

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

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

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

Line No.	Rate Base Component	Supporting Schedule Reference	Base Period
1			
2	Utility Plant In Service	B-2	\$372,100,801
3	Property Held for Future Use	B-2.6	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	29,364
5	Accumulated Depreciation	B-3	(82,696,202)
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10	Net Utility Plant In Service		279,433,963
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15	Construction Work in Progress	B-5	46,732,365
16	Working Capital Allowance	B-5	4,296,000
17	Other Working Capital Allowance	B-5	575,573
18	Contributions in Aid of Construction	B-6	(44,796,716)
19	Customer Advances	B-6	(14,020,977)
20	Deferred Income Taxes	B-6	(30,991,444)
21	Deferred Investment Tax Credits	B-6	(93,534)
22	Deferred Maintenance	W/P-1-10	1,833,038
23	Deferred Debits	W/P-1-11	2,013,859
24	Other Rate Base Elements	W/P-1-11	(1,510,392)
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45	Jurisdictional Rate Base		
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			<u>\$243,471,735</u>

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
3	Property Held for Future Use	B-2.6	0	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	11,963	18,488
5	Accumulated Depreciation	B-3	(102,285,596)	(98,516,471)
6	Net Utility Plant In Service		293,627,408	289,069,741
7	Construction Work in Progress	B-4 / W/P-1-4	135,704,098	102,817,344
8	Working Capital Allowance	B-5	4,271,000	4,271,000
9	Other Working Capital Allowance	B-5	575,573	575,573
10	Contributions in Aid of Construction	B-6	(46,235,776)	(45,274,826)
11	Customer Advances	B-6	(16,780,247)	(15,618,202)
12	Deferred Income Taxes	B-6	(34,001,726)	(33,911,117)
13	Deferred Investment Tax Credits	B-6	(87,154)	(83,326)
14	Deferred Maintenance	W/P-1-10	3,793,755	2,951,785
15	Deferred Debits	W/P-1-11	1,905,411	1,958,946
16	Other Rate Base Elements	W/P-1-11	(1,015,992)	(1,212,447)
17	Jurisdictional Rate Base		\$341,756,350	\$305,544,471

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

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

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

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1						\$251,296	100%	\$251,296	NA
2	DV	Mains	\$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 (Replacements)	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	-	-	-	-	54.30%
36	12020602	Ins 8' DI Yarnallton Road Ext.	(5,454)	5,454	-	-	-	-	100.00%
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						\$44,583,235	\$2,149,131	\$46,732,366	
						\$251,296	100%	\$251,296	
						\$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

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

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

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	DV	Mains	\$631,757	\$0		\$631,757	100%	\$631,757	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	Sludge Handling Improvement	-	-	-	-	-	-	100.00%
35	12020702	Major Highway Relocations	(26,115)	26,115	-	-	-	-	100.00%
36	12020602	Ins 8' DI Yarnallton Road Ext.	-	-	-	-	-	-	100.00%
37	12020501	Ground Storage Tank	1,076,790	16,080	-	1,092,870	-	1,092,870	62.45%
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			\$132,609,294	\$3,094,804	\$0	\$135,704,098		\$135,704,098	

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

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

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

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

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	DV	NA	NA	NA	NA	NA	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

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

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

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	DV	NA	NA	NA	NA	NA	\$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	51,982	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	-	NA
36	12020602	Jul-06	Dec-08	100.00%	200,000	329,610	-	0.00%
37	12020501	Oct-09	Dec-10	53.33%	1,750,000	1,750,000	1,092,870	62.45%
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\$135,704,098

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
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): WP-1-6

Line No.	Description	Total Company	13-Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
2							
3							
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 X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WP-1-6

Line No.	Description	Total Company	13-Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
1							
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7							
8	<u>Materials and Supplies</u>						
9	Plant Materials	\$419,912	100.00%	\$419,912	\$419,912	100.00%	\$419,912
10	Chemicals	155,661		155,661	155,661		155,661
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
AS OF JANUARY 31, 2009

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

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

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1				
2	Payrolls Charged to Expense - Union/ATS Group	\$4,503,126	12.00	\$54,037,512
3	Payrolls Charged to Expense - Salaried	2,127,016	12.00	25,524,192
4	Fuel, Power and Electric	2,958,624	26.96	79,764,503
5	Chemicals	1,654,395	6.65	11,001,727
6	Service Company Charges	7,670,470	0.40	3,068,188
7	Group Insurance	1,174,852	(6.81)	(8,000,742)
8	Op/b	643,487	23.13	14,864,086
9	Pensions	600,317	(5.50)	(3,301,744)
10	Insurance Other than Group	565,537	(44.70)	(25,279,504)
11	Transportation Expense	617,379	13.56	8,371,659
12	Rents	34,970	18.39	643,098
13	Telephone Expense	185,274	10.31	1,910,175
14	Postage Expense	553,426	23.47	12,988,908
15	Stock E	100,242	28.03	2,809,791
16	Maintenance Expense	1,163,615	18.54	21,573,422
17	Amortization	13,051	0.00	-
18	Uncollectibles	502,078	0.00	-
19	Waste Disposal	254,519	25.97	6,609,858
20	Other Operating Expenses	3,564,354	24.44	87,601,609
21	Total O & M Expenses	28,906,742		294,206,738
22				
23				
24	Depreciation and Amortization	8,335,535	0.00	-
25	Taxes, Other than Income			
26	Payroll - FUTA	529	69.86	36,856
27	Payroll - SUTA	2,635	75.14	197,894
28	Payroll - FICA	529,227	15.00	7,938,405
29	Other	2,732,690	70.95	193,894,356
30	Income Taxes - Current - SIT	517,861	52.75	27,317,168
31	Income Taxes - Current - FIT	2,939,576	30.13	88,569,425
32	Deferred Income Taxes	2,179,150	0.00	0
33	Interest Expense - Long - Term Debt	5,582,673	119.64	667,910,939
34	Interest Expense - Short - Term Debt	1,187,284	14.60	17,394,345
35	Preferred Dividends	427,916	46.40	19,855,287
36	Net Income	14,467,825	0.00	-
37				
38	Net Operating Funds	\$67,805,642		\$1,317,251,613
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			19.43
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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 5 OF 6
Witness Responsible: S.A. Miller

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

Line No.	DESCRIPTION	Amount	Post Payment or (Lead) Days	Dollar Days
1	Payrolls Charged to Expense - Union/ATS Group	\$4,796,812	12.00	57,561,744
2	Payrolls Charged to Expense - Salaried	2,265,736	12.00	27,188,832
3				
4				
5	Fuel and Power	3,598,619	26.96	97,018,759
6	Chemicals	2,745,061	6.65	18,254,653
7	Service Company Charges	7,612,592	0.40	3,045,037
8	Group Insurance	1,249,992	(6.61)	(8,512,446)
9	Op/b	560,278	23.13	12,959,230
10	Pensions	581,701	(5.50)	(3,199,395)
11	Insurance Other than Group	694,598	(44.70)	(31,048,517)
12	Transportation Expense	722,490	13.56	9,796,963
13	Rents	31,968	18.39	587,892
14	Telephone Expense	227,514	10.31	2,345,669
15	Postage Expense	569,610	23.47	13,368,747
16	Stock E	100,242	28.03	2,809,783
17	Maintenance Expense, excluding Amortizations	1,026,359	18.54	19,028,696
18	Amortization	365,759	0.00	-
19	Uncollectibles	431,442	0.00	-
20	Waste Disposal	297,231	25.97	7,719,089
21	Other Operating Expenses	3,862,765	24.44	94,894,776
22	Total O & M Expenses	31,760,788		238,068,978
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	227,838,755
30	Income Taxes - Current - SIT	1,426,377	52.75	75,241,387
31	Income Taxes - Current - FIT	7,821,298	30.13	236,655,709
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	15,398,332	0.00	-
37	Net Operating Funds	\$61,039,563		\$1,966,175,820
38				
39				
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41	Average Days Interval between Date Expenses are Incurred and Date of Payment			24.26
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
WORKING CAPITAL - LEAD/LAG STUDY
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

Line No.	Revenues Amount	Median Service Days	Dollar Days
2			
3	\$53,140,593	15.21	\$808,268,420
4			
5	5,384,560	34.54	185,982,702
6			
7	3,720,119	(15.26)	(56,769,016)
8			
9	<u>\$62,245,272</u>		<u>\$937,482,106</u>
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Monthly - Arrears Full Bills
Other Revenues
Fire Service
Total

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

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

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

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
2						
3	252	Customer Advances	W/P-1-7	\$14,020,977		\$14,020,977
4					100.00%	
5	271	Contributions in Aid of Constr	W/P-1-7	\$44,796,716		\$44,796,716
6						
7	255	Investment Tax Credits:	W/P-1-9	\$93,534		\$93,534
8		Pre 1971 3% Credit				
9		1971-1975 4% Credit				
10		1975-12/31/85 10% Credit				
11						
12				\$93,534		\$93,534
13						
14						
15						
16	282	Deferred Taxes:	W/P-1-8	\$29,495,001		\$29,495,001
17		Utility Plant in Service	W/P-1-8	713,051		713,051
18		Deferred Maintenance	W/P-1-8	783,392		783,392
19		Deferred Debits				
20						
21						
22						
23						
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26				\$30,991,444		\$30,991,444
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2008-00427
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
FEBRUARY 1, 2009 TO MAY 31, 2010

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

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

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