

<b>Kentucky-American Water Company</b>				
<b>Other Net Rate Base Elements - Summary</b>				
<b>CASE NO: 2008-00427</b>				
		End of	<b><u>Forecasted Period</u></b>	
		Base Period	End of Period	Average for
		Amount	Amount	Period
Contract Retentions		\$ (576,861)	\$ (576,861)	\$ (576,861)
Unclaimed Extension Dep Refunds		(8,181)	(8,181)	(8,181)
Accrued Pensions, Net of Tax		(889,939)	(395,539)	(591,994)
Retirement Work in Progress		151,444	151,444	151,444
Deferred Compensation		(186,855)	(186,855)	(186,855)
<b>Total Other Net Rate Base Elements</b>		<b>\$ (1,510,392)</b>	<b>\$ (1,015,992)</b>	<b>\$ (1,212,447)</b>

<b>Kentucky-American Water Company</b>							
<b>Other Net Rate Base Elements</b>							
<b>Accrued Pensions</b>							
<b>CASE NO: 2008-00427</b>							
	<u>262110</u>	<u>262120</u>			AWWS	KAWC	Total
Month	AWWS	KAWC	End of Base Period		\$ -	\$ (1,456,528)	(1,456,528)
					Net of Tax Amount		(889,939)
Jun-08	\$0	(\$1,614,526)					
Jul-08	0	(1,681,560)	End of Forecasted Period		0	(647,364)	(647,364)
Aug-08	0	(1,434,976)			Net of Tax Amount		(395,539)
Sep-08	0	(1,502,010)					
Oct-08	0	(1,569,044)	Average for Forecasted Period		0	(968,894)	(968,894)
Nov-08	0	(1,322,460)			Net of Tax Amount		(591,994)
Dec-08	0	(1,389,494)					
Jan-09	0	(1,456,528)	All balances based on a 24 month Avg				
Feb-09	0	(1,209,944)					
Mar-09	0	(1,276,978)		AWWS	KAWC		
Apr-09	0	(1,344,012)	Mo Accrual	0	67,034		
May-09	0	(1,097,428)					
Jun-09	0	(1,164,462)					
Jul-09	0	(1,231,496)					
Aug-09	0	(984,912)	State Income Tax Rate		6.00%		
Sep-09	0	(1,051,946)	Federal Income Tax Rate		35.00%		
Oct-09	0	(1,118,980)	Effective Tax Rate		38.9000%		
Nov-09	0	(872,396)					
Dec-09	0	(939,430)					
Jan-10	0	(1,006,464)					
Feb-10	0	(759,880)					
Mar-10	0	(826,914)					
Apr-10	0	(893,948)					
May-10	0	(647,364)					

<b>Kentucky-American Water Company</b>				
<b>Other Net Rate Base Elements</b>				
<b>Deferred Compensation Costs</b>				
<b>CASE NO: 2008-00427</b>				
Total Deferred Compensation per filing			373,711	
Rate Base Deduction based on 1/2 collected during test year			186,855	





<b>Kentucky-American Water Company</b>					
<b>Other Net Rate Base Elements</b>					
<b>Unclaimed Extension Deposit Refunds</b>					
<b>CASE NO: 2008-00427</b>					
Month	Amount	Reserved	End of Base Period		\$ (8,181)
Jun-06	\$ (4,598)	\$ -	End of Forecasted Period		(8,181)
Jul-06	\$ (4,598)	0			
Aug-06	\$ (4,598)	0	Average for Forecasted Period		(8,181)
Sep-06	\$ (4,598)	0			
Oct-06	\$ (4,598)	0			
Nov-06	\$ (4,598)	0			
Dec-06	\$ (4,598)	0			
Jan-07	\$ (4,598)	0			
Feb-07	\$ (4,598)	0			
Mar-07	\$ (4,598)	0			
Apr-07	\$ (4,598)	0			
May-07	\$ (4,598)	0			
Jun-07	\$ (4,598)	0	Account #:	241234	
Jul-07	\$ (4,598)	0			
Aug-07	\$ (22,702)	0			
Sep-07	\$ (20,935)	0			
Oct-07	\$ (20,935)	0			
Nov-07	\$ (4,598)	0			
Dec-07	\$ (4,598)	0			
Jan-08	\$ (20,935)	0			
Feb-08	\$ (8,935)	0			
Mar-08	\$ (8,935)	0			
Apr-08	\$ (9,694)	0			
May-08	\$ (9,694)	0			