustment D-8</u>		
23	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.	W/P-3-5	\$7,612,592
24			7,670,470
25			<u>(\$57,878)</u>
26			
27	<u>Group Insurance, Adjustment D-9</u>		
28	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	W/P-3-6	\$1,810,270
29			1,818,349
30			<u>(\$8,079)</u>
31			
32	<u>Pensions, Adjustment D-10</u>		
33	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	W/P-3-7	\$581,701
34			600,317
35			<u>(\$18,616)</u>
36			
37	<u>Regulatory Expense, Adjustment D-11</u>		
38	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.	W/P-3-8	\$355,582
39			353,239
40			<u>\$2,343</u>
41			
42			
43			
44			
45	<u>Insurance Other than Group, Adjustment D-12</u>		
46	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, worker's 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.	W/P-3-9	\$694,598
47			585,537
48			<u>\$129,061</u>
49			
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 KAWWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-10	\$1,598,765
3			1,554,943
4			\$43,842
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			(\$3,002)
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 KAWWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass O&M Contract.	W/P-3-12	\$576,256
13			507,707
14			\$68,549
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 KAWWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-13	\$3,288,854
18			2,813,226
19			\$475,628
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 KAWWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-14	\$1,392,118
23			1,163,615
24			\$228,503
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			(\$212,103)
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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	Workpaper Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.		
3		W/P-4-1	\$7,901,661
4			7,851,307
5			<u>\$50,354</u>
6			
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on the equity gross-up of AFUDC.		
8		W/P-4-1	\$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		W/P-5	\$3,752,543
14			3,265,081
15			<u>\$487,462</u>
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31	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: X 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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3				
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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: BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: 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.

**EXHIBIT 37
SCHEDULE E**

JURISDICTIONAL FEDERAL AND STATE INCOME TAX SUMMARY FOR BASE AND FORECASTED PERIODS

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
E-1.1	Federal Income Tax Calculation
E-1.2	State Income Tax Calculation
E-1.3	Federal Income Tax Calculation
E-1.4	State Income Tax Calculation
E-1.5	Summary of Income Tax Adjustment
E-2	Development of Jurisdictional Income Taxes

For electronic version, see KAW_APP_EX37E_103108.pdf

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

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

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	517,861	0	517,861
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 FIT	38,524,968	0	41,012,168
12				
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				
49				
50				

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
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		1,910,207	0	1,910,207
8	Amort Deferred ITC	(84,795)	0	(84,795)
9				
10	Total Deferred Federal Income Taxes	\$1,825,412	\$0	\$1,825,412
11				
12	Total Federal Income Taxes	\$4,764,988	\$0	\$4,764,988
13				
14				
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16				
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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				
14	Operating Income before State Income Taxes	21,463,514	0	21,463,514
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		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	712,626	0	712,626
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36	Reserved	0	0	0
37	Total Reconciling Items	(5,476,651)	0	(5,476,651)
38	State Taxable Income	9,088,218	0	9,088,218
39	State Depn in excess of Federal	(457,196)	0	(457,196)
40	State Income Tax Rate	6.00%	6.00%	6.00%
41	State Income Tax Liability	517,861	0	517,861
42				
43	State Income Taxes - Current	517,861	0	517,861
44	Less: Prior Year Adjustment	0	0	0
45		\$517,861	\$0	\$517,861
46				
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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

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

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

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				
10	Total Deferred State Income Taxes	<u>\$ 353,738</u>	<u>\$ -</u>	<u>\$ 353,738</u>
11				
12	Total State Income Taxes	<u>\$ 871,599</u>	<u>\$ -</u>	<u>\$ 871,599</u>
13				
14				
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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 1 of 2
Witness Responsible: M.A. Miller

Line No.	Description	At Current Rates		At Proposed Rates	
		Unadjusted	Adjustments	Adjusted	Adjusted
1					
2	Operating Revenues	\$62,245,272	\$0	\$62,245,272	\$18,494,634
3					
4	Operating Expenses	31,760,768	0	31,760,768	141,176
5	Operation & Maintenance Expenses	8,398,250	0	8,398,250	0
6	Depreciation & Amortization	3,752,543	0	3,752,543	30,535
7	Taxes other than Income	327,001	0	327,001	1,099,376
8	State Income Taxes - Current				
9	Federal Income Taxes				
10					
11	Total Operating Expenses before FIT	44,238,562	0	44,238,562	1,271,087
12					
13	Operating Income before Federal Income Taxes	18,006,710	0	18,006,710	17,223,547
14	Reconciling Items:				
15	Interest Charges	(10,755,165)	0	(10,755,165)	0
16					
17	Permanent Differences				
18	Taxable meals/lobbying	6,935	0	6,935	0
19	Nondeductible donations	0	0	0	0
20	Medicare Subsidy	(156,133)	0	(156,133)	0
21		(149,198)	0	(149,198)	0
22					
23	Book Depreciation	7,901,661	0	7,901,661	0
24	Tax Depreciation	(13,333,441)	0	(13,333,441)	0
25	Non-Deductible Meals/lobbying	0	0	0	0
26	Additional Taxable AFUDC	1,550,868	0	1,550,868	0
27	Deferred Debits	449,128	0	449,128	0
28	Amortization of UPAA	13,051	0	13,051	0
29	Deferred Maintenance	365,759	0	365,759	0
30	Property Losses	0	0	0	0
31	Amort Regulatory Assets / Liabilities	71,346	0	71,346	0
32	Taxable Advances and CIAC	1,002,300	0	1,002,300	0
33	Reserved	0	0	0	0
34	Reserved	0	0	0	0
35	Reserved	0	0	0	0
36	Reserved	0	0	0	0
37					
38	Total Reconciling Items	(1,979,328)	0	(1,979,328)	0
39					
40	Federal Taxable Income	5,123,019	0	5,123,019	17,223,547
41					
42	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%
43					
44	Federal Income Tax - Current	1,793,057	0	1,793,057	6,028,241
45					
46					
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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		At Proposed Rates	
		Unadjusted	Adjustments	Adjustments	Adjusted
1					
2	Deferred Income Taxes:				
3	Def FIT Regulatory Asset/Liability	\$232,447	\$0	\$232,447	\$232,447
4	Def FIT UPIs	1,254,728	0	1,254,728	1,254,728
5	Def FIT Deferred Maintenance	(120,335)	0	(120,335)	(120,335)
6	Def FIT Deferred Debits	(152,052)	0	(152,052)	(152,052)
7	Def FIT Property Losses	0	0	0	0
8					
9					
10		1,214,788	0	1,214,788	1,214,788
11	Amort Deferred ITC	(84,797)	0	(84,797)	(84,797)
12					
13	Total Deferred Federal Income Taxes	1,129,991	0	1,129,991	1,129,991
14					
15	Total Federal Income Taxes	\$2,923,048	\$0	\$2,923,048	\$8,951,289
16				\$6,028,241	
17					
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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	\$ 62,245,272	\$ -	\$ 62,245,272	\$ 18,494,634	\$ 80,739,906
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 31,760,768	\$ -	\$ 31,760,768	\$ 141,176	\$ 31,901,944
6	Depreciation & Amortization	8,398,250	0	8,398,250	0	8,398,250
7	Taxes other than Income	3,752,543	0	3,752,543	30,635	3,783,078
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 43,911,561	\$ -	\$ 43,911,561	\$ 171,711	\$ 44,083,272
12						
13	Operating Income before Federal Income Taxes	\$ 18,333,711	\$ -	\$ 18,333,711	\$ 18,322,923	\$ 36,656,634
14	Reconciling Items:					
15	Interest Charges	(10,755,165)	0	(10,755,165)	0	(10,755,165)
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	7,901,661	0	7,901,661	0	7,901,661
24	Tax Depreciation	(13,333,441)	0	(13,333,441)	0	(13,333,441)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	1,550,868	0	1,550,868	0	1,550,868
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	1,002,300	0	1,002,300	0	1,002,300
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	\$ (1,979,328)	\$ -	\$ (1,979,328)	\$ -	\$ (1,979,328)
39						
40	State Taxable Income	\$ 5,450,020	\$ -	\$ 5,450,020	\$ 18,322,923	\$ 23,772,943
41						
42	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%
43						
44	State Income Tax Liability	\$ 327,001	\$ -	\$ 327,001	\$ 1,099,375	\$ 1,426,377
45						
46						
47	State Income Taxes - Current	\$ 327,001	\$ -	\$ 327,001	\$ 1,099,375	\$ 1,426,377
48						
49						
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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: ___ 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		At Proposed Rates	
		Unadjusted	Adjustments	Adjustments	Adjusted
1					
2	Deferred Income Taxes:				
3	Def SIT Regulatory Asset/Liability	\$6,326	\$0	\$6,326	\$6,326
4	Def SIT UPIIS	228,824	0	228,824	228,824
5	Def SIT Deferred Maintenance	(21,947)	0	(21,947)	(21,947)
6	Def SIT Deferred Debits	(27,732)	0	(27,732)	(27,732)
7	Def SIT Property Losses	0	0	0	0
8					0
9					
10		185,471	0	185,471	185,471
11	Amort Deferred ITC	0	0	0	0
12					
13	Total Deferred State Income Taxes	185,471	0	185,471	185,471
14					
15	Total State Income Taxes	\$512,472	\$0	\$512,472	\$1,611,848
16					
17					
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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.	Description	Reference Base Period	Forecasted Period	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
3	State Income Taxes					
4	Current	Sch E-1.2	Sch E-1.4	\$517,861	\$ 327,001	(\$190,860)
5	Deferred	Sch E-1.2	Sch E-1.4	353,738	185,471	(168,267)
6	Reserved			0	0	0
7	Reserved			0	0	0
9	Total State Income Taxes			\$ 871,599	\$ 512,472	\$ (359,127)
13	Federal Income Taxes					
14	Current	Sch E-1.1	Sch E-1.3	2,939,576	\$ 1,793,057	(\$1,146,519)
15	Deferred	Sch E-1.1	Sch E-1.3	1,910,207	1,214,788	(695,419)
16	Deferred - ITC	Sch E-1.1	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	\$ 2,923,048	\$ (1,841,940)
21	Total Income Taxes			\$ 5,636,587	\$ 3,435,520	\$ (2,201,067)

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
1					
2					
3					
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.
100% JURISDICTIONAL FOR KENTUCKY-AMERICAN WATER COMPANY.

**EXHIBIT 37
SCHEDULE F**

ORGANIZATIONAL MEMBERSHIP DUES, INITIATION FEES, COUNTRY CLUB EXPENDITURES, CHARITABLE CONTRIBUTIONS, MARKETING EXPENSES, SALES EXPENSES, ADVERTISING EXPENSES, PROFESSIONAL SERVICE EXPENSES, CIVIC AND POLITICAL ACTIVITY EXPENSES, EMPLOYEE PARTIES AND OUTING EXPENSES, EMPLOYEE GIFT EXPENSES, AND RATE CASE EXPENSES FOR THE BASE AND FORECASTED PERIODS

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

Schedule	Description
F-1	Social and Service Club Dues
F-2.1	Charitable Contributions
F-2.2	Initiation Fees/Country Club Expenses
F-2.3	Employee Party, Outing and Gift Expenses
F-3	Customer Service, Sales Promotion and Advertising Expense
F-4	Advertising
F-5	Professional Service Expense
F-6	Rate Case Expense
F-7	Civic, Political and Related Activities

For electronic version, see KAW_APP_EX37F_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
SOCIAL AND SERVICE CLUB DUES
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): SCH C-2.2

SCHEDULE F--1
PAGE 1 OF 1
Witness Responsible: N Rowe

Line No.	Account No.	Social Organization / Service Club	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1						
2			60	100.00%	1,769	100.00%
3		Chamber of Commerce	60		1,769	
4	921130	Rotary Club	465		0	1,769
5	921130	Georgetown-Scott County	500		271	0
6	921130	Home Builders Association of Lexington	450		468	271
7	921130	Jessamine Co Chamber of Commerce	430		318	468
8	921130	Kentucky Rural Water Associati	275		0	318
9	921130	Scott County Home Builders Assocation	360		0	0
10	921130	Lexington Forum Inc	225		0	520
11	930880	Commerce Lexington Member Dues	2,500		0	0
12	921130	American Design Drafting	129		0	0
13	921130	Ky Board of Engineers	150		0	0
14	921130	Commerce Lexington	5,100		0	0
15	930880	Better Business Bureau	638		650	5,202
16	921130	Ky Historical Society	255		260	650
17	921130	AWWA Partnership for Safe Water	1,224		1,248	260
18	930880	Woodford Co. Chamber	1,144		1,167	1,248
19	921130	Bourbon Co. Chamber	520		531	1,167
20	921130	Harrison Co. Chamber	364		371	531
21	921130	Clark Co. Chamber	479		489	371
22	921130	Owen Co. Chamber	520		531	489
23	921130	Bluegrass Tomorrow	1,040		1,061	531
24	921130	Home Builders Association	459		468	1,061
25	921130	Kentucky World Trade Center	702		716	468
26	921130	Lexington Apartment Assn	338		345	716
27	921130	Lexington-Bluegrass Assn of Realtors	312		318	345
28	921130	AWWA Partnership for Safe Water	1,224		1,248	318
29	921130	Blue Grass Trust	1,020		1,040	1,248
30	921130	Downtown Lexington Corporation	816		832	1,040
31	921130	Kentucky Historical Society	255		260	832
32						260
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50						
			<u>21,954</u>		<u>20,083</u>	<u>20,083</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): SCH C-22

SCHEDULE F - 2.1
PAGE 1 OF 4
Witness Responsible: N Rowe

Line No.	Account No.	Charitable Organization	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1	4261	African American Ball (table)	1,294	1,294	1,294	1,294
2	4261	Alpha Beta Lambda Chapter	209	209	209	209
3	4261	Am Cancer Society Relay - Owen	750	750	782	782
4	4261	American Red Cross	1,000	1,000	313	313
5	4261	Arboretum children's garden	0	0	2,085	2,085
6	4261	Audubon Society	0	0	1,564	1,564
7	4261	Aviation Museum of Central KY	300	300	313	313
8	4261	BG Dental Society(Dental Health WK)	1,564	1,564	1,564	1,564
9	4261	BG Partnership for Green Community	0	0	2,085	2,085
10	4261	BG Rape Crisis Cntr Silver Sponsor	1,000	1,000	1,043	1,043
11	4261	Big Brothers Big Sisters Bowl for Kid	1,043	1,043	1,043	1,043
12	4261	BB BS Arby's Charity Tour	521	521	521	521
13	4261	Black Church Coalition of the BG	521	521	521	521
14	4261	Bluegrass PRIDE soiree	0	0	2,607	2,607
15	4261	Bluegrass Tomorrow	1,043	1,043	1,043	1,043
16	4261	Bluegrass Trust (Annual Grdn Show)	500	500	521	521
17	4261	Boy Scouts-Bluegrass Council	0	0	1,043	1,043
18	4261	Boy Scouts - Scott Co.	0	0	209	209
19	4261	Buckley Wildlife Sanctuary	8,713	8,713	5,213	5,213
20	4261	Center for Women, Children & Families	250	250	261	261
21	4261	Central Kentucky Angels	800	800	521	521
22	4261	Children's Advocacy Ctr of Bluegrass	261	261	261	261
23	4261	Children's Charity Golf Classic	0	0	5,213	5,213
24	4261	Commerce Lex Annual Dinner	2,076	2,076	626	626
25	4261	Commerce LexPublic Affair Seminars	5,213	5,213	5,213	5,213
26	4262	Community Montessori environmental project	4,021	4,021	521	521
27	4262	D'town Lex Corp-Gr Amer Clean-up	3,064	3,064	1,564	1,564
28	4261	Explorium Museum Go Round	0	0	2,607	2,607
29	4261	Faith Community Housing	1,021	1,021	521	521
30	4261	Fayette Co. Conservation District	0	0	1,564	1,564
31	4261	Fayette Co. schools - gardening projects	1,043	1,043	1,043	1,043
32	4261	Fayette Co. schools - watershed project	521	521	521	521
33	4261	Fire Prevention Week (Owen Co.)	521	521	521	521
34	4261	Fire Prevention Week (Scott Co.)	521	521	521	521
35	4261	Floraciff Nature Sanctuary	0	0	1,564	1,564
36	4261	Friends of McConnell Springs	6,106	6,106	5,213	5,213
37	4261	(Founders Day, education projects)	0	0	0	0
38	4261	Friends of the Arboretum Arbor Day	2,085	2,085	1,564	1,564
39	4261	(Arbor Day, education programs)	0	0	2,607	2,607
40	4261	Girl Scouts-Wilderness Trail	0	0	521	521
41	4262	Girls Scouts - Golf Tournament	0	0	156	156
42	4261	God's Pantry Food Bank	300	300	261	261
43	4261	Governor's Scholar Program	2,500	2,500	2,607	2,607
44	4261	Habitat for Humanity	1,000	1,000	2,085	2,085
45	4261	Harrison Co. Chamber (horse show)	0	0	104	104
46	4261	Healthway Bike Trail	0	0	2,607	2,607
47	4261	Home Builders Assn Charity Event	1,043	1,043	1,043	1,043
48	4261	Hospice of the Bluegrass	0	0	1,043	1,043
49	4261		0	0	0	0
50	4261		0	0	0	0

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE F - 2.1
PAGE 2 OF 4
Witness Responsible: N Rowe

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL X UPDATED X REVISED
WORKPAPER REFERENCE NO(S): SCH C-2.2

Line No.	Account No.	Charitable Organization	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1	4261	Junior Achievement	1,000		500	500
2	4262	Kentucky Blood Center	521		1,000	1,000
3	4261	Kentucky Horse Park Foundation	1,000	100.00%	500	500
4	4261	Kentucky River Watershed Watch	0		100	100
5	4261	Kentucky Safety and Health Network	0		500	500
6	4261	Kentucky Special Olympics	0		500	500
7	4261	KY Institute for Economic Development	521		3,000	3,000
8	4261	KY Youth Assn Scramble for Kids Sake	0		500	500
9	4261	Leadership Scott County	0		5,000	5,000
10	4261	Lex Downtown Dev Auth (2nd of 2)	0		180	180
11	4262	Lex Fire Dept - FOF Golf Classic	0		500	500
12	4262	Lex Theological Golf Scramble	500		300	300
13	4261	Lex Apt Assn (Cart Sponsorship)	400		2,500	2,500
14	4262	Lexington Arts and Cultural Council	3,000		2,500	2,500
15	4261	Lexington Forum	2,606		600	600
16	4261	Lexington NAAACP/KY Conference	626		300	300
17	4261	LexLinc	800		1,000	1,000
18	4261	LFUGG Festival Latina	0		1,000	1,000
19	4261	LFUGG Fire Prevention Week	1,043		1,000	1,000
20	4261	LFUGG Partnership for Youth	0		250	250
21	4261	LFUGG-Police Memorial Golf	0		500	500
22	4261	Life Adventure Camp	0		1,500	1,500
23	4261	Living Arts and Science Center	1,500		500	500
24	4261	Manchester Center	500		100	100
25	4261	March of Dimes	0		1,000	1,000
26	4261	Martin Luther King Jr. Celebration	1,043		250	250
27	4262	MATH COUNTS	261		700	700
28	4261	Morton Center Golf Outing	0		1,000	1,000
29	4261	NACKES - Science Expo	1,043		1,000	1,000
30	4261	Nature Conservancy	2,543		250	250
31	4261	Operation Read	750		2,000	2,000
32	4261	Owen Co. Chamber programs	1,343		700	700
33	4261	Owen Co. Miscellaneous	204		1,900	1,900
34	4261	Owen Co. Newspapers in Educ.	1,095		150	150
35	4261	Paris City Club	150		100	100
36	4261	Project Graduation - Fayette Co.	100		100	100
37	4261	Project Graduation - George Rogers Clark	0		100	100
38	4261	Project Graduation - Scott Co	0		100	100
39	4261	Project Graduation - Jessamine Co.	0		1,000	1,000
40	4261	Project WET	0		2,500	2,500
41	4261	REACH Program	1,100		5,000	5,000
42	4261	Reforest the Bluegrass	5,000		5,000	5,000
43	4261	Roots and Heritage Festival	5,192		300	300
44	4261	Salvation Army	613		500	500
45	4261	Sanders-Brown Center on Aging	521		500	500
46	4261	Satterwhite Golf Shamble Owen Co.	521		800	800
47	4261	Scott Co. Home Builders Charity Event	521		1,000	1,000
48	4261	Scott Co. miscellaneous	0		1,000	1,000
49	4261	Susan G. Komen Foundation	1,043		500	500
50	4261	Toyota Classic-Scott Co High School	0		4,311	4,311

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): SCH C-22

SCHEDULE F - 2.1
PAGE 3 OF 4
Witness Responsible: N Rowe

Line No.	Account No.	Charitable Organization	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1	4261	Transy environmental outreach projects	1,043	1,043	1,043	1,043
2	4261	Triangle Foundation fountains (3rd of 5)	5,000	5,000	5,000	5,000
3	4261	(\$5,000 - 2006-2010)	0	0	0	0
4	4261	UK - Dance Blue	0	0	313	313
5	4261	UK ASCSE - Project	0	0	261	261
6	4261	UK Children's Hospital Summer Slam	0	0	104	104
7	4261	UK Fusion project (environment)	0	0	1,043	1,043
8	4261	UK K Fund	6,458	6,458	4,171	4,171
9	4261	United Way corporate donation	10,425	10,425	10,426	10,426
10	4261	Urb League-OneVisionOne Voice	0	0	521	521
11	4261	Urban League of Lexington	1,043	1,043	1,043	1,043
12	4261	Visually Impaired Preschool Services	250	250	261	261
13	4261	Water for People campaign	0	0	0	0
14	4261	Women Leading Kentucky	2,043	2,043	2,085	2,085
15	4261	YMCA Black Achievers	2,224	2,224	1,825	1,825
16	4261	YMCA Black Achievers Golf Scramble	313	313	313	313
17	4261	YMCA Campaign for Kids	150	150	1,043	1,043
18	4261	YMCA Campaign for Kids-Scott Co.	0	0	261	261
19	4261	YMCA of Greater Lex Beaumont Golf Tournament	2,750	2,750	156	156
20	4261	Black Voices Gospel Choir	200	200	0	0
21	4261	Bryan Station High School PTSA	150	150	0	0
22	4262	Central Kentucky Blood Center	500	500	0	0
23	4262	Georgetown scott County	500	500	0	0
24	4262	LFUGC Tree BD	500	500	0	0
25	4262	Lexington Kiwanis Club Endowment	100	100	0	0
26	4262	News Herald Owenion	911	911	0	0
27	4262	Northern Cal Ripken	500	500	0	0
28	4262	Owen County Project Graduation	100	100	0	0
29	4262	Partners for Youth Foundation	1,000	1,000	0	0
30	4262	Kentucky Science Olympiad	1,000	1,000	0	0
31	4262	Kentucky Academy of Science	250	250	0	0
32	4262	Kentucky Association of Economic Development	500	500	0	0
33	4262	Three Phase Event	250	250	0	0
34	4262	Cynthiana Harrison Co	200	200	0	0
35	4262	LFUGC	7,000	7,000	0	0
36	4262	Owen Co Search and Rescue Squad	300	300	0	0
37	4262	AEAONMS	45	45	0	0
38	4262	Henry Clay High School	100	100	0	0
39	4262	Henry Clay High School Memorial Foundation	1,000	1,000	0	0
40	4262	Jessamine Co Chamber of Commerce	200	200	0	0
41	4262	Kentucky Chamber of Commerce	15,000	15,000	0	0
42	4262	KY Tn Section AWWA	500	500	0	0
43	4262	Lexington Blaze	100	100	0	0
44	4262	ORSANCO Educational Foundation	5,000	5,000	0	0

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE F - 2.1
PAGE 4 OF 4
Witness Responsible: N Rowe

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL X UPDATED X REVISED
WORKPAPER REFERENCE NO(S): SCH C-2.2

Line No.	Account No.	Charitable Organization	Total Utility	Base Period Jurisdictional %	Jurisdiction	Total Utility	Forecasted Period Jurisdictional %	Jurisdiction
1	4262	Southland Association Inc.	11,550		11,550			0
2	4262	Alzheimers Association	100		100			0
3	4262	American Cancer Society	160		160			0
4	4262	Hands on Ministry	200	100.00%	200		100.00%	0
5	4262	Ky Sheriffs Boys and Girls Ranch	300		300			0
6	4262	Tuska Studio	1,000		1,000			0
7	4262	Building a Better Bluegrass	1,000		1,000			0
8	4262	American Diabetes Association	1,250		1,250			0
9	4262	Governor's Conference on the En	300		300			0
10	4262	Lexington Humane Society	150		150			0
11	4262	Miscellaneous	3,850		3,850	19,185		19,185
12	4262	BCTSC Env. & Science Tech Scholar	2,500		2,500	2,509		2,509
13	4262	Clark County Projects	200		200	201		201
14	4262	Environmental Grant Program	0		0	20,074		20,074
15	4262	Home Builders Assoc. Magazine Cover	0		0	803		803
16	4262	KAW H2O Help to Others	20,000		20,000	20,074		20,074
17	4262	KAW Ripple Effect Scholarship	0		0	5,019		5,019
18	4262	Kentucky Science Olympiad	1,000		1,000	1,004		1,004
19	4262	KET DragonFly science program	8,500		8,500	5,019		5,019
20	4262	KIDC Conference Booth	0		0	1,004		1,004
21	4262	KY/TN AWWA Utility Council	1,550		1,550	1,004		1,004
22	4261	Lexington Legends billboards	9,500		9,500	9,535		9,535
23	4261	Lexington Legends tickets	5,166		5,166	5,185		5,185
24	4262	Lexington Strides Ahead(5th of 5)	15,000		15,000	15,056		15,056
25	4262	Owen County Projects	300		300	201		201
26	4262	Scott County projects	200		200	703		703
27	4262	Toyota Classic Tournament	500		500	502		502
28	4261	UK Tickets	4,015		4,015	3,302		3,302
29	4261	Southland Association	11,000		11,000	0		0
30	4261	Three Phase Event	250		250	0		0
31	4261	Bluegrass Pride	10,000		10,000	0		0
32	4261	Building a Better Bluegrass	1,000		1,000	0		0
33	4261	Kentucky Assoc for Economic Development	500		500	0		0
34	4261	Miscellaneous				6,339		6,339
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50								
Totals			266,510		266,510	270,026		270,026

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
INITIATION FEES/COUNTRY CLUB EXPENSES
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE F - 2.2
PAGE 1 OF 1
Witness Responsible: N Rowe

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCH C-2.2

Line No.	Account No.	Payee Organization	Total Utility	Base Period Jurisdictional %	Jurisdiction	Total Utility	Forecasted Period Jurisdictional %	Jurisdiction
1								
2								
3								
4								
5		None to report						
6				100.00%			100.00%	
7								
8								
9								
10								
11								
12								
13								
14			\$0			\$0		\$0
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Totals			\$0			\$0		\$0

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
ADVERTISING
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A

SCHEDULE F-4
PAGE 1 OF 1
Witness Responsible: M.A. Miller

Line No.	Item	Sales or Promotional Advertising	Institutional Advertising	Conservation Advertising	Rate Case	Other	Total
2	Base Period:						
3	Newspaper	\$0	\$15,175	\$2,700	\$0	\$0	\$17,875
4	Magazine and Other	0	30,821	0	0	0	30,821
6	Television	0	0	17,150	0	0	17,150
9	Radio	0	0	11,936	0	0	11,936
11	Direct Mail	0	558	0	0	0	558
12	Sales	0	0	0	0	0	0
14	Customer Handouts	0	24,477	4,996	0	0	29,473
15	Outdoor billboard	0	0	74,400	0	0	74,400
17	Misc Bus Adv	0	32,352	5,966	0	0	38,318
20	Totals	<u>\$0</u>	<u>\$103,383</u>	<u>\$117,148</u>	<u>\$0</u>	<u>\$0</u>	<u>\$220,531</u>
21	Amount Assigned to Kentucky Retail	<u>\$0</u>	<u>\$103,383</u>	<u>\$117,148</u>	<u>\$0</u>	<u>\$0</u>	<u>\$220,531</u>
22							
23							
24							
25							
26							
27							
28							
29	Forecasted Period:						
30	Newspaper	0	9,101	3,699	0	0	12,800
31	Magazine and Other	0	61,957	0	0	0	61,957
32	Television	0	0	23,496	0	0	23,496
33	Radio	0	0	16,352	0	0	16,352
34	Direct Mail	0	0	0	0	0	0
35	Sales	0	29,358	8,173	0	0	37,532
36	Customer Handouts	0	30,987	6,845	0	0	37,832
37	Outdoor billboard	0	0	101,898	0	0	101,898
38	Totals	<u>\$0</u>	<u>\$131,403</u>	<u>\$160,463</u>	<u>\$0</u>	<u>\$0</u>	<u>\$291,867</u>
39	Amount Assigned to Kentucky Retail	<u>\$0</u>	<u>\$131,403</u>	<u>\$160,463</u>	<u>\$0</u>	<u>\$0</u>	<u>\$291,867</u>
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
PROFESSIONAL SERVICE EXPENSES
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE F--5
PAGE 1 OF 1
Witness Responsible: M.A. Miller

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

Line No.	Description	Rate Case	Expense Breakdown		Total Company Unadjusted	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
			Annual Audit	Other					
1									
2									
3									
4	Legal		\$87,193	\$0	\$68,892	\$156,085	100.00%	\$156,085	\$0
5									
6	Engineering		0	0	0	0		0	0
7									
8	Accounting		39,785	72,082	0	111,867		111,867	0
9									
10	Other		0	0	0	0		0	0
11									
12	Totals		\$126,978	\$72,082	\$68,892	\$267,952		\$267,952	\$0
13									
14									
15									
16									
17									
18									
19									
20									
21									
22	Legal		212,807	0	75,000	287,807	100.00%	287,807	0
23									
24	Engineering		0	0	0	0		0	0
25									
26	Accounting		35,215	72,000	0	107,215		107,215	0
27									
28	Other		217,000	0	0	217,000		217,000	0
29									
30	Totals		\$465,022	\$72,000	\$75,000	\$612,022		\$612,022	\$0
31									
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Forecasted Period:

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

Line No.	Item of Expense	Current Case Estimate	Case No. 2007 Actual	Case No. 2007 Estimate	Case No. 2004 Actual	Case No. 2004 Estimate
2						
3	Comparison of projected expenses associated with the current case to prior rate cases:					
4						
5	Accounting	\$ 75,000	72,903	\$ 150,000	\$219,591	\$156,940
6	Legal	300,000	179,115	325,000	441,694	280,000
7	Rate of Return Study	40,000	30,750	27,000	37,875	26,350
8	Cost of Service Study	25,000	18,786	25,000	0	0
9	Other	80,000	125,905	103,000	364,105	142,000
10	Weather Normalization Consultant	27,000	7,800	25,000	18,450	17,119
11	Customer Notification	45,000	31,483	45,000	0	0
12						
13	Totals	\$592,000	\$466,742	\$700,000	\$1,081,715	\$622,409
14						
15						
16						
17						
18	Schedule of Rate Case Expense Amortization:					
19						
20						
21	Total to be Amortized					
22		592,000	2008-427	N/A	3 Years	0
23						
24	Current Rate Case Estimate	466,742	2007-143	12/2007	3 Years	103,054
25						
26	Case No. 2007-143	1,081,715	2004-103	12/2004	3 years	1,051,629
27						
28	Case No. 2004-103					
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Forecasted Period	Write-Offs	Base Period
\$197,333		0
155,581		156,233
0		30,086
<u>\$352,914</u>		<u>\$186,320</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE NO.: 2008-00427
CIVIC, POLITICAL, AND RELATED ACTIVITIES
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE F-7
PAGE 1 OF 1
Witness Responsible: M.A. Miller

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH C-2.2

Line No.	Item	Amount
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	<u>Base Period:</u>	
	Donations	266,510
	Civic Activities	520
	Political Activities	5,393
	Other	0
	Totals	<u>\$272,423</u>
	<u>Forecasted Period:</u>	
	Donations	270,026
	Civic Activities	0
	Political Activities	0
	Other	0
	Totals	<u>\$270,026</u>

**EXHIBIT 37
SCHEDULE G**

PAYROLL COST ANALYSIS

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
G-1	Payroll Costs
G-2	Payroll Analyses by Employee Classification
G-3	Executive Compensation

For electronic version, see KAW_APP_EX37G_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PAYROLL COSTS
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
2						
3	Base Period:					
4	Total Salary	\$7,939,039	100.00%	\$7,939,039	\$0	\$7,939,039
5	Other Allowances and Compensation	405,982		405,982	0	405,982
6	Sub-total	8,345,021		8,345,021	0	8,345,021
7						
8	Employee Benefits:					
9	Pension	760,473		760,473	0	760,473
10	Group Insurance	2,303,457		2,303,457	0	2,303,457
11	Defined Contribution Plan	73,995		73,995	0	73,995
12	401-K Plan	124,986		124,986	0	124,986
13	Sub-total	3,262,911		3,262,911	0	3,262,911
14						
15	Payroll Taxes:					
16	F.I.C.A.	670,416		670,416	0	670,416
17	Federal Unemployment	670		670	0	670
18	State Unemployment	3,338		3,338	0	3,338
19	Sub-total	674,424		674,424	0	674,424
20						
21	Total Compensation	\$12,282,356		\$12,282,356	\$0	\$12,282,356
22						
23						
24						
25						
26	Forecasted Period:					
27	Total Salary	8,564,444	100.00%	8,564,444	0	8,564,444
28	Other Allowances and Compensation	373,711		373,711	0	373,711
29	Sub-total	8,938,155		8,938,155	0	8,938,155
30						
31	Employee Benefits:					
32	Pension	736,890		736,890	0	736,890
33	Group Insurance	2,293,223		2,293,223	0	2,293,223
34	Defined Contribution Plan	160,737		160,737	0	160,737
35	401-K Plan	148,955		148,955	0	148,955
36	Sub-total	3,339,805		3,339,805	0	3,339,805
37						
38	Payroll Taxes:					
39	F.I.C.A.	853,870		853,870	0	853,870
40	Federal Unemployment	25,319		25,319	0	25,319
41	State Unemployment	18,088		18,088	0	18,088
42	Sub-total	897,277		897,277	0	897,277
43	Total Compensation	\$13,175,237		\$13,175,237	\$0	\$13,175,237
44						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE G - 2
PAGE 1 of 6
Witness Responsible: S.A. Miller

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _ _ UPDATED _ _ REVISED
WORKPAPER REFERENCE NO(S): _N/A_

Line No.	Description	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	Base Period	% Change	Forecasted Period
2	Total Company													
3	Employee Hours:													
4	Straight-Time Hours	273,454.00	-7.95%	251,711.00	-2.54%	245,318.00	8.41%	265,938.00	0.82%	268,131.76	5.13%	281,874.17	7.41%	302,760.00
5	Overtime Hours	19,532.00	5.61%	20,628.00	8.15%	22,309.00	5.19%	23,466.00	9.62%	25,722.38	4.08%	26,771.82	-8.97%	24,370.00
7	Total Employee Hours	<u>292,986.00</u>	-7.05%	<u>272,339.00</u>	-7.05%	<u>267,627.00</u>		<u>289,404.00</u>		<u>293,854.14</u>		<u>308,645.99</u>		<u>327,130.00</u>
9	Ratio of Overtime Hours to													
10	Straight-Time Hours	<u>7.14%</u>		<u>8.20%</u>		<u>9.09%</u>		<u>8.82%</u>		<u>9.59%</u>		<u>9.50%</u>		<u>8.05%</u>
12	Labor Dollars:													
13	Straight-Time Dollars	6,189,839	-14.14%	5,314,870	4.47%	5,552,393	3.65%	5,755,307	11.43%	6,412,945	9.52%	7,023,772	10.55%	7,764,642
14	Overtime Dollars	520,884	10.12%	573,583	12.81%	647,055	9.11%	706,026	14.71%	809,884	13.01%	915,267	-12.62%	799,802
17	Total Labor Dollars	<u>\$6,710,723</u>		<u>\$5,888,453</u>		<u>\$6,199,448</u>		<u>\$6,461,333</u>		<u>\$7,222,829</u>		<u>\$7,939,039</u>		<u>\$8,564,444</u>
19	Ratio of Overtime Dollars to													
20	Straight-Time Dollars	<u>8.42%</u>		<u>10.79%</u>		<u>11.65%</u>		<u>12.27%</u>		<u>12.63%</u>		<u>13.03%</u>		<u>10.30%</u>
23	O&M Labor Dollars	5,553,892	-12.14%	4,879,792	6.70%	5,206,961	1.04%	5,261,097	7.53%	5,657,504	10.02%	6,224,161	8.92%	6,779,449
25	Ratio of Labor Dollars to													
26	Total Labor Dollars	<u>82.76%</u>		<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>78.40%</u>		<u>79.16%</u>
28	Total Employee Benefits	3,039,565	-5.50%	2,872,395	3.53%	2,973,767	2.07%	3,035,344	1.77%	3,089,203	5.62%	3,262,911	2.36%	3,339,805
29	Employee Benefits Expensed	2,515,544	-5.37%	2,380,354	4.93%	2,497,667	-1.05%	2,471,377	-2.09%	2,419,773	5.72%	2,558,122	3.35%	2,643,790
31	Ratio of Employee Benefits Expensed													
32	to Total Employee Benefits	<u>82.76%</u>		<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>78.40%</u>		<u>79.16%</u>
33	Total Payroll Taxes	518,760	-10.10%	466,357	-3.06%	452,069	9.71%	495,948	15.77%	574,181	17.46%	674,424	33.04%	897,277
34	Payroll Taxes Expensed	429,326	-9.98%	386,470	-1.75%	379,693	6.35%	403,801	11.38%	449,756	17.56%	528,748	34.33%	710,284
37	Ratio of Payroll Taxes Expensed													
38	to Total Payroll Taxes	<u>82.76%</u>		<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>78.40%</u>		<u>79.16%</u>
39	Average Employee Levels	121	0.00%	121	-7.44%	112	3.57%	116	11.21%	129	7.75%	139	4.32%	145
40	Year-End Employee Levels	125	-8.80%	114	-4.39%	109	12.84%	123	8.94%	134	6.72%	143	1.40%	145

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE G - 2
PAGE 2 of 6
Witness Responsible: S.A. Miller

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

Line No.	Description	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	Base Period	% Change	Forecasted Period
2	Production													
3	Employee Hours:													
4	Straight-Time Hours	62,140	-0.51%	61,820	-3.96%	59,374	15.02%	68,280	-4.37%	65,305.87	5.95%	69,189.96	11.74%	77,313.00
5	Overtime Hours	3,917	24.99%	4,896	-28.74%	3,489	24.82%	4,355	-0.79%	4,320.66	65.39%	7,145.97	-6.80%	6,660.00
6	Total Employee Hours	<u>66,057.00</u>	1.00%	<u>66,716.00</u>		<u>62,863.00</u>		<u>72,645.00</u>		<u>69,626.53</u>		<u>76,335.93</u>		<u>83,973.00</u>
7	Ratio of Overtime Hours to Straight-Time Hours	<u>6.30%</u>		<u>7.92%</u>		<u>5.58%</u>		<u>6.38%</u>		<u>6.62%</u>		<u>10.33%</u>		<u>8.61%</u>
8	Labor Dollars:													
9	Straight-Time Dollars	\$1,374,847	3.99%	\$1,429,653	-2.59%	\$1,392,691	13.14%	\$1,575,713	0.75%	\$1,587,604	11.14%	\$1,764,472	13.86%	\$2,009,445
10	Overtime Dollars	115,063	26.03%	145,012	-24.90%	108,902	27.88%	139,282	3.19%	143,709	73.50%	249,331	-8.23%	228,807
11	Total Labor Dollars	<u>\$1,489,910</u>	5.69%	<u>\$1,574,665</u>		<u>\$1,501,593</u>		<u>\$1,714,975</u>		<u>\$1,731,313</u>		<u>\$2,013,803</u>		<u>\$2,238,252</u>
12	Ratio of Overtime Dollars to Straight-Time Dollars	<u>8.37%</u>		<u>10.14%</u>		<u>7.82%</u>		<u>8.84%</u>		<u>9.05%</u>		<u>14.13%</u>		<u>11.39%</u>
13	O&M Labor Dollars	1,489,910		1,574,665		1,501,593		1,714,975		1,731,313		2,013,803		2,238,252
14	Ratio of Labor Dollars to Total Labor Dollars	<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>
15	Total Employee Benefits	674,830	13.82%	768,119	-6.23%	720,282	11.85%	805,602	-8.08%	740,501	11.77%	827,670	5.46%	872,854
16	Employee Benefits Expensed	674,830	13.82%	768,119	-6.23%	720,282	11.85%	805,602	-8.08%	740,501	11.77%	827,670	5.46%	872,854
17	Ratio of Employee Benefits Expensed to Total Employee Benefits	<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>
18	Total Payroll Taxes	115,173	8.28%	124,710	-12.20%	109,497	20.21%	131,628	4.56%	137,635	24.30%	171,074	37.08%	234,502
19	Payroll Taxes Expensed	115,173	8.28%	124,710	-12.20%	109,497	20.21%	131,628	4.56%	137,635	24.30%	171,074	37.08%	234,502
20	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>
21	Average Employee Levels	25	0.00%	25	0.00%	25	8.00%	27	14.81%	31	12.90%	35	5.71%	37
22	Year-End Employee Levels	25	-4.00%	24	8.33%	26	7.69%	28	17.86%	33	9.09%	36	2.78%	37

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A

SCHEDULE G - 2
PAGE 3 of 6
Witness Responsible: S.A. Miller

Line No.	Description	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	Base Period	% Change	Forecasted Period
1	Distribution													
2	Employee Hours:													
3	Straight-Time Hours	141,763.00	-12.08%	124,644.00	0.04%	124,690.00	6.33%	132,586.00	-7.11%	123,153.51	7.26%	132,091.53	9.36%	144,449.00
4	Overtime Hours	11,762.00	7.13%	12,601.00	23.05%	15,505.00	1.06%	15,669.00	8.90%	17,063.06	-16.95%	14,171.61	5.41%	14,938.00
5	Total Employee Hours	153,525.00	-10.60%	137,245.00		140,195.00		148,255.00		140,216.59		146,263.14		159,387.00
6	Ratio of Overtime Hours to Straight-Time Hours	8.30%		10.11%		12.43%		11.82%		13.86%		10.73%		10.34%
7	Labor Dollars:													
8	Straight-Time Dollars	\$2,551,107	-11.85%	\$2,248,730	4.61%	\$2,352,395	11.46%	\$2,621,947	-3.03%	\$2,542,376	12.00%	\$2,847,586	11.21%	\$3,166,665
9	Overtime Dollars	311,992	9.88%	342,823	29.07%	442,476	5.29%	465,866	13.65%	529,445	-6.05%	497,425	-3.42%	480,414
10	Total Labor Dollars	\$2,863,099	-9.48%	\$2,591,553		\$2,794,871		\$3,087,813		\$3,071,822		\$3,345,011		\$3,647,079
11	Ratio of Overtime Dollars to Straight-Time Dollars	12.23%		15.25%		18.81%		17.77%		20.82%		17.47%		15.17%
12	O&M Labor Dollars	2,863,099		2,591,553		2,794,871		3,087,813		3,071,822		3,345,011		3,647,079
13	Ratio of Labor Dollars to Total Labor Dollars	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
14	Total Employee Benefits	1,296,794	-2.52%	1,264,155	6.05%	1,340,639	8.19%	1,450,486	-9.42%	1,313,850	4.64%	1,374,795	3.45%	1,422,256
15	Employee Benefits Expensed	1,296,794	-2.52%	1,264,155	6.05%	1,340,639	8.19%	1,450,486	-9.42%	1,313,850	4.64%	1,374,795	3.45%	1,422,256
16	Ratio of Employee Benefits Expensed to Total Employee Benefits	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
17	Total Payroll Taxes	221,323	-7.26%	205,246	-0.70%	203,803	16.29%	236,997	3.04%	244,201	16.36%	284,162	34.47%	382,105
18	Payroll Taxes Expensed	221,323	-7.26%	205,246	-0.70%	203,803	16.29%	236,997	3.04%	244,201	16.36%	284,162	34.47%	382,105
19	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
20	Average Employee Levels	65	-3.08%	63		61		69		77		80		82
21	Year-End Employee Levels	65	-7.69%	60		62		76		78		82		82

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE G - 2
PAGE 5 of 6
Witness Responsible: S.A. Miller

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _ _ UPDATED _ _ REVISED
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	Base Period	% Change	Forecasted Period
1	Administrative & General													
2	Employee Hours:													
3	Straight-Time Hours	29,113	-16.76%	24,235	19,743	-11.32%	17,508	23.28%	21,584	21,584	1.61%	21,933	3.14%	22,622
4	Overtime Hours	788	-21.57%	618	54	-27.78%	39	414.49%	201	201	733.40%	1,672	-50.49%	828
5	Total Employee Hours	29,901.00		24,853.00	19,797.00		17,547.00	21,785.03	21,785.03			23,604.92		23,450.00
6	Ratio of Overtime Hours to Straight-Time Hours	2.71%		2.55%	0.27%		0.22%	0.93%	0.93%			7.62%		3.66%
7	Labor Dollars:													
8	Straight-Time Dollars	\$1,180,805	-41.09%	\$696,352	\$908,984	-49.70%	\$457,255	\$847,954	\$814,790	\$814,790	-3.91%	\$814,790	6.09%	\$863,946
9	Overtime Dollars	20,078	-14.22%	17,222	1,513	-30.34%	1,054	508.65%	6,415	6,415	668.09%	50,557	-40.32%	30,172
10	Total Labor Dollars	\$1,200,883		\$713,574	\$910,497		\$458,309	\$854,369	\$865,347	\$865,347		\$865,347		\$894,118
11	Ratio of Overtime Dollars to Straight-Time Dollars	1.70%		2.47%	0.17%		0.23%	0.76%	0.76%			6.20%		3.49%
12	O&M Labor Dollars	1,200,883		713,574	910,497		458,309	854,369	865,347	865,347		865,347		894,118
13	Ratio of Labor Dollars to Total Labor Dollars	100.00%		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%		100.00%		100.00%
14	Total Employee Benefits	420,740	-40.58%	250,007	436,746	-50.71%	215,289	365,423	365,423	365,423	-2.67%	355,657	-1.96%	348,680
15	Employee Benefits Expensed	420,740	-40.58%	250,007	436,746	-50.71%	215,289	365,423	365,423	365,423	-2.67%	355,657	-1.96%	348,680
16	Ratio of Employee Benefits Expensed to Total Employee Benefits	100.00%		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%		100.00%		100.00%
17	Total Payroll Taxes	92,830	-39.12%	56,514	66,394	-47.02%	35,176	67,920	67,920	67,920	8.23%	73,512	27.43%	93,677
18	Payroll Taxes Expensed	92,830	-39.12%	56,514	66,394	-47.02%	35,176	67,920	67,920	67,920	8.23%	73,512	27.43%	93,677
19	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	100.00%		100.00%	100.00%		100.00%	100.00%	100.00%	100.00%		100.00%		100.00%
20	Average Employee Levels	31	6.45%	33	26	-23.08%	20	21	24	24	14.29%	24	8.33%	26
21	Year-End Employee Levels	35	-14.29%	30	21	-30.00%	19	23	25	23	8.70%	25	4.00%	26

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE G - 3
PAGE 1 of 3
Witness Responsible: M.A. Miller

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3	Title of Executive: President					
4						
5	Base Period:					
6	Total Salary	\$212,678	100.00%	\$212,678	\$0	\$212,678
7	Other Allowances and Compensation (AIP)	68,057		68,057	0	68,057
8	Sub-total	280,735		280,735	0	280,735
9						
10	Employee Benefits:					
11	Pension	20,372		20,372	0	20,372
12	Group Insurance	16,572		16,572	0	16,572
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	4,254		4,254	0	4,254
15	Sub-total	41,198		41,198	0	41,198
16						
17	Payroll Taxes:					
18	F.I.C.A.	9,888		9,888	0	9,888
19	Federal Unemployment	56		56	0	56
20	State Unemployment	40		40	0	40
21	Sub-total	9,984		9,984	0	9,984
22						
23	Total Compensation	\$331,917		\$331,917	\$0	\$331,917
24						
25						
26						
27	Forecasted Period:					
28	Total Salary	\$223,502	100.00%	\$223,502	\$0	\$223,502
29	Other Allowances and Compensation (AIP)	71,521		71,521	0	71,521
30	Sub-total	295,023		295,023	0	295,023
31						
32	Employee Benefits:					
33	Pension	19,230		19,230	0	19,230
34	Group Insurance	15,815		15,815	0	15,815
35	Defined Contribution Plan	0		0	0	0
36	401-K Plan	4,470		4,470	0	4,470
37	Sub-total	39,515		39,515	0	39,515
38						
39	Payroll Taxes:					
40	F.I.C.A.	10,045		10,045	0	10,045
41	Federal Unemployment	56		56	0	56
42	State Unemployment	40		40	0	40
43	Sub-total	10,141		10,141	0	10,141
44	Total Compensation	\$344,679		\$344,679	\$0	\$344,679
45						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A

SCHEDULE G - 3
PAGE 2 of 3
Witness Responsible: M.A. Miller

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3						
4						
5	Title of Executive: Vice President Operations					
6	Base Period:					
7	Total Salary	\$125,000	100.00%	\$125,000	\$0	\$125,000
8	Other Allowances and Compensation	25,000		25,000	0	25,000
9	Sub-total	150,000		150,000	0	150,000
10	Employee Benefits:					
11	Pension	11,974		11,974	0	11,974
12	Group Insurance			0	0	0
13	Defined Contribution Plan	3,125		3,125	0	3,125
14	401-K Plan	2,500		2,500	0	2,500
15	Sub-total	17,599		17,599	0	17,599
16	Payroll Taxes:					
17	F.I.C.A.	8,616		8,616	0	8,616
18	Federal Unemployment	56		56	0	56
19	State Unemployment	40		40	0	40
20	Sub-total	8,712		8,712	0	8,712
21						
22						
23	Total Compensation	\$176,311		\$176,311	\$0	\$176,311
24						
25						
26						
27	Forecasted Period:					
28	Total Salary	\$131,354	100.00%	\$131,354	\$0	\$131,354
29	Other Allowances and Compensation	26,271		26,271	0	26,271
30	Sub-total	157,625		157,625	0	157,625
31	Employee Benefits:					
32	Pension	11,302		11,302	0	11,302
33	Group Insurance			0	0	0
34	Defined Contribution Plan	3,284		3,284	0	3,284
35	401-K Plan	2,627		2,627	0	2,627
36	Sub-total	17,213		17,213	0	17,213
37	Payroll Taxes:					
38	F.I.C.A.	8,709		8,709	0	8,709
39	Federal Unemployment	56		56	0	56
40	State Unemployment	40		40	0	40
41	Sub-total	8,805		8,765	0	8,765
42						
43	Total Compensation	\$183,643		\$183,603	\$0	\$183,603
44						
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A
SCHEDULE G - 3
PAGE 3 of 3
Witness Responsible: M.A. Miller

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: Vice President Treasurer and Comptroller					
3						
4						
5	Base Period:					
6	Total Salary		100.00%	\$0	\$0	\$0
7	Other Allowances and Compensation	0		0	0	0
8	Sub-total	0		0	0	0
9	Employee Benefits:					
10	Pension	0		0	0	0
11	Group Insurance	0		0	0	0
12	Defined Contribution Plan	0		0	0	0
13	401-K Plan	0		0	0	0
14	Sub-total	0		0	0	0
15						
16	Payroll Taxes:					
17	F.I.C.A.			0	0	0
18	Federal Unemployment			0	0	0
19	State Unemployment			0	0	0
20	Sub-total	0		0	0	0
21						
22	Total Compensation	\$0		\$0	\$0	\$0
23						
24						
25						
26	Forecasted Period:					
27	Total Salary		100.00%	\$0	\$0	\$0
28	Other Allowances and Compensation	0		0	0	0
29	Sub-total	0		0	0	0
30	Employee Benefits:					
31	Pension	0		0	0	0
32	Group Insurance	0		0	0	0
33	Defined Contribution Plan	0		0	0	0
34	401-K Plan	0		0	0	0
35	Sub-total	0		0	0	0
36						
37	Payroll Taxes:					
38	F.I.C.A.			0	0	0
39	Federal Unemployment			0	0	0
40	State Unemployment			0	0	0
41	Sub-total	0		0	0	0
42						
43	Total Compensation	\$0		\$0	\$0	\$0
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**EXHIBIT 37
SCHEDULE H**

COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
H	Gross Revenue Conversion Factor

For electronic version, see KAW_APP_EX37H_103108.pdf

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

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

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

Line No.	Description	
1		
2		
3	Operating Revenues	100.000000%
4	Less: Uncollectibles	0.763330%
5		
6	Less: PSC Fees	<u>0.16510%</u>
7		
8	Net Revenues	99.0716%
9		
10	SIT Rate:	<u>6.00%</u>
11		
12	Income before Federal Income Taxes	93.12728%
13		
14	FIT Rate:	<u>35.00%</u>
15		
16	Operating Income Percentage	<u>60.53273%</u>
17		
18	Gross Revenue Conversion Factor (1)	<u>1.6519988</u>
19		
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(1) CALCULATED BY DIVIDING 100% BY THE OPERATING INCOME PERCENTAGE

**EXHIBIT 37
SCHEDULE I****COMPARITIVE INCOME STATEMENTS, REVENUE STATISTICS AND SALES STATISTICS
FOR FIVE MOST RECENT CALENDAR YEARS, THE BASE PERIOD, FORECASTED PERIOD
AND TWO CALENDAR YEARS BEYOND THE FORECAST PERIOD****KENTUCKY-AMERICAN WATER COMPANY****CASE NO: 2008-00427**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

Schedule	Description
I-1	Comparative Income Statement
I-2	Revenue Statistics - Total Company
I-3	Sales Statistics - Total Company
I-4	Revenue Statistics - Jurisdictional
I-5	Sales Statistics - Jurisdictional

For electronic version, see KAW_APP_EX37I_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
COMPARATIVE INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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 C
SCHEDULE I - 1
PAGE 1 of 1
Witness Responsible: M. A. Miller

Line No.	Description	Forecasted Period	% Change	Base Period	2007	% Change	2006	% Change	2005	% Change	2004	% Change	2003	
1	Operating Revenues	\$59,150,468	-0.54%	\$59,470,621	12.68%	\$ 52,778,218	7.69%	\$ 49,010,147	-2.21%	\$ 50,119,619	18.05%	\$ 42,454,681	-0.81%	\$ 42,800,150
2	Operating Expenses													
3	Operation & Maintenance	31,760,768	9.87%	28,906,742	2.38%	28,235,415	3.42%	27,300,483	1.67%	26,852,111	-3.27%	\$ 27,761,139	31.32%	\$ 21,139,833
4	Depreciation	7,901,661	0.64%	7,851,307	24.88%	6,287,030	-6.39%	6,716,503	15.53%	5,813,673	-12.65%	6,655,435	14.29%	5,823,490
5	Amortization	496,589	5.39%	471,177	-6.53%	504,092	9.76%	459,264	-33.74%	693,166	-2.24%	709,015	1.23%	700,376
6	Taxes Other	3,752,543	14.93%	3,265,081	6.80%	3,057,241	6.88%	2,860,457	4.52%	2,736,877	-2.68%	2,812,302	8.32%	2,596,287
7	State Income Taxes	1,611,848	84.93%	871,599	48.21%	588,068	29.28%	454,893	-57.06%	1,059,248	221.99%	328,969	-53.98%	714,782
8	Federal Income Taxes	8,866,492	89.45%	4,680,193	47.39%	3,175,475	46.37%	2,169,470	-5.41%	2,293,500	-527.85%	(536,058)	-120.45%	2,621,244
9	Total Operating Expenses	54,389,901	18.12%	46,046,099	10.03%	41,847,321	4.72%	39,961,070	1.30%	39,448,575	4.55%	37,730,802	12.31%	33,596,012
10	Operating Income	4,760,567	-64.54%	13,424,522	22.81%	10,930,897	20.80%	9,049,077	-15.20%	10,671,044	125.90%	4,723,879	-48.68%	9,204,138
11	AFUDC	3,094,804	38.06%	2,241,710	82.66%	1,227,277	214.53%	390,200	-21.04%	494,177	184.79%	173,521	-73.54%	655,695
12	Other Income	0	0.00%	0	-100.00%	323,396	-352.45%	(128,105)	-716.72%	20,772	-85.83%	146,587	-5186.29%	(2,882)
13	Total Other Income	3,094,804	38.06%	2,241,710	44.56%	1,550,673	491.65%	262,095	-49.10%	514,949	60.87%	320,108	-50.96%	652,813
14	Income before Deductions	7,855,371	-49.86%	15,666,232	25.51%	12,481,570	34.05%	9,311,172	-16.76%	11,185,993	121.77%	5,043,987	-48.83%	9,856,951
15	Income Deductions													
16	Interest on Long-Term Debt	9,257,346	71.79%	5,388,760	15.85%	4,651,663	-8.99%	5,111,245	-4.79%	5,368,517	7.35%	\$ 5,001,017	12.46%	\$ 4,446,850
17	Amort of Debt Expense	170,080	113.53%	79,650	6.10%	75,069	3.01%	72,873	-5.60%	77,198	-1.75%	78,573	0.96%	77,829
18	Interest on Bank Debt	1,187,284	-2.86%	1,222,178	-13.66%	1,415,522	246.35%	408,695	122.56%	183,637	180.73%	65,413	-63.91%	181,253
19	Other Interest	0	0.00%	0	-100.00%	(38,175)	-1030.64%	4,102	16.43%	3,523	1131.82%	286	-36.73%	452
20	Miscellaneous Amortization	0	0.00%	0	-100.00%	(425)	-19.96%	(631)	0.00%	0	-100.00%	771	-95.19%	16,022
21	Other Deductions	0	0.00%	0	-100.00%	319,101	195.60%	107,949	-68.09%	338,328	-1.86%	344,753	12.10%	307,531
22	Total Income Deductions	10,614,709	58.65%	6,690,588	4.17%	6,422,755	12.59%	5,704,333	-4.47%	5,971,203	8.75%	5,490,813	9.16%	5,029,937
23	Net Income	(\$2,759,338)	-130.74%	\$9,975,644	48.14%	\$6,058,815	67.98%	\$3,606,839	-30.83%	\$5,214,790	-1267.07%	(\$446,826)	-109.26%	\$4,827,014

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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
REVENUE STATISTICS - TOTAL COMPANY
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
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): N/A

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

Line No.	Description	2 Projected Calendar Years											
		2003	2004	2005	2006	2007	Base Period	Forecasted Period	2009	2010			
Revenue by Customer Class:													
2	Residential	\$21,394,943	\$22,094,519	\$26,440,906	\$27,262,686	\$27,594,445	\$30,429,190	\$30,588,335	\$30,824,869	\$31,367,838			
3	Commercial	10,378,280	10,477,600	12,193,418	12,143,005	12,388,694	\$14,694,068	\$15,056,530	15,115,132	16,241,357			
4	Industrial	1,442,871	1,359,278	1,569,209	1,444,547	1,480,187	\$1,621,045	\$1,623,443	1,623,436	1,623,436			
5	Other Public Authorities	3,376,301	3,177,804	3,771,324	3,565,255	3,896,261	\$4,583,032	\$4,507,460	4,505,973	4,505,973			
6	Other Water Utilities	829,887	824,589	1,000,284	1,109,393	1,151,111	\$1,376,944	\$1,364,825	1,223,890	1,223,890			
7	Miscellaneous	16,503	9,780	5,768	19,513	18,789	\$9,128	\$0	0	0			
8	Fire Service	2,668,532	2,753,265	3,103,614	3,234,422	3,354,596	\$3,527,300	\$3,720,119	3,641,067	3,731,388			
10													
11	Total	\$40,107,317	\$40,696,835	\$48,084,523	\$48,778,821	\$49,884,083	\$56,240,707	\$56,860,712	\$56,934,367	\$58,693,882			
12													
13													
14	Number of Customers:												
15	<u>12-Month Average:</u>												
16	Residential	96,858	98,567	100,729	104,104	105,572	106,938	109,529	108,724	110,655			
17	Commercial	8,163	8,179	8,241	8,512	8,623	8,624	8,896	8,855	8,954			
18	Industrial	17	18	21	23	21	21	21	21	21			
19	Other Public Authorities	482	486	483	485	487	495	495	495	495			
20	Other Water Utilities	9	10	10	11	13	11	10	11	11			
21	Miscellaneous	0	0	0	0	0	0	0	0	0			
22	Fire Service	1,459	2,509	1,674	1,839	1,868	2,083	2,147	2,105	2,153			
23	Total	106,988	109,769	111,158	114,974	116,584	118,172	121,098	120,211	122,289			
24													
25													
26	End of Period:												
27	Residential	97,801	99,267	101,683	104,780	106,068	108,733	110,405	109,467	111,398			
28	Commercial	8,254	8,164	8,262	8,586	8,585	8,887	8,939	8,901	9,000			
29	Industrial	17	20	21	23	21	21	21	21	21			
30	Other Public Authorities	487	484	484	486	488	495	495	495	495			
31	Other Water Utilities	9	10	10	11	13	11	10	11	11			
32	Miscellaneous	0	0	0	0	0	0	0	0	0			
33	Fire Service	1,219	2,761	1,767	1,899	1,913	2,083	2,147	2,127	2,175			
34													
35	Total	107,787	110,706	112,227	115,785	117,088	120,230	122,017	121,022	123,100			
36													
37													
38	Average Revenue per Customer:												
39	Residential	\$221	\$224	\$263	\$262	\$261	\$285	\$279	\$284	\$283			
40	Commercial	1,271	1,281	1,480	1,427	1,437	1,704	1,693	1,707	1,814			
41	Industrial	84,875	75,515	74,724	62,806	70,485	77,193	77,307	77,307	77,307			
42	Other Public Authorities	7,005	6,539	7,808	7,351	8,001	9,259	9,106	9,103	9,103			
43	Other Water Utilities	92,210	82,459	100,028	100,854	88,547	125,177	136,483	111,263	111,263			
44	Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
45	Fire Service	1,829	1,097	1,854	1,759	1,796	1,693	1,733	1,730	1,733			
46													
47													
48													
49													
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Note: Revenue data represents billed revenues only and does not reflect additional revenues from the current or future rate filings.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
REVENUE STATISTICS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE I - 3
PAGE 1 of 1
Witness Responsible: M. A. Miller

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

Line No.	Description	2003	2004	2005	2006	2007	Base Period	Forecasted Period	2009	2010
1										
2	<u>Revenue by Customer Class:</u>									
3	Residential									
4	Commercial									
5	Industrial									
6	Other Public Authorities									
7	Other Water Utilities									
8	Miscellaneous									
9	Fire Service									
10	Total									
11										
12										
13	<u>Number of Customers:</u>									
14	<u>12-Month Average:</u>									
15	Residential									
16	Commercial									
17	Industrial									
18	Other Public Authorities									
19	Other Water Utilities									
20	Miscellaneous									
21	Fire Service									
22	Total									
23										
24										
25										
26	<u>End of Period:</u>									
27	Residential									
28	Commercial									
29	Industrial									
30	Other Public Authorities									
31	Other Water Utilities									
32	Miscellaneous									
33	Fire Service									
34	Total									
35										
36										
37										
38	<u>Average Revenue per Customer:</u>									
39	Residential									
40	Commercial									
41	Industrial									
42	Other Public Authorities									
43	Other Water Utilities									
44	Miscellaneous									
45	Fire Service									
46	Total									
47										
48										
49										
50										

ALL COMPANY OPERATIONS ARE JURISDICTIONAL

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SALES STATISTICS - TOTAL COMPANY
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

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

Line No.	Description	2003	2004	2005	2006	2007	Base Period	Forecasted Period	2009	2010
Sales by Customer Class:										
1	Residential	5,681,624	5,728,797	6,630,859	6,552,162	6,784,455	6,279,107	6,304,904	6,405,973	6,519,687
2	Commercial	4,060,398	4,011,647	4,392,092	4,324,880	4,380,976	4,188,049	4,378,072	4,381,832	4,817,234
3	Industrial	819,065	755,945	808,555	756,267	769,952	689,611	683,003	683,001	683,001
4	Other Public Authorities	1,484,961	1,375,251	1,533,083	1,439,868	1,576,391	1,567,786	1,514,701	1,514,700	1,514,700
5	Other Water Utilities	401,401	398,384	455,615	388,915	628,116	497,192	492,677	492,676	492,676
6	Miscellaneous	92,750	2,965	336	2,082	4,346	202,850	0	0	0
7	Total	12,540,199	12,272,989	13,820,540	13,464,174	14,144,237	13,424,594	13,373,355	13,478,182	14,027,298
Number of Customers:										
12-Month Average:										
8	Residential	96,858	98,567	100,729	104,104	105,572	106,938	109,529	108,724	110,655
9	Commercial	8,163	8,179	8,241	8,512	8,623	8,624	8,896	8,855	8,954
10	Industrial	17	18	21	23	21	21	21	21	21
11	Other Public Authorities	482	486	483	485	487	495	495	495	495
12	Other Water Utilities	9	10	10	11	13	11	10	11	11
13	Miscellaneous	0	0	0	0	0	0	0	0	0
14	Total	105,529	107,260	109,484	113,135	114,716	116,089	118,951	118,106	120,136
End of Period:										
15	Residential	97,801	99,267	101,683	104,780	106,068	108,733	110,405	109,467	111,398
16	Commercial	8,254	8,164	8,262	8,586	8,585	8,887	8,939	8,901	9,000
17	Industrial	17	20	21	23	21	21	21	21	21
18	Other Public Authorities	487	484	484	486	488	495	495	495	495
19	Other Water Utilities	9	10	10	11	13	11	10	11	11
20	Miscellaneous	0	0	0	0	0	0	0	0	0
21	Total	106,568	107,945	110,460	113,886	115,175	118,147	119,870	118,895	120,925
Average Sales per Customer:										
22	Residential	59	58	66	63	64	59	58	59	59
23	Commercial	497	491	533	508	508	486	492	495	538
24	Industrial	48,180	41,997	38,503	32,881	36,664	32,839	32,524	32,524	32,524
25	Other Public Authorities	3,081	2,830	3,174	2,969	3,237	3,167	3,060	3,060	3,060
26	Other Water Utilities	44,600	39,838	45,562	35,356	48,317	45,199	49,268	44,789	44,789
27	Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Sales are stated in 100 Cubic Feet

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
SALES STATISTICS - TOTAL COMPANY
FOR THE TWELVE MONTHS ENDED: JANUARY 31, 2009
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

SCHEDULE I - 5
PAGE 1 of 1
Witness Responsible: M. A. Miller

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

Line No.	Description	2003	2004	2005	2006	2007	Base Period	Forecasted Period	2009	2010
1										
2	<u>Sales by Customer Class:</u>									
3	Residential									
4	Commercial									
5	Industrial									
6	Other Public Authorities									
7	Other Water Utilities									
8	Miscellaneous									
9										
10	Total									
11										
12										
13	<u>Number of Customers:</u>									
14	<u>12-Month Average:</u>									
15	Residential									
16	Commercial									
17	Industrial									
18	Other Public Authorities									
19	Other Water Utilities									
20	Miscellaneous									
21										
22	Total									
23										
24										
25	<u>End of Period:</u>									
26	Residential									
27	Commercial									
28	Industrial									
29	Other Public Authorities									
30	Other Water Utilities									
31	Miscellaneous									
32										
33	Total									
34										
35										
36										
37	<u>Average Revenue per Customer:</u>									
38	Residential									
39	Commercial									
40	Industrial									
41	Other Public Authorities									
42	Other Water Utilities									
43	Miscellaneous									
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ALL COMPANY OPERATIONS ARE JURISDICTIONAL

Note: Sales are stated in 100 Cubic Feet

**EXHIBIT 37
SCHEDULE J**

COST OF CAPITAL SUMMARY FOR BASE PERIOD AND FORECASTED PERIOD

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
J-1	Cost of Capital Summary
J-1.1 / J-1.2	Cost of Capital Summary
J-2	Embedded Cost of Short-Term Debt
J-3	Embedded Cost of Long-Term Debt
J-4	Embedded Cost of Preferred Stock

For electronic version, see KAW_APP_EX37J_103108.pdf

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	\$31,520,883	10.337%	\$ 100,076	\$31,620,959	3.850%	0.40%
4	Long-Term Debt	138,462,871	45.408%	439,611	138,902,482	6.870%	3.12%
6	Preferred Stock	5,934,782	1.946%	18,840	5,953,622	7.750%	0.15%
8	Common Equity	129,013,668	42.309%	409,609	129,423,277	11.500%	4.87%
10	Total Capital	<u>\$304,932,205</u>	100.000%	<u>\$ 968,136</u>	<u>\$305,900,341</u>		<u>8.54%</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>		
8				
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
EMBEDDED COST OF LONG-TERM DEBT
AS OF JANUARY 31, 2009

SCHEDULE J-3
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.	Debt Issue Type & Rate	Issue Date	Maturity Date	Amount Outstanding	Cost Rate at Issue	Cost Rate at Maturity	Bond Rating at Issue	Annualized Interest	Principal Amount	Annual Amort. of Issue Expense	Unamortized Discount or Premium	Unamortized Debt Expense	Unamortized Gain/Loss	Carrying Value
2	3 General Mortgage Bonds:													
3	Series 6.87%	03/30/01	03/29/11	9,300,000	6.870%	7.542%	N/A	701,406	9,300,000	62,496	0	135,402	0	9,164,598
4	Series 6.96%	12/01/93	12/01/23	7,000,000	6.960%	7.006%	N/A	490,420	7,000,000	3,240	0	47,858	0	6,952,142
5	Series 7.15%	02/14/97	02/01/27	7,500,000	7.150%	7.182%	N/A	538,650	7,500,000	2,424	0	43,723	0	7,456,277
6	Series 6.99%	09/01/98	06/01/28	9,000,000	6.990%	7.026%	N/A	632,340	9,000,000	3,264	0	63,061	0	8,936,939
7	Series 6.59%	06/12/02	06/12/37	47,000,000	6.590%	6.623%	N/A	3,112,810	47,000,000	15,406	0	442,911	0	46,557,089
8	Proposed 6.601%	05/01/09	05/01/19	0	6.601%	0.000%	N/A	0	0	0	0	0	0	0
9	Proposed 6.601%	10/01/09	10/01/19	0	6.601%	0.000%	N/A	0	0	0	0	0	0	0
10	Proposed 6.601%	05/01/10	05/01/20	0	6.601%	0.000%	N/A	0	0	0	0	0	0	0
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25														
26	Total Long-Term Debt and Annualized Cost				\$79,800,000			\$5,475,626	\$79,800,000	\$86,830	\$0	\$732,955	\$0	\$79,067,045
27														
28														
29	Annualized Cost Rate				6.930%									
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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
14											
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	Total		\$5,955,600	\$0	\$20,434	\$0	\$5,935,166	\$768			\$460,054
	Annualized Cost Rate		7.750%								

**EXHIBIT 37
SCHEDULE K**

**COMPARATIVE FINANCIAL DATA AND EARNING MEASURES FOR THE
TEN MOST RECENT CALENDAR YEARS, BASE PERIOD AND FORECASTED PERIOD**

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
K	Comparative Financial Data

For electronic version, see KAW_APP_EX37K_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
COMPARATIVE FINANCIAL DATA

DATA: X BASE PERIOD X FORECASTED PERIOD
DATE CERTAIN: FOR THE PERIODS INDICATED
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): N/A

SCHEDULE K
PAGE 2 OF 3
Witness Responsible: M.A. Miller/ S.A. Miller

Line No.	Description	Forecasted Period	Base Period	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
1													
2	Condensed Income Statement Data:			\$ 59,470,621	\$ 49,010,147	\$ 50,119,619	\$ 42,454,681	\$ 42,800,150	\$ 43,626,950	\$ 41,477,827	\$ 38,719,864	\$ 39,103,841	\$ 37,744,117
3	Operating Revenues	\$59,470,621	\$49,010,147	\$50,119,619	\$42,454,681	\$42,800,150	\$43,626,950	\$41,477,827	\$38,719,864	\$39,103,841	\$37,744,117		
4	Operating Expenses												
5	(Excluding Income Taxes)	43,911,561	40,494,307	38,083,778	37,336,707	36,095,827	37,937,891	30,259,986	28,619,892	25,611,432	22,412,482	22,788,899	21,509,024
6	State Income Taxes - Current	1,426,377	517,861	682,673	617,481	503,486	400,285	539,890	682,933	717,335	178,853	615,191	594,175
7	Deferred SIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
8	Deferred SIT - Other	185,471	353,738	(94,605)	(162,588)	555,762	(71,316)	174,892	222,489	209,924	762,856	402,307	370,825
9	Federal Income Taxes - Current	7,821,298	2,939,576	4,426,454	3,472,508	1,759,785	(1,436,240)	1,971,557	1,676,515	2,852,920	784,743	2,535,247	2,457,630
10	Deferred FIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
11	Deferred FIT - Other	1,129,991	1,825,412	(1,166,142)	(1,218,281)	629,311	995,778	735,039	1,676,242	688,814	2,820,169	1,368,381	1,226,462
12	Deferred FIT - ITC	0	0	0	0	0	0	0	0	0	0	0	0
13	Amortization of ITC	(84,797)	(84,795)	(84,836)	(84,757)	(95,596)	(95,596)	(85,352)	(84,797)	(84,796)	(84,798)	(84,795)	(84,796)
14													
15	Operating Income	4,760,567	13,424,522	10,930,896	9,049,077	10,671,044	4,723,879	9,204,138	10,833,676	11,482,198	11,845,559	11,478,611	11,670,797
16	AFUDC	3,094,804	2,241,710	1,227,277	390,200	494,177	173,521	655,695	652,328	449,628	606,971	1,101,362	602,891
17	Other Income (Deductions), Net	0	0	4,720	(235,523)	(317,556)	(198,937)	(326,435)	(420,864)	465,889	(1,060,065)	(180,425)	(73,909)
18													
19	Income Available for Fixed Charges	7,855,371	15,666,232	12,162,893	9,203,754	10,847,665	4,698,463	9,533,398	11,065,140	12,397,715	11,392,465	12,399,548	12,199,779
20	Interest Charges	10,614,709	6,690,588	6,104,079	5,596,915	5,632,875	5,145,289	4,706,384	5,043,371	5,387,498	5,733,317	5,265,126	5,341,685
21													
22	Net Income	(2,759,338)	8,975,644	6,058,814	3,606,839	5,214,790	(446,826)	4,827,014	6,021,769	7,010,217	5,659,148	7,134,422	6,858,094
23	Preferred Dividends	458,317	427,916	78,773	78,706	79,874	448,208	513,293	533,615	536,778	540,118	543,637	547,156
24													
25	Net Income to Common Equity	(\$3,217,655)	\$8,547,728	\$5,980,041	\$3,528,133	\$5,134,916	(\$895,034)	\$4,313,721	\$5,488,154	\$6,473,439	\$5,119,030	\$6,590,785	\$6,310,938
26													
27													
28													
29	AFUDC as a Percent of Net Income	-112.16%	24.98%	20.26%	10.82%	9.48%	-38.83%	13.58%	10.83%	6.41%	10.73%	15.44%	8.79%
30													
31	AFUDC as a Percent to Earnings Available for Common Equity	-96.18%	26.23%	20.52%	11.06%	9.62%	-19.39%	15.20%	11.89%	6.95%	11.86%	16.71%	9.55%
32													
33													
34	Cost of Capital:												
35	Embedded Cost of Long-Term Debt	6.87%	6.93%	6.06%	6.29%	6.91%	6.24%	6.87%	7.34%	9.27%	10.37%	7.85%	7.96%
36	Embedded Cost of Preferred Stock	7.75%	7.75%	5.37%	5.37%	5.44%	7.41%	8.50%	7.74%	7.74%	7.75%	7.75%	7.75%
37													
38	Fixed Charge Coverages:												
39	Pre-Tax Interest Coverage	1.73	3.17	2.61	2.11	2.52	0.87	2.73	3.02	3.11	2.77	3.27	3.14
40	Pre-Tax Interest Coverage (Excluding AFUDC)	1.44	2.84	2.41	2.04	2.43	0.84	2.60	2.89	3.03	2.66	3.06	3.03
41	After-Tax Interest Coverage	0.74	2.34	1.99	1.64	1.93	0.91	2.03	2.19	2.30	1.99	2.36	2.28
42	After-Tax Fixed Charge Coverage	0.71	2.20	1.97	1.62	1.90	0.84	1.83	1.98	2.09	1.82	2.13	2.07
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Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
COMPARATIVE FINANCIAL DATA

DATA: X BASE PERIOD X FORECASTED PERIOD
DATE CERTAIN: FOR THE PERIODS INDICATED
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): N/A

SCHEDULE K
PAGE 3 OF 3
Witness Responsible: M.A. Miller/ S.A. Miller

Line No.	Description	Forecasted Period	Base Period	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
2	Stock and Bond Ratings:												
3	Moody's Bond Rating												
4	S&P Bond Rating												
5	Moody's Preferred Stock Rating												
6	S&P Preferred Stock Rating												
7													
8	Common Stock Related Data:												
9	Shares Outstanding - Year-End	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391
10	Shares Outstanding - Monthly Average	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,410,183
11	Earnings per Share - Weighted Average	(\$2.05)	\$5.45	\$3.82	\$2.25	\$3.28	(\$0.57)	\$2.75	\$3.50	\$4.13	\$3.27	\$4.20	\$4.48
12	Dividends Paid per Share	(\$1.54)	\$4.09	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29	\$3.32
13	Dividends Declared per Share	(\$1.54)	\$4.09	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29	\$3.32
14	Dividend Payout Ratio (Declared Basis)	75.12%	75.05%	69.63%	56.89%	33.54%	-214.04%	78.91%	86.00%	74.09%	79.51%	71.00%	57.00%
15	Market Price - High/Low												
16	1st Quarter												
17	2nd Quarter												
18	3rd Quarter												
19	4th Quarter												
20	Book Value per Share (Year-End)	\$82.31	\$59.54	\$47.71	\$46.72	\$40.65	\$38.45	\$40.00	\$39.41	\$38.92	\$37.85	\$37.18	\$36.27
21	Rate of Return Measures:												
22	Return on Common Equity (Average)	-2.49%	9.68%	8.08%	5.15%	8.28%	-1.46%	6.93%	8.94%	10.76%	8.71%	11.45%	22.21%
23	Return on Total Capital - (Average)	1.74%	7.53%	7.55%	6.56%	7.22%	3.30%	6.71%	8.25%	9.31%	9.34%	10.10%	9.72%
24	Return on Net Plant in Service (Average)	0.98%	4.21%	3.97%	3.55%	4.54%	2.15%	4.36%	5.31%	5.88%	6.34%	6.40%	6.88%
25	Other Financial and Operating Data:												
26	Mix of Sales (Gas and Electric)												
27	Mix of Fuel (Gas and Electric)												
28	Composite Depreciation Rate	2.45%	2.43%	2.36%	2.50%	2.33%	2.75%	2.23%	2.27%	2.30%	2.31%	2.55%	2.27%
29	Return on net plant calculated by dividing utility operating income by average net plant.												

NO MARKET PRICE IS AVAILABLE FOR KENTUCKY-AMERICAN WATER COMPANY. STOCK IS NOT PUBLICLY TRADED

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

**EXHIBIT 37
SCHEDULE L**

NARRATIVE DESCRIPTION AND EXPLANATION OF ALL PROPOSED TARIFF CHANGE

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
L	Narrative Rationale for Tariff Changes

For electronic version, see KAW_APP_EX37L_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
 CASE NO: 2008-00427
 NARRATIVE RATIONALE FOR TARIFF CHANGES

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
 SCHEDULE L
 PAGE 1 of 1
 Witness Responsible: K. Cartier / M. Miller

Line No.	Reference	Type of Rate or Regulation	Explanation of Change/Rationale for Change
1			
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The Company is proposing to increase its rates based on Mr. Paul Herbert's cost of service study for all metered tariffs, plus public and private fire protection. Please refer to Michael A. Miller's Direct Testimony for a detailed discussion of these proposed tariff changes.

In this proceeding, the Company is proposing to adjust its Tapping Fee tariff. Please refer to the testimony of Mr. Keith Cartier.

**EXHIBIT 37
SCHEDULE M**

**REVENUE SUMMARY FOR BASE PERIOD AND FORECASTED PERIOD
WITH DETAILED BILLING ANALYSIS FOR ALL CUSTOMER CLASSES**

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
M-3	Revenues at Present and Proposed Rates
M-3.1	Bill Analysis for the Base Period
M-3.2	Bill Analysis for the Forecasted Period

For electronic version, see KAW_APP_EX37M_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
REVENUES AT PRESENT AND PROPOSED RATES
TWELVE MONTHS ENDED JANUARY 31, 2009

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH M-3.1

SCHEDULE M-3
PAGE 1 OF 2
Witness Responsible: M.A. Miller

Line No.	Rate Classification (A)	Sales (B)	Revenues at Present Rates (C)	Revenues at Proposed Rates (D)	Revenue Change (E)	% of Revenues Change (F)
1						
2						
3						
4						
5						
6						
7	Residential	8,372,142	\$30,429,190	\$39,690,518	\$9,261,328	30.436%
8	Commercial	5,584,065	14,694,068	19,764,689	5,070,621	34.508%
9	Industrial	919,481	1,621,045	2,267,949	646,904	39.907%
10	Other Public Authority	2,090,381	4,583,032	6,310,388	1,727,356	37.690%
11	Sales for Resale	662,923	1,376,944	1,912,818	535,874	38.918%
12	Miscellaneous	270,466	9,128	0	(9,128)	-100.000%
13	Private Fire Service	0	1,235,816	1,717,864	482,048	39.006%
14	Public Fire Service	0	2,291,484	2,896,018	604,534	26.382%
15						
16	Total	17,899,458	\$56,240,707	\$74,560,244	\$18,319,537	32.573%
17						
18	Profroma_Other Operating Revenues					
19	Oth Rev-Rents Water Property		\$92,085	\$92,085	\$0	0.000%
20	Oth Rev-Collect for Others		987,227	987,227	0	0.000%
21	Oth Rev-NSF Check Charge		22,775	22,775	0	0.000%
22	Oth Rev-App/Initiate Serv Fee		655,553	655,553	0	0.000%
23	Oth Rev-Reconnection Charges		508,182	508,182	0	0.000%
24	Oth Rev-Misc Service Rev		175	175	0	0.000%
25	Oth Rev-Other Water Rev		3,165	3,165	0	0.000%
26	AFDUC					
27	Profroma Total Operating Revenues		\$58,509,869	\$76,829,406	\$18,319,537	31.310%
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
REVENUES AT PRESENT AND PROPOSED RATES
TWELVE MONTHS ENDED MAY 31, 2010

DATA: ___ BASE PERIOD ___ X_ FORECASTED PERIOD
TYPE OF FILING: ___ X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): SCH M-3.2

SCHEDULE M-3
PAGE 2 OF 2
Witness Responsible: M.A. Miller

Line No.	Rate Classification (A)	Sales (B)	Revenues at Present Rates (C)	Revenues at Proposed Rates (D)	Revenue Change (Amt) (E)	% of Revenues Change (F)
1						
2						
3						
4						
5						
6						
7	Residential	8,406,538	\$30,588,335	\$39,838,225	\$9,249,890	30.240%
8	Commercial	5,837,429	15,056,530	20,285,726	5,229,196	34.730%
9	Industrial	910,670	1,623,443	2,271,313	647,870	39.910%
10	Other Public Authority	2,019,601	4,507,460	6,204,332	1,696,872	37.650%
11	Sales for Resale	656,902	1,364,825	1,895,863	531,038	38.910%
12	Miscellaneous	0	0	0	0	0.000%
13	Private Fire Service	0	1,254,070	1,743,239	489,169	39.010%
14	Public Fire Service	0	2,466,049	3,116,635	650,586	26.380%
15						
16	Total	17,831,140	\$56,860,712	\$75,355,333	\$18,494,621	32.530%
17						
18	Profroma_Other_Operating Revenues					
19	Other Revenue-Rents Water Propert		\$94,020	\$94,020	\$0	0.000%
20	Other Revenue - Collections for Other:		\$1,010,412	1,010,412	0	0.000%
21	Other Revenues - NSF Checks:		\$21,588	21,588	0	0.000%
22	Reconnection Fee		\$655,548	655,548	0	0.000%
23	Activation Fee		\$508,188	508,188	0	0.000%
24						
25	AFDUC		3,094,804	3,094,804	0	0.000%
26						
27	Profroma Total Operating Revenues		\$62,245,272	\$80,739,893	\$18,494,621	29.710%
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED JANUARY 31, 2009

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

SCHEDULE M-3.1
PAGE 1 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Most Current Rate	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1		Residential:										
2		Customer Charge	1,284,026		\$8.60	\$11,042,624	27.822%	\$7.95	\$10,208,007	33.547%	\$834,617	8.18%
3		5/8" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
4		5/8" Quarterly	12		12.90	155	0.000%	11.94	143	0.000%	12	8.39%
5		3/4" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
6		3/4" Quarterly	20,911		21.50	449,587	1.133%	19.89	415,920	1.367%	33,667	8.09%
7		1" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
8		1" Quarterly	167		43.00	7,181	0.018%	39.77	6,642	0.022%	539	8.12%
9		1 1/2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
10		1 1/2" Quarterly	1,022		68.80	70,314	0.177%	63.64	65,040	0.214%	5,274	8.11%
11		2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
12		2" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
13		3" Monthly	0		129.00	0	0.000%	119.32	0	0.000%	0	0.00%
14		3" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
15		4" Monthly	0		215.00	0	0.000%	198.86	0	0.000%	0	0.00%
16		4" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
17		6" Monthly	24		430.00	10,320	0.026%	397.73	9,546	0.031%	774	8.11%
18		6" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
19		8" Monthly	0		688.00	0	0.000%	636.36	0	0.000%	0	0.00%
20		8" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
21												
22												
23												
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)		8,436,982	3.3318	28,110,337	70.824%	2.3378	19,723,892	64.819%	8,386,445	42.52%
27												
28												
29												
30												
31												
32		Quarterly Accounts:		0	3.3318	0	0.000%	2.3378	0	0.000%	0	0.00%
33		All Usage (CCF)										
34												
35												
36												
37		Hidden Leak Usage		0	3.3318	0	0.000%	2.3378	0	0.000%	0	0.00%
38		Credit Adjustments		(64,840)		0	0.000%				0	0.00%
39		Additional / Local Billings		0		0	0.000%				0	0.00%
40												
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
			<u>1,306,162</u>	<u>8,372,142</u>		<u>\$39,690,518</u>	<u>100.00%</u>		<u>\$30,429,190</u>	<u>100.00%</u>	<u>\$9,261,328</u>	<u>30.44%</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED JANUARY 31, 2009

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

SCHEDULE M-3.1
PAGE 6 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Most Current Rate	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1												
2												
3												
4												
5		Miscellaneous:										
6		Customer Charge	0		\$8.60	\$0	0.0000%	\$7.95	\$0	0.0000%	\$0	0.00%
7		5/8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
8		5/8" Quarterly	0		12.90	0	0.0000%	11.94	0	0.0000%	0	0.00%
9		3/4" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
10		3/4" Quarterly	0		21.50	0	0.0000%	19.89	0	0.0000%	0	0.00%
11		1" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
12		1" Quarterly	0		43.00	0	0.0000%	39.77	0	0.0000%	0	0.00%
13		1 1/2" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
14		1 1/2" Quarterly	0		68.80	0	0.0000%	63.64	0	0.0000%	0	0.00%
15		2" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
16		2" Quarterly	0		129.00	0	0.0000%	119.32	0	0.0000%	0	0.00%
17		3" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
18		3" Quarterly	0		215.00	0	0.0000%	198.86	0	0.0000%	0	0.00%
19		4" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
20		4" Quarterly	0		430.00	0	0.0000%	397.73	0	0.0000%	0	0.00%
21		6" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
22		6" Quarterly	0		688.00	0	0.0000%	636.36	0	0.0000%	0	0.00%
23		8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
24		8" Quarterly	0									
25		Block Consumption:										
26		Monthly Accounts:										
27		All Usage (CCF)		270,466	0.0000	0	0.0000%	0.0338	9,128	100.0000%	(9,128)	-100.00%
28												
29												
30												
31												
32		Quarterly Accounts:										
33		All Usage (CCF)		0	2.8160	0	0.0000%	0.0338	0	0.0000%	0	0.00%
34												
35												
36												
37												
38												
39		Credit Adjustments		0								
40		Additional / Local Billings		0								
41												
42												
43				270,466		\$0	0.00%		\$9,128	100.00%	(\$9,128)	-100.00%
44												
45												
46												
47												
48												
49												
50												

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED JANUARY 31, 2009

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

SCHEDULE M-3.1
PAGE 7 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Most Current Rate	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1												
2												
3												
4												
5		Private Fire Service:										
6		Private Fire Charges:										
7		2" Connections	43		\$ 83.76	\$ 3,602	0.210%	\$ 60.24	\$ 2,590	0.210%	\$ 1,012	39.07%
8		4" Connections	333		\$ 335.28	111,648	6.499%	\$ 241.20	80,320	6.499%	\$ 31,328	39.00%
9		6" Connections	800		\$ 753.48	602,784	35.089%	\$ 542.04	433,632	35.089%	\$ 169,152	39.01%
10		8" Connections	265		\$ 1,339.08	354,856	20.657%	\$ 963.36	255,290	20.658%	\$ 99,566	39.00%
11		10" Connections	7		\$ 2,092.56	14,648	0.853%	\$ 1,505.40	10,538	0.853%	\$ 4,110	39.00%
12		12" Connections	6		\$ 3,013.80	18,083	1.053%	\$ 2,168.16	13,009	1.053%	\$ 5,074	39.00%
13		14" Connections	1		\$ 4,102.44	4,102	0.239%	\$ 2,951.40	2,951	0.239%	\$ 1,151	39.00%
14		16" Connections	1		\$ 5,356.92	5,357	0.312%	\$ 3,853.92	3,854	0.312%	\$ 1,503	39.00%
15		Private Fire Hydrants	800		\$ 753.48	602,784	35.089%	\$ 542.04	433,632	35.089%	\$ 169,152	39.01%
16		Total Private Fire Service	2,256			\$ 1,717,864	100.00%		\$ 1,235,816	100.00%	\$ 482,048	39.01%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED JANUARY 31, 2009

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

SCHEDULE M-3.1
PAGE 8 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Most Current Rate	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1												
2												
3												
4		Public Fire Service:										
5		Public Fire Charges:										
6		Public Fire Hydrants	7,036		\$ 411.60	\$ 2,896,018	100.00%	\$325.68	\$ 2,291,484	100.00%	\$ 604,534	26.38%
7		Total Public Fire Service	7,036			\$ 2,896,018	100.00%		\$ 2,291,484	100.00%	\$ 604,534	26.38%
8												
9												
10												
11												
12												
13												
14												
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED MAY 31, 2010

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

SCHEDULE M-3.2
PAGE 7 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1											
2											
3											
4											
5		Private Fire Service:									
6		Private Fire Charges:									
7		2" Connections	43		\$ 83.76	\$ 3,602	0.207%	\$ 2,590	0.207%	\$ 1,012	39.07%
8		4" Connections	349		\$ 335.28	117,013	6.712%	84,179	6.712%	32,834	39.00%
9		6" Connections	816		\$ 753.48	614,840	35.270%	442,305	35.270%	172,535	39.01%
10		8" Connections	265		\$ 1,339.08	354,856	20.356%	255,290	20.357%	99,566	39.00%
11		10" Connections	7		\$ 2,092.56	14,648	0.840%	10,538	0.840%	4,110	39.00%
12		12" Connections	6		\$ 3,013.80	18,083	1.037%	13,009	1.037%	5,074	39.00%
13		14" Connections	0		\$ 4,102.44	0	0.000%	0	0.000%	0	0.00%
14		16" Connections	1		\$ 5,356.92	5,357	0.307%	3,854	0.307%	1,503	39.00%
15		Private Fire Hydrants	816		\$ 753.48	614,840	35.270%	442,305	35.270%	172,535	39.01%
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		Total Private Fire Service	2,303			\$ 1,743,239	100.00%	\$ 1,254,070	100.00%	\$ 489,169	39.01%

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY
TWELVE MONTHS ENDED MAY 31, 2010

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

SCHEDULE M-3.2
PAGE 8 OF 8
Witness Responsible: M.A. Miller

Line No.	Rate Code	Class / Description	Customer Bills	Sales	Proposed Rate	Proposed Total Revenue	% of Revenue to Total	Most Current Rate	Current Annualized Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1												
2												
3												
4		Public Fire Service:										
5		Public Fire Charges:										
6		Public Fire Hydrants	7,572		\$ 412	\$ 3,116,635	100.00%	\$325.68	\$ 2,466,049	100.00%	\$ 650,586	26.38%
7		Total Public Fire Service	7,572			\$ 3,116,635	100.00%		\$ 2,466,049	100.00%	\$ 650,586	26.38%
8												
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**EXHIBIT 37
SCHEDULE N**

TYPICAL BILL COMPARISON UNDER PRESENT AND PROPOSED RATES FOR ALL CUSTOMER CLASSES

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2008-00427

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: MAY 2010

Base Period: FOR THE TWELVE MONTHS ENDED: JANUARY 2009

<u>Schedule</u>	<u>Description</u>
N-3	Typical Bill Comparison

For electronic version, see KAW_APP_EX37N_103108.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
TYPICAL BILL COMPARISON
MONTHLY - RESIDENTIAL

SCHEDULE N-3
PAGE 1 OF 2
Witness Responsible: M.A. Miller

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

Line No.	Level of Usage (A)	RATE DATA			BILL DATA			% Increase (I=H/F)
		Most Current Rate (B)	Proposed Rate (C)	Dollar Increase (D=C-B)	Present Bill (F)	Proposed Bill (G)	Dollar Increase (H=G-F)	
1								
2								
3								
4	100 Cubic Feet - Monthly Residential							
5								
6	Service Charge	\$ 7.95	\$ 8.60	\$ 0.65	\$7.95	\$8.60	\$0.65	8.18%
7	All Usage	2.33779	3.33180	0.99401	10.29	11.93	1.64	15.98%
8					12.63	15.26	2.64	20.89%
9					14.96	18.60	3.63	24.27%
10					17.30	21.93	4.63	26.74%
11					19.64	25.26	5.62	28.62%
12					21.98	28.59	6.61	30.10%
13					24.31	31.92	7.61	31.29%
14					26.65	35.25	8.60	32.28%
15					28.99	38.59	9.60	33.10%
16					31.33	41.92	10.59	33.80%
17					36.00	48.58	12.58	34.94%
18					43.02	58.58	15.56	36.17%
19					45.35	61.91	16.55	36.50%
20					50.03	68.57	18.54	37.06%
21					54.71	75.24	20.53	37.53%
22					66.39	91.90	25.50	38.41%
23					78.08	108.55	30.47	39.02%
24					101.46	141.87	40.41	39.83%
25					124.84	175.19	50.35	40.33%
26					141.73	200.05	58.32	41.19%
27					175.51	241.78	66.27	42.33%
28					209.29	288.85	79.56	42.29%
29					243.07	341.32	98.25	42.33%
30					276.85	400.05	123.20	42.35%
31					310.62	468.86	158.24	42.37%
32					344.40	537.86	193.46	42.39%
33					378.18	607.86	229.68	42.40%
34					411.96	677.86	265.90	42.46%
35					445.74	747.86	302.12	42.48%
36					479.51	817.86	338.35	
37					513.29	887.86	374.57	
38					547.07	957.86	410.79	
39					580.85	1027.86	447.01	
40					614.62	1097.86	483.24	
41					648.40	1167.86	519.46	
42					682.18	1237.86	555.68	
43					715.96	1307.86	591.90	
44					749.74	1377.86	628.12	
45					783.51	1447.86	664.35	
46					817.29	1517.86	700.57	
47					851.07	1587.86	736.79	
48					884.85	1657.86	773.01	
49					918.62	1727.86	809.24	
50					952.40	1797.86	845.46	

5/8" METER
100 CUBIC FEET:

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
TYPICAL BILL COMPARISON

DATA: _____ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL _____ UPDATED _____ REVISED _____
WORKPAPER REFERENCE NO(S): N/A

SCHEDULE N-3
PAGE 2 OF 2
Witness Responsible: M.A. Miller

		BILL DATA			
Line No.	Level of Usage and Class (A)	Present Bill (B)	Proposed Bill (C)	Dollar Increase (D=C-B)	% Increase (E=D/B)
1					
2					
3	Residential (5/8" Meter)				
4					
5					
6	6.41 CCF-Monthly	\$22.94	\$29.96	\$7.02	30.60%
7					
8	Commercial (1" Meter)				
9	51.99 CCF-Monthly	131.05	177.37	46.32	35.35%
10					
11					
12					
13	Industrial				
14					
15	3,500 CCF-Monthly Small User (2-2"meters)	6,126.77	8,607.60	2,480.83	40.49%
16	50,000 CCF-Monthly (1-2", 3-6" meters)	86,963.83	122,358.80	35,394.97	40.70%
17					
18	OPA (2" Meter)				
19					
20	225.0 CCF-Month	512.52	702.40	189.88	37.05%
21					
22					
23	OWU (2" Meter)				
24					
25	7,900 CCF-Month	15,965.23	22,315.20	6,349.97	39.77%
26					
27					
28	Private Fire Service (Rate per Annum)				
29	Private Fire Hydrant	542.04	753.48	211.44	39.01%
30					
31	2"	60.24	83.76	23.52	39.04%
32	4"	241.20	335.28	94.08	39.00%
33	6"	542.04	753.48	211.44	39.01%
34	8"	963.36	1,339.08	375.72	39.00%
35	10"	1,505.40	2,092.56	587.16	39.00%
36	12"	2,168.16	3,013.80	845.64	39.00%
37	14"	2,951.40	4,102.44	1,151.04	39.00%
38	16"	3,853.92	5,356.92	1,503.00	39.00%
39					
40	Public Fire Service	325.68	411.60	85.92	26.38%
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					