

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
FORECASTED TEST PERIOD FILING REQUIREMENTS  
EXHIBIT NO. 37**

**Description of Filing Requirement:**

<u>Schedule</u>	<u>Description</u>
A.	Jurisdictional Financial Summary for the Rate 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\_022610.pdf.

**EXHIBIT 37  
SCHEDULE A**

**JURISDICTIONAL FINANCIAL SUMMARY FOR THE RATE BASE AND FORCASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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

For electronic version, see KAW\_APP\_EX37A\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD SCHEDULE A  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED Page 1 of 1  
WORKPAPER REFERENCE NO(S): WIP-1 (TOTAL COMPANY) Witness Responsible: M.A. Miller/S. A. Miller

Line No.	Description	Supporting Schedule Reference	Forecast Jurisdictional Rev Req	Base Period Jurisdictional Rev Req
2				
3				
4	RATE BASE	B-1	\$362,672,028	\$345,298,235
5				
6	FORECASTED OPERATING INCOME AT CURRENT RATES	C-1	15,473,267	13,816,302
7				
8	EARNED RATE OF RETURN		4.27%	4.00%
9				
10	RATE OF RETURN	J-1	8.58%	8.01%
11				
12	REQUIRED OPERATING INCOME		31,117,260	27,658,389
13				
14	OPERATING INCOME DEFICIENCY		15,643,993	13,842,087
15				
16	GROSS REVENUE CONVERSION FACTOR	H-1	1,652,2819	1,652,2819
17				
18	REVENUE DEFICIENCY (1)		25,848,286	22,871,029
19				
20	ADJUSTED OPERATING REVENUES	C-1	68,523,626	67,042,231
21				
22	REVENUE REQUIREMENT		\$94,371,912	\$89,913,260
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**EXHIBIT 37  
SCHEDULE B**

**JURISDICTIONAL RATE BASE SUMMARY FOR THE BASE AND FORCASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
RATE BASE SUMMARY  
AS OF MAY 31, 2010

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

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	\$ 385,169,760
3	Property Held for Future Use	B-2.6	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	11,963
5	Accumulated Depreciation	B-3	(103,121,670)
6			
7			
8			
9			
10	Net Utility Plant In Service		282,060,053
11			
12			
13			
14			
15	Construction Work in Progress		160,146,033
16	Working Capital Allowance	B-5	3,804,000
17	Other Working Capital Allowance	B-5	642,421
18	Contributions in Aid of Construction	B-6	(47,860,213)
19	Customer Advances	B-6	(16,921,528)
20	Deferred Income Taxes	B-6	(38,238,685)
21	Deferred Investment Tax Credits	B-6	(83,332)
22	Deferred Maintenance	W/P-1-10	2,422,653
23	Deferred Debits	W/P-1-11	1,757,661
24	Other Rate Base Elements	W/P-1-11	(2,430,828)
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45	Jurisdictional Rate Base		
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			<u>\$375,288,235</u>

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
RATE BASE SUMMARY  
AS OF SEPTEMBER 30, 2011

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

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

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	\$575,509,469	\$566,014,484
3	Property Held for Future Use	B-2.6	0	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	(0)	2,342
5	Accumulated Depreciation	B-3	(114,864,965)	(110,085,251)
6				
7				
8				
9				
10	Net Utility Plant In Service		460,644,504	455,931,575
11				
12				
13				
14				
15	Construction Work in Progress	B-4 / W/P-1-4	15,015,289	9,463,931
16	Working Capital Allowance	B-5 / W/P-1-12	2,634,000	2,634,000
17	Other Working Capital Allowance	B-5	642,421	642,421
18	Contributions in Aid of Construction	B-6	(49,231,987)	(48,865,890)
19	Customer Advances	B-6	(20,829,028)	(19,089,182)
20	Deferred Income Taxes	B-6	(41,316,474)	(40,026,731)
21	Deferred Investment Tax Credits	B-6	(73,124)	(76,952)
22	Deferred Maintenance	W/P-1-10	3,405,534	2,708,236
23	Deferred Debits	W/P-1-11	1,669,591	1,700,474
24	Other Rate Base Elements	W/P-1-11	(2,239,059)	(2,349,854)
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45	Jurisdictional Rate Base		\$370,321,668	\$362,672,028
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PLANT IN SERVICE BY MAJOR GROUPING  
AS OF MAY 31, 2010

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

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

Line No.	Major Property Grouping	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	End of Period Adjusted Jurisdiction
2						
3	Intangibles	\$ 657,582	100%	\$ 657,582	-	\$ 657,582
4						
5	Source of Supply and Pumping	34,617,664		34,617,664	-	34,617,664
6						
7	Water Treatment	40,810,179		40,810,179	-	40,810,179
8						
9	Transmission and Distribution	280,337,752		280,337,752	-	280,337,752
10						
11	General	28,746,583		28,746,583	-	28,746,583
12						
13	Completed Construction not Classified	-		-	-	-
14						
15	Other	-		-	-	-
16						
17	Total	\$ 385,169,760		\$ 385,169,760	\$ -	\$ 385,169,760
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PLANT IN SERVICE BY MAJOR GROUPING  
AS OF SEPTEMBER 30, 2011

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

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

Line No.	Major Property Grouping	Forecasted Period	Jurisdictional Percent	Jurisdictional	Adjustments	End of Period Adjusted Jurisdiction	13 Month Average
1	Intangibles	\$ 821,582	100%	\$ 821,582	-	\$ 821,582	\$ 754,351
2							
3	Source of Supply and Pumping	73,519,337		73,519,337	-	73,519,337	72,832,925
4							
5	Water Treatment	94,612,932		94,612,932	-	94,612,932	93,851,369
6							
7	Transmission and Distribution	374,342,166		374,342,166	-	374,342,166	367,456,178
8							
9	General	32,213,452		32,213,452	-	32,213,452	31,119,661
10							
11	Completed Construction not Classified	-		-	-	-	-
12							
13	Other	-		-	-	-	-
14							
15		\$ 575,509,469		\$ 575,509,469	-	\$ 575,509,469	\$ 566,014,484
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MAY 31, 2010

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): W/P-1

Line No.	Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction
2		<u>Intangible Plant</u>					
3	301	Organization	\$ 37,450		\$ 37,450	-	\$ 37,450
4	302	Franchise/Consents	70,261	100%	70,261	-	70,261
5	3031	Other P/E Intangibles	8,375		8,375	-	8,375
6	3036	Other P/E Comprehensive Studies	541,496		541,496	-	541,496
7		Total Intangibles	\$ 657,582		\$ 657,582	\$ -	\$ 657,582
8							
9		<u>Source of Supply and Pumping Plant</u>					
10	310	Land and Land Rights - SS	\$ 335,512		\$ 335,512	-	\$ 335,512
11	311	Structures and Improvements	2,673,341		2,673,341	-	2,673,341
12	312	Collecting and Impounding Reservoirs	1,005,086		1,005,086	-	1,005,086
13	313	Lake, River and Other Intakes	537,098		537,098	-	537,098
14	314	Wells and Springs	-		-	-	-
15	316	Supply Mains	5,143,915		5,143,915	-	5,143,915
16	320	Land and Land Rights - Pumping	91,827		91,827	-	91,827
17	321	Structures and Improvements	5,215,922		5,215,922	-	5,215,922
18	323	Other Power Production Equipment	935,700		935,700	-	935,700
19	325	Electric Pumping Equipment	9,540,435		9,540,435	-	9,540,435
20	326	Diesel Pumping Equipment	718,476		718,476	-	718,476
21	328	Other Pumping Equipment	8,420,352		8,420,352	-	8,420,352
22							
23							
24							
25							
26		Total Source of Supply & Pumping	\$ 34,617,664		\$ 34,617,664	\$ -	\$ 34,617,664
27							
28		<u>Water Treatment Plant</u>					
29	330	Land and Land Rights	68,164		68,164	-	68,164
30	331	Structures and Improvements	9,908,561		9,908,561	-	9,908,561
31	332	Water Treatment Equipment	30,664,885		30,664,885	-	30,664,885
32	334	Water Treatment - GAC	168,569		168,569	-	168,569
33		Total Water Treatment	\$ 40,810,179		\$ 40,810,179	\$ -	\$ 40,810,179
34							
35							
36		<u>Transmission and Distribution Plant</u>					
37	340	Land and Land Rights	\$ 4,019,854		\$ 4,019,854	-	\$ 4,019,854
38	341	T & D Structures and Improvements,	1,029,339		1,029,339	-	1,029,339
39	342	Distribution Reservoirs and Standpipes	12,051,777		12,051,777	-	12,051,777
40	343	Transmission and Distribution Mains	175,943,301		175,943,301	-	175,943,301
41	345	Services	43,299,157		43,299,157	-	43,299,157
42	346	Meters	14,874,259		14,874,259	-	14,874,259
43	347	Meter Installations	16,716,201		16,716,201	-	16,716,201
44	348	Hydrants	12,403,864		12,403,864	-	12,403,864
45		Total Transmission and Distribution	\$ 280,337,752		\$ 280,337,752	\$ -	\$ 280,337,752
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KENTUCKY AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MAY 31, 2010

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): W/P-1

Line No.	Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction
1							
2							
3		General Plant					
4	3892	Stores Shop & Garage Land					
5	390	Structures and Improvements	\$ 9,842,473	100%	\$ 9,842,473	-	\$ 9,842,473
6	391	Office Furniture and Equipment	7,233,056		7,233,056	-	7,233,056
7	392	Transportation Equipment	3,749,441		3,749,441	-	3,749,441
8	393	Stores Equipment	33,927		33,927	-	33,927
9	394	Tools, Shop and Garage Equipment	1,968,973		1,968,973	-	1,968,973
10	395	Laboratory Equipment	828,028		828,028	-	828,028
11	396	Power Operated Equipment	1,526,035		1,526,035	-	1,526,035
12	397	Communication Equipment	2,165,198		2,165,198	-	2,165,198
13	398	Miscellaneous Equipment	1,260,967		1,260,967	-	1,260,967
14	399	Other Tangible Property	138,485		138,485	-	138,485
15		Total General	\$ 28,746,583		\$ 28,746,583	-	\$ 28,746,583
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18							
19							
20		Total Utility Plant in Service	\$ 385,169,760		\$ 385,169,760	-	\$ 385,169,760
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KENTUCKY AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF SEPTEMBER 30, 2011

SCHEDULE B-2.1  
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): W/P-1

Line No.	Acct No.	Account Title	Forecasted	Forecasted Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction	13 Month Average
3	3892	General Plant						
4		Stores Shop & Garage Land	\$ -	100%	-	-	-	-
5	390	Structures and Improvements	11,847,473		11,847,473	-	11,847,473	11,387,473
6	391	Office Furniture and Equipment	7,291,514		7,291,514	-	7,291,514	7,266,069
7	392	Transportation Equipment	4,913,215		4,913,215	-	4,913,215	4,437,444
8	393	Stores Equipment	33,927		33,927	-	33,927	33,927
9	394	Tools, Shop and Garage Equipment	2,169,873		2,169,873	-	2,169,873	2,060,482
10	395	Laboratory Equipment	828,028		828,028	-	828,028	828,028
11	396	Power Operated Equipment	1,526,035		1,526,035	-	1,526,035	1,526,035
12	397	Communication Equipment	2,073,935		2,073,935	-	2,073,935	2,109,982
13	398	Miscellaneous Equipment	1,390,967		1,390,967	-	1,390,967	1,331,736
14	399	Other Tangible Property	138,485		138,485	-	138,485	138,485
16		Total General	\$ 32,213,452		\$ 32,213,452	\$ -	\$ 32,213,452	\$ 31,119,661
19		Total Utility Plant in Service	\$ 575,509,469		\$ 575,509,471	\$ -	\$ 575,509,471	\$ 566,014,484

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
AS OF MAY 31, 2010

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

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

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: 2010-00036  
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
AS OF SEPTEMBER 30, 2011

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

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

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: 2010-00036  
PROPERTY MERGED OR ACQUIRED  
AS OF MAY 31, 2010

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

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: 2010-00036  
PROPERTY MERGED OR ACQUIRED  
AS OF SEPTEMBER 30, 2011

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

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: 2010-00036  
LEASED PROPERTY  
AS OF MAY 31, 2010

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

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

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
LEASED PROPERTY  
AS OF SEPTEMBER 30, 2011

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

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

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF MAY 31, 2010

SCHEDULE B-2.6  
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.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized		Expenses Incurred	
							Amount	Acct No.	Amount	Acct No.
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NOT APPLICABLE IN THIS RATE CASE.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF SEPTEMBER 30, 2011

SCHEDULE B-2.6  
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.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized		Expenses Incurred	
							Acct No.	Amount	Acct No.	Amount
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NOT APPLICABLE IN THIS RATE CASE.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PROPERTY EXCLUDED FROM RATE BASE  
AS OF MAY 31, 2010

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: 2010-00036  
PROPERTY EXCLUDED FROM RATE BASE  
AS OF SEPTEMBER 30, 2011

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
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NONE

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MAY 31, 2010

DATA: X\_BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: X\_ORIGINAL UPDATED REVISED  
WORKPAPER REFERENCE NO(S): WP-1-3

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

Line No.	Acct No.	Account Title	Base Period Total Company	Jurisdictional Percent	Accumulated Reserve Balances Jurisdictional Total	Adjustments	Adjusted Jurisdiction
2							
3							
4	301	Intangible Plant	\$ 37,450		\$ -	\$ -	\$ -
5	302	Organization	70,261		-	-	0
6	3031	Franchise/Consents	8,375		836		836
7	3036	Other P/E Intangibles	541,496		52,758		52,758
8		Other P/E Comprehensive Studies	657,582	100%	53,594		53,594
9		Total Intangibles					
10		Source of Supply and Pumping Plant					
11	310	Land and Land Rights - Pumping	\$ 335,512		\$ -	\$ -	\$ -
12	311	Structures and Improvements	2,673,341		162,775		162,775
13	312	Collecting and Impounding Reservoirs	1,005,086		359,290		359,290
14	313	Lake, River and Other Intakes	537,098		57,810		57,810
15	314	Wells and Springs	-		-		-
16	316	Supply Mains	5,143,915		1,199,584		1,199,584
17	320	Land and Land Rights - Pumping	91,827		-		-
18	321	Structures and Improvements	5,215,922		1,556,654		1,556,654
19	323	Other Power Production Equipment	935,700		287,399		287,399
20	325	Electric Pumping Equipment	9,540,435		4,945,610		4,945,610
21	326	Diesel Pumping Equipment	718,476		358,313		358,313
22	328	Other Pumping Equipment	8,420,352		237,712		237,712
23							
24							
25							
26							
27		Total Source of Supply & Pumping	34,617,664		9,165,147		9,165,147
28		Water Treatment Plant					
29		Land and Land Rights	\$ 68,164		\$ -	\$ -	\$ -
30	330	Structures and Improvements	9,908,561		1,382,965		1,382,965
31	331	Water Treatment Equipment	30,664,885		14,813,782		14,813,782
32	332	Water Treatment - GAC	168,569.00		4,076		4,076
33							
34		Total Water Treatment	40,810,179		16,200,823		16,200,823
35							
36		Transmission and Distribution Plant					
37		Land and Land Rights	\$ 4,019,854		\$ -	\$ -	\$ -
38	340	T & D Structures and Improvements	1,029,339		521,240		521,240
39	341	Distribution Reservoirs and Standpipes	12,051,777		3,536,601		3,536,601
40	342	Transmission and Distribution Mains	175,943,301		29,947,365		29,947,365
41	343	Services	43,299,157		16,722,030		16,722,030
42	344	Meters	14,874,259		1,369,986		1,369,986
43	345	Meier Installations	16,716,201		4,870,368		4,870,368
44	346	Hydrants	12,403,864		3,187,828		3,187,828
45							
46		Total Transmission and Distribution	280,337,752		60,155,418		60,155,418
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MAY 31, 2010

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

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

Line No.	Acct No.	Account Title	Base Period		Jurisdictional Percent	Accumulated Reserve Balances		Adjustments	Adjusted Jurisdiction
			Total Company	Total Company		Jurisdictional Total	Total		
2									
3									
4	389.2	General Plant							
5	390	Stores Shop & Garage Land		\$ 1,749,941		\$ 1,749,941			\$ 1,749,941
6	391	Structures and Improvements	7,233,056	8,636,452		8,636,452			8,636,452
7	392	Office Furniture and Equipment	3,749,441	2,850,556		2,850,556			2,850,556
8	393	Transportation Equipment	33,927	33,591		33,591			33,591
9	394	Stores Equipment	1,968,973	914,046		914,046			914,046
10	395	Tools, Shop and Garage Equipment	828,028	746,545		746,545			746,545
11	396	Laboratory Equipment	1,526,035	896,320		896,320			896,320
12	397	Power Operated Equipment	2,165,198	916,689		916,689			916,689
13	398	Communication Equipment	1,260,967	474,198		474,198			474,198
14	399	Miscellaneous Equipment	138,485	328,350		328,350			328,350
15		Other Tangible Property							
16									
17		Total General	28,746,584	17,546,688		17,546,688			17,546,688
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		Total Utility Plant in Service	\$385,169,761	\$103,121,670		\$103,121,670			\$103,121,670





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MAY 31, 2010

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: 2010-00036  
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

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

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



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF MAY 31, 2010

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

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

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390	Office Structures and Improvements	3,023,405	854,737	2.01%	60,770	-5%	39.2	55-R2.5
5	3,901	Office Structures and Improvements-amortized	3,166,549	895,205	2.01%	63,648	-5%	39.2	55-R2.5
6	3,902	Stores, Shop & Garage Structures	1,729,152	1,371,883	2.33%	40,289	0%	32.6	45-R3
7	3,903	Misc Structures	1,923,367	1,525,970	4.19%	80,589	0%	21.2	25-R1.5
8	3,911	Office Furniture	195,029	154,733	0.00%	0	0%	4.8	20-SQ
9	3,911	Office Furniture-amortized	538,324	427,098	7.48%	40,267	0%	4.5	5-SQ
10	3,912	Mainframe Comp & Periph Eqpt	27,295	21,655	0.00%	0	0%	4.5	5-SQ
11	3,912	Mainframe Comp & Periph Eqpt-amortized	118,506	94,021	8.04%	9,528	0%	2.1	5-SQ
12	3,912	Personal Comp & Periph Eqpt	406,272	322,330	0.00%	0	0%	2.1	5-SQ
13	3,912	Personal Comp & Periph Eqpt-amortized	400,086	317,422	9.52%	38,088	0%	1.2	5-SQ
14	3,912	Computers & Periph Other	101,976	80,906	0.00%	0	0%	1.2	5-SQ
15	3,912	Computers & Periph Other-amortized	176,607	140,117	17.49%	30,889	0%	2.5	5-SQ
16	3,912	Mainframe Software	3,976,525	3,154,915	0.00%	0	0%	2.5	5-SQ
17	3,912	Mainframe Software-amortized	570,993	453,017	6.87%	39,227	0%	0.0	5-SQ
18	3,912	Personal Comp Software	400	317	0.00%	0	0%	0.0	5-SQ
19	3,912	Personal Comp Software-amortized	100,330	79,600	0.00%	0	0%	1.0	5-SQ
20	3,912	Other Software	527,874	418,807	0.00%	0	0%	1.0	5-SQ
21	3,912	Other Software-amortized	4,470	3,546	18.00%	805	0%	5.1	15-SQ
22	3,913	Other Office Equipment	18,816	14,928	0.00%	0	0%	7.1	13-S2.5
23	3,913	Other Office Equipment-amortized	69,553	55,183	7.17%	4,987	0%	7.1	13-S2.5
24	3,921	Trans Equip-Light Trucks	1,880,069	1,429,344	0.00%	0	20%	8.1	15-S2.5
25	3,921	Trans Equip-Light Trucks-amortized	66,000	50,177	0.00%	0	15%	3.2	10-R4
26	3,921	Trans Equip-Heavy Trucks	1,182,938	899,342	6.48%	76,654	0%	13.7	16-L2.5
27	3,922	Trans Equip-Cars	204,107	155,175	0.00%	0	0%	5.6	25-SQ
28	3,922	Trans Equip-Cars-amortized	0	0	0.00%	0	0%	12.2	20-SQ
29	3,923	Other Trans Equip	416,327	316,517	6.39%	26,603	0%	7.4	15-SQ
30	3,93	Stores Equipment	2,268	2,246	0.00%	0	25%	12.5	18-L2.5
31	3,93	Stores Equipment-amortized	31,659	31,346	5.18%	1,640	0%	7.7	15-SQ
32	3,94	Tools, Shop, & Garage Equip	158,330	73,501	0.00%	0	0%	14.8	20-SQ
33	3,94	Tools, Shop, & Garage Equip-amortized	1,810,643	840,546	5.67%	102,663	0%	10.8	20-SQ
34	3,95	Laboratory Equipment	150,397	135,597	0.00%	0	0%	14.8	20-SQ
35	3,95	Laboratory Equipment-amortized	677,631	610,948	7.10%	48,112	0%	10.8	20-SQ
36	3,96	Power Operated Equipment	1,526,035	886,320	4.45%	67,909	0%	10.8	20-SQ
37	3,97	Communication Equipment-nontelephone	209,848	88,844	0.00%	0	0%	10.8	20-SQ
38	3,97	Communication Equipment-amortized	1,692,239	716,450	6.12%	103,565	0%	10.8	20-SQ
39	3,971	Communication Equipment-remote control	22,311	9,446	6.12%	1,365	0%	10.8	20-SQ
40	3,972	Communication Equipment-telephone	240,800	101,949	6.12%	14,737	0%	10.8	20-SQ
41	3,98	Misc Equipment	115,963	43,609	0.00%	0	0%	10.8	20-SQ
42	3,98	Misc Equipment	1,145,004	430,589	5.23%	59,884	0%	10.8	20-SQ
43	3,99	Other Tangible Property	138,485	328,350	5.55%	7,686	0%	10.8	20-SQ
44									
45			318,199,357	103,121,667		7,004,621			
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Adjusted jurisdiction plant investment represents UPS net of Non-Depreciable Plant and Contributions In Aid of Construction.  
Current depreciation rates based on rates approved by the Commission in Case No. 2007-00143



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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	390	Office Structures and Improvements	3,023,405	547,015	2.94%	88,888	-5%	29.1	55-R2.5
5	3,901	Office Structures and Improvements-amortized	3,171,549	573,818	2.00%	63,431	-5%	45.4	55-R2.5
6	3,902	Stores, Shop & Garage Structures	3,729,152	674,704	2.03%	75,702	0%	41.4	55-R2.5
7	3,903	Misc Structures	1,923,367	347,989	4.98%	95,784	-10%	18.9	25-R2
8	3,911	Office Furniture	195,029	225,489	0.00%	0	0%	9.0	20-SQ
9	3,911	Office Furniture-amortized	538,324	622,429	5.00%	26,916	0%		
10	3,912	Mainframe Comp & Periph Eqpt	27,295	31,559	0.00%	0	0%	2.4	5-SQ
11	3,912	Mainframe Comp & Periph Eqpt-amortized	337,346	390,051	20.00%	67,469	0%		
12	3,912	Personal Comp & Periph Eqpt	245,890	284,307	0.00%	0	0%	2.3	5-SQ
13	3,912	Personal Comp & Periph Eqpt-amortized	400,086	462,593	20.00%	80,017	0%		
14	3,912	Computers & Periph Other	101,976	117,908	0.00%	0	0%	3.4	5-SQ
15	3,912	Computers & Periph Other-amortized	176,607	204,199	20.00%	35,321	0%		
16	3,912	Mainframe Software	3,976,525	4,597,796	0.00%	0	0%	1.0	5-SQ
17	3,912	Mainframe Software-amortized	570,993	660,202	20.00%	114,199	0%		
18	3,912	Personal Comp Software	400	462	0.00%	0	0%	2.7	5-SQ
19	3,912	Personal Comp Software-amortized	100,330	116,005	20.00%	20,066	0%		
20	3,912	Other Software	527,874	610,346	0.00%	0	0%	2.6	5-SQ
21	3,912	Other Software-amortized	4,470	5,168	20.00%	894	0%		
22	3,913	Other Office Equipment	18,816	21,756	0.00%	0	0%	5.8	15-SQ
23	3,913	Other Office Equipment-amortized	69,553	80,420	6.67%	4,639	0%		
24	3,921	Trans Equip-Light Trucks	1,646,367	928,791	0.00%	0	0%	0.0	13-S2.5
25	3,921	Trans Equip-Light Trucks-new additions	1,388,507	786,396	6.15%	83,548	20%	13.5	13-S2.5
26	3,921	Trans Equip-Heavy Trucks	1,167,938	658,888	2.11%	24,643	15%	12.0	14-S2
27	3,922	Trans Equip-Cars	191,583	108,081	0.00%	0	0%	0.0	10-S3
28	3,922	Trans Equip-Cars-new additions	132,493	74,745	8.50%	11,262	15%	10.0	10-S3
29	3,923	Other Trans Equip	416,327	234,869	5.33%	22,190	0%	13.5	16-L3
30	393	Stores Equipment	2,268	2,323	0.00%	0	0%	3.6	25-SQ
31	393	Stores Equipment-amortized	31,659	32,420	4.00%	1,266	0%		
32	394	Tools, Shop, & Garage Equip	138,230	63,287	0.00%	0	0%	13.7	20-SQ
33	394	Tools, Shop, & Garage Equip-amortized	2,031,643	930,161	5.00%	101,582	0%		
34	395	Laboratory Equipment	150,397	140,367	0.00%	0	0%	6.2	15-SQ
35	395	Laboratory Equipment-amortized	677,631	632,437	6.67%	45,198	15%	13.7	18-L4
36	396	Power Operated Equipment	1,526,035	950,696	2.08%	31,742	0%		
37	397	Communication Equipment-nontelephone	118,585	62,817	0.00%	0	0%	4.9	15-SQ
38	397	Communication Equipment-amortized	1,692,239	896,411	6.67%	112,872	0%	13.6	15-SQ
39	397	Communication Equipment-remote control	22,311	11,819	6.67%	1,488	0%	13.6	15-SQ
40	397	Communication Equipment-telephone	240,800	127,556	6.67%	16,061	0%	13.6	15-SQ
41	398	Misc Equipment	115,963	46,854	0.00%	0	0%	13.6	20-SQ
42	398	Misc Equipment	1,275,004	515,156	5.00%	63,750	0%	8.7	20-SQ
43	399	Other Tangible Property	138,485	288,575	5.00%	6,924	0%		
44			499,988,433	114,864,967		11,759,278			

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
CONSTRUCTION WORK IN PROGRESS  
AS OF MAY 31, 2010

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

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			\$			\$180,000	100%	\$180,000	NA
2	DV	Mains	180,000	-	-	180,000			NA
3	DV	Services	-	-	-	-		-	NA
4	DV	Meter Installations	-	-	-	-		-	NA
5	DV	Hydrants	45,000	-	-	45,000		45,000	NA
6	A	Mains - New	19,503	497	-	20,000		20,000	NA
7	B	Mains - Planned Replacement / Restored	75,176	2,824	-	78,000		78,000	NA
8	C	Mains - Unschedule Replacements	17,405	595	-	18,000		18,000	NA
9	D	Mains - Relocation	131,147	3,853	-	135,000		135,000	NA
10	E	Hydrants, Valves, and Manholes - New	11,881	119	-	12,000		12,000	NA
11	F	Hydrants, Valves, and Manholes - Replaced	8,603	397	-	9,000		9,000	NA
12	G	Services and Laterals - New	94,400	-	-	94,400		94,400	NA
13	H	Services and Laterals - Replaced	105,545	-	-	105,545		105,545	NA
14	I	Meters New	87,000	-	-	87,000		87,000	NA
15	J	Meter - Replaced	156,327	-	-	156,327		156,327	NA
16	K	ITS Equipment and Systems	20,000	-	-	20,000		20,000	NA
17	L	SCADA Equipment and Systems	14,784	216	-	15,000		15,000	NA
18	M	Security Equipment and System	-	-	-	-		-	NA
19	N	Offices and Operations Centers	-	-	-	-		-	NA
20	O	Vehicles	75,000	-	-	75,000		75,000	NA
21	P	Tools and Equipment	20,000	-	-	20,000		20,000	NA
22	Q	Process Plant Facilities and Equipment	92,402	2,100	-	94,502		94,502	NA
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-		-	NA
24	S	Engineering Studies	11,393	607	-	12,000		12,000	NA
25	12020204	Source of Supply Project Dev	2,061,111	83,836	-	2,144,947		2,144,947	97.49%
26	IP-1202-5	North Broadway Main Replacement	1,877,209	104,912	-	1,982,121		1,982,121	71.55%
27	IP-1202-6	Install 34,000 of 16" along Carrick Pike	81,009	7,032	-	88,041		88,041	3.26%
28	IP-1202-17	South Limestone Replacement	132,415	439	-	132,854		132,854	24.93%
29	IP-1202-18	US 25 Relocation	1,162,696	12,304	-	1,175,000		1,175,000	36.72%
30	IP-1202-19	Leestown Road	144,973	5,982	-	150,955		150,955	10.06%
31	12020607	Pool 3 - Lakes, Rivers & Other Inakes	140,593,948	10,461,591	-	151,055,539		151,055,539	93.42%
32	IP-1202-32	Lexington Operations Center	139,141	859	-	140,000		140,000	7.00%
33	IP-1232-3	Northern Division Connection	76,536	7,169	-	83,705		83,705	1.20%
34	CS-1201-3	Business Transformation 2010 - 2014	1,994,941	21,156	-	2,016,097		2,016,097	15.79%
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						\$149,429,545		\$160,146,033	
						\$10,716,488		\$160,146,033	

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: 2010-00036  
CONSTRUCTION WORK IN PROGRESS  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): \_\_\_ W/P-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			\$531,001	\$0		\$531,001	100%	\$531,001	N/A
2	DV	Mains	-	-	-	-	-	-	N/A
3	DV	Services	-	-	-	-	-	-	N/A
4	DV	Meter Installations	59,000	-	-	59,000	-	59,000	N/A
5	DV	Hydrants	116,121	-	-	116,121	-	116,121	N/A
6	A	Mains - New	68,417	3,879	-	72,296	-	72,296	N/A
7	B	Mains - Planned Replacement / Restored	16,262	6,583	-	22,845	-	22,845	N/A
8	C	Mains - Unschedule Replacements	67,989	1,738	-	69,727	-	69,727	N/A
9	D	Mains - Relocation	2,580	7,011	-	9,591	-	9,591	N/A
10	E	Hydrants, Valves, and Manholes - New	21,584	1,420	-	23,004	-	23,004	N/A
11	F	Hydrants, Valves, and Manholes - Replaced	120,125	1,416	-	121,541	-	121,541	N/A
12	G	Services and Laterals - New	169,281	-	-	169,281	-	169,281	N/A
13	H	Services and Laterals - Replaced	118,331	-	-	118,331	-	118,331	N/A
14	I	Meters New	233,607	-	-	233,607	-	233,607	N/A
15	J	Meter - Replaced	15,001	-	-	15,001	-	15,001	N/A
16	K	ITS Equipment and Systems	(879)	879	-	-	-	-	N/A
17	L	SCADA Equipment and Systems	9,930	70	-	10,000	-	10,000	N/A
18	M	Security Equipment and System	20,000	-	-	20,000	-	20,000	N/A
19	N	Offices and Operations Centers	-	-	-	-	-	-	N/A
20	O	Vehicles	-	-	-	-	-	-	N/A
21	P	Tools and Equipment	-	-	-	-	-	-	N/A
22	Q	Process Plant Facilities and Equipment	90,247	6,755	-	97,002	-	97,002	N/A
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-	-	-	N/A
24	S	Engineering Studies	9,229	771	-	10,000	-	10,000	N/A
25	IP-1202-6	Install 34,000 of 16" along Carrick Pike	674,686	13,355	-	688,041	-	688,041	25.48%
26	IP-1202-18	US 25 Relocation	(44,637)	44,637	-	-	-	-	100.00%
27	IP-1202-19	Leestown Road	1,511,471	39,484	-	1,550,955	-	1,550,955	100.00%
28	IP-1202-22	KRS Raw Water Transfer	196,096	3,904	-	200,000	-	200,000	100.00%
29	IP-1202-31	KRS Raw Water Access	979,128	20,872	-	1,000,000	-	1,000,000	100.00%
30	IP-1202-32	Lexington Operations Center	(25,007)	25,007	-	-	-	-	100.00%
31	IP-1232-3	Northern Division Connection	3,770,441	113,264	-	3,883,705	-	3,883,705	55.48%
32	CS-1201-3	Business Transformation 2010 - 2014	5,639,105	355,135	-	5,994,240	-	5,994,240	46.93%
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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.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
AS OF MAY 31, 2010

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

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	180,000	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	45,000	NA
6	A	NA	NA	NA	NA	NA	20,000	NA
7	B	NA	NA	NA	NA	NA	78,000	NA
8	C	NA	NA	NA	NA	NA	18,000	NA
9	D	NA	NA	NA	NA	NA	135,000	NA
10	E	NA	NA	NA	NA	NA	12,000	NA
11	F	NA	NA	NA	NA	NA	9,000	NA
12	G	NA	NA	NA	NA	NA	94,400	NA
13	H	NA	NA	NA	NA	NA	105,545	NA
14	I	NA	NA	NA	NA	NA	87,000	NA
15	J	NA	NA	NA	NA	NA	156,327	NA
16	K	NA	NA	NA	NA	NA	20,000	NA
17	L	NA	NA	NA	NA	NA	15,000	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	-	NA
20	O	NA	NA	NA	NA	NA	75,000	NA
21	P	NA	NA	NA	NA	NA	20,000	NA
22	Q	NA	NA	NA	NA	NA	94,502	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	12,000	NA
25	12020204	Apr-02	Nov-10	94.23%	1,346,992	2,200,060	2,144,947	97.49%
26	IP-1202-5	Apr-08	Sep-10	86.67%	2,850,037	2,770,076	1,982,121	71.55%
27	IP-1202-6	May-08	Dec-12	44.64%	2,700,001	2,700,269	88,041	3.26%
28	IP-1202-17	May-10	Aug-10	25.00%	1,125,000	523,854	132,854	25.36%
29	IP-1202-18	Feb-10	Dec-10	36.36%	3,200,000	3,200,000	1,175,000	36.72%
30	IP-1202-19	May-10	Dec-11	5.00%	1,500,000	1,500,000	150,955	19.30%
31	12020607	Aug-06	Sep-10	80.36%	139,528,531	161,691,600	151,055,539	93.42%
32	IP-1202-32	Mar-10	Dec-10	15.00%	2,000,000	2,000,000	140,000	7.00%
33	IP-1232-3	Jan-11	Aug-12	0.00%	7,000,000	7,000,000	83,705	1.20%
34	CS-1201-3	Jan-10	Dec-14	8.33%	12,771,812	12,771,812	2,016,097	15.79%
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							<u>160,146,033</u>	
							<u>\$174,022,373</u>	
							<u>\$196,357,671</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 two months.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

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	\$531,001	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	59,000	NA
6	A	NA	NA	NA	NA	NA	120,000	NA
7	B	NA	NA	NA	NA	NA	75,000	NA
8	C	NA	NA	NA	NA	NA	18,000	NA
9	D	NA	NA	NA	NA	NA	75,000	NA
10	E	NA	NA	NA	NA	NA	4,000	NA
11	F	NA	NA	NA	NA	NA	23,000	NA
12	G	NA	NA	NA	NA	NA	120,125	NA
13	H	NA	NA	NA	NA	NA	169,281	NA
14	I	NA	NA	NA	NA	NA	118,331	NA
15	J	NA	NA	NA	NA	NA	233,607	NA
16	K	NA	NA	NA	NA	NA	15,001	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	10,000	NA
19	N	NA	NA	NA	NA	NA	20,000	NA
20	O	NA	NA	NA	NA	NA	-	NA
21	P	NA	NA	NA	NA	NA	-	NA
22	Q	NA	NA	NA	NA	NA	97,002	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	10,000	NA
25	IP-1202-6	May-08	Dec-12	94.23%	2,700,001	2,700,269	688,041	25.48%
26	IP-1202-18	Feb-10	Dec-10	100.00%	3,200,000	3,200,000	-	100.00%
27	IP-1202-19	May-10	Dec-11	72.73%	1,500,000	1,500,000	1,550,955	100.00%
28	IP-1202-22	Jun-11	Dec-11	57.14%	200,000	200,000	200,000	100.00%
29	IP-1202-31	Nov-10	Dec-11	78.57%	1,000,000	1,000,000	1,000,000	100.00%
30	IP-1202-32	Mar-10	Dec-10	100.00%	2,000,000	2,000,000	-	100.00%
31	IP-1232-3	Jan-11	Aug-12	45.00%	7,000,000	7,000,000	3,883,705	55.48%
32	CS-1201-3	Jan-10	Dec-14	20.00%	12,771,812	12,771,812	5,994,240	46.93%
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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: 2010-00036  
ALLOWANCE FOR WORKING CAPITAL  
AS OF MAY 31, 2010

SCHEDULE B-5  
PAGE 1 OF 2  
Witness Responsible: M.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>\$3,804,000</u>	<u>100.00%</u>	<u>\$3,804,000</u>
4						
5						
6						
7	Materials and Supplies	13 Month Average Balance	B-5.1	<u>\$642,421</u>	<u>100.00%</u>	<u>\$642,421</u>
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ALLOWANCE FOR WORKING CAPITAL  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

DATA: \_\_\_ BASE PERIOD \_\_\_ X\_ 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						
4						
5						
6	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$2,634,000	100.00%	\$2,634,000
7						
8						
9						
10	Materials and Supplies	13 Month Average Balance	B-5.1	\$642,421	100.00%	\$642,421
11						
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL COMPONENTS  
AS OF MAY 31, 2010

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

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

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	\$428,668	100.00%	\$428,668	\$428,668	100.00%	\$428,668
7							
8	Chemicals	213,753		213,753	213,753		213,753
9							
10							
11		\$642,421		\$642,421	\$642,421		\$642,421
12							
13							
14							
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL COMPONENTS  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

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

Line No.	Description	Total Company	13 - Month Average For Period Jurisdictional Percent	Jurisdictional Amount	Total Company	Period Balance Jurisdictional Percent	Jurisdictional Amount
1							
2							
3							
4							
5							
6							
7							
8							
9							
10		\$428,668	100.00%	\$428,668	\$428,668	100.00%	\$428,668
11	Plant Materials						
12							
13		213,753		213,753	213,753		213,753
14							
15							
16							
17							
18							
19							
20							
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF MAY 31, 2010

SCHEDULE B-5.2  
PAGE 1 OF 6  
Witness Responsible: M.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>\$77,057,737</u>
4			
5	Average Daily Operating Funds		211,117
6			
7	Composite Average Days Interval Between:		
8			
9	(A) Date Service Furnished and Date Collections Deposited	36.84	
10			
11	(B) Date Expenses Incurred and Date of Payment	<u>18.82</u>	
12			
13	(C) Net Interval	<u>18.02</u>	
14			
15	Total Working Capital		<u>\$3,803,906</u>
16			
17			
18	Use		<u>\$3,804,000</u>
19			
20			
21			
22			
23			
24			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF MAY 31, 2010

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

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1				
2				
3	Payrolls Charged to Expense - Union/ATS Group	\$3,691,237	12.00	\$44,294,844
4	Payrolls Charged to Expense - Salaried	3,445,051	12.00	41,340,612
5	Fuel, Power and Electric	3,179,899	30.44	96,796,126
6	Chemicals	2,188,604	27.38	59,923,978
7	Purchased Water	126,828	46.34	5,877,210
8	Waste Disposal	289,729	20.73	6,006,082
9	Service Company Charges	8,485,212	(10.81)	(91,725,142)
10	Group Insurance	1,350,581	(13.57)	(18,327,384)
11	Opelb	907,004	(1.39)	(1,260,736)
12	Pensions	1,262,429	(1.39)	(1,754,776)
13	Insurance Other than Group	690,501	(34.38)	(23,739,424)
14	Rents	32,992	(29.37)	(968,975)
15	Regulatory Expense	304,841	16.63	5,069,506
16	Maintenance Expense	1,016,950	30.51	31,027,159
17	Amortization	303,392	0.00	0
18	Uncollectibles	601,956	0.00	0
19	Other Operating Expenses	5,387,194	42.29	227,824,434
20				
21	Total O & M Expenses	33,264,400		380,383,514
22				
23	Depreciation and Amortization	8,383,985	0.00	0
24	Taxes, Other than Income			
25	Payroll - FUTA	7,194	49.80	358,261
26	Payroll - SUTA	9,569	47.17	451,370
27	Payroll - FICA	529,073	11.54	6,105,502
28	Property Tax	3,435,719	165.85	569,813,996
29	Utility Tax	99,219	(182.00)	(18,057,858)
30	Income Taxes - Current - SIT	240,355	29.64	7,124,122
31	Income Taxes - Current - FIT	(181,708)	0.00	(5,385,825)
32	Deferred Income Taxes	7,438,123	29.64	0
33	Interest Expense - Long - Term Debt	5,459,077	90.55	494,319,422
34	Interest Expense - Short - Term Debt	322,913	14.31	4,620,885
35	Preferred Dividends	236,139	45.88	10,834,057
36	Net Income	17,813,680	0.00	0
37				
38	Net Operating Funds	\$77,057,737		\$1,450,567,446
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			18.82
42				
43				
44				
45				
46				
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48				
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF MAY 31, 2010

SCHEDULE B-5.2  
PAGE 3 OF 6  
Witness Responsible: M.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	\$892,003,344
6	Other Revenues	34.54	96,295,413
7	Fire Service	(41.19)	(181,537,140)
8			
9	Total		\$806,761,617
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	Average Median Service Days		12.25
22	Number of Days between the Reading Date and the Billing Date		4.66
23			
24	Number of Days between the Billing Date and the Date the Bills are Paid		19.93
25			
26			
27	Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received		36.84
28			
29			
30			
31			
32			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): Sch 5.2  
AGDR2#19(4, 5, & 6)

Line No.	Description	Days	Amount
1			
2			
3	Total Operating Funds		<u>\$94,127,543</u>
4			
5	Average Daily Operating Funds		257,884
6			
7	Composite Average Days Interval Between:		
8			
9	(A) Date Service Furnished and Date Collections Deposited	35.83	
10			
11	(B) Date Expenses Incurred and Date of Payment	<u>25.62</u>	
12			
13	(C) Net Interval	<u>10.21</u>	
14			
15	Total Working Capital		<u>\$2,633,701</u>
16			
17			
18	Use		<u>\$2,634,000</u>
19			
20			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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	\$4,158,486	12.00	49,901,832
2	Payrolls Charged to Expense - Salaried	3,881,137	12.00	46,573,644
3				
4				
5	Fuel and Power	4,375,584	30.44	133,192,777
6	Chemicals	1,772,730	27.38	48,537,347
7	Service Company Charges	9,028,121	(10.81)	(97,593,988)
8	Group Insurance	1,403,136	(13.57)	(19,040,556)
9	Opex	910,407	(1.39)	(1,265,466)
10	Pensions	1,267,732	(1.39)	(1,762,147)
11	Insurance Other than Group	742,262	(34.38)	(25,518,959)
12	Regulatory Exp	366,462	16.63	6,094,263
13	Rents	27,654	(29.37)	(812,198)
14	Maintenance Expense, excluding Amortizations	905,779	30.51	27,635,317
15	Amortization	366,562	0.00	0
16	Uncollectibles	522,551	0.00	0
17	Waste Disposal	340,226	20.73	7,052,891
18	Purchased Water	120,655	46.34	5,591,153
19	Other Operating Expenses	5,269,862	42.29	222,863,326
20				
21	Total O & M Expenses	35,459,366		304,973,760
22				
23	Depreciation and Amortization	11,319,797	0.00	0
24	Taxes, Other than Income			
25	Payroll - FUTA	8,939	49.80	445,162
26	Payroll - SUTA	7,423	47.17	350,143
27	Payroll - FICA	604,945	11.54	6,981,065
28	Property Tax	4,429,174	165.85	734,578,508
29	Utility Tax	109,826	(182.00)	(19,988,332)
30	Income Taxes - Current - SIT	1,371,662	29.64	40,656,062
31	Income Taxes - Current - FIT	7,521,281	29.64	222,930,769
32	Deferred Income Taxes	2,177,869	0.00	0
33	Interest Expense - Long - Term Debt	12,113,246	90.55	1,096,854,425
34	Interest Expense - Short - Term Debt	181,336	14.31	2,594,918
35	Preferred Dividends	471,474	45.88	21,631,227
36	Net Income	18,351,205	0.00	0
37				
38	Net Operating Funds	\$94,127,543		\$2,412,007,707
39				
40				
41				
42	Average Days Interval between Date Expenses are Incurred and Date of Payment			25.62
43				
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
WORKING CAPITAL - LEAD/LAG STUDY  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

DATA: \_\_\_ BASE PERIOD \_\_\_ X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S):  
AGDR2#19(4, 5, & 6)

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5			
6			
7	\$60,289,591	15.21	\$917,004,675
8			
9			
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Monthly - Arrears Full Bills

Fire Service

Total

Average Median Service Days

Number of Days between the Reading Date and the Billing Date

Number of Days between the Billing Date and the Date the Bills are Paid

Total

Other Revenues

Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
AS OF MAY 31, 2010

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	\$ 16,921,528		\$16,921,528
4					100.00%	
5	271	Contributions in Aid of Constr	W/P-1-7	\$ 47,860,213		\$47,860,213
6						
7	255	Investment Tax Credits:	W/P-1-9	\$83,332		\$83,332
8		Pre 1971 3% Credit				
9		1971-1975 4% Credit				
10		1975-12/31/85 10% Credit				
11						
12				\$83,332		\$83,332
13						
14						
15						
16	282	Deferred Taxes:	W/P-1-8	\$36,612,543		\$36,612,543
17		Utility Plant in Service	W/P-1-8	942,412		942,412
18		Deferred Maintenance	W/P-1-8	683,730		683,730
19		Deferred Debits				
20						
21						
22						
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				\$38,238,685		\$38,238,685

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1  
AGDR2#19(3)

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	\$20,829,028	100.00%	\$20,829,028	\$19,089,182
4							
5	271	Contributions in Aid of Constr	W/P-1-7	\$49,231,987		\$49,231,987	\$48,865,890
6							
7	255	Investment Tax Credits:	W/P-1-9	\$73,124		\$73,124	\$76,952
8		Pre 1971 3% Credit					
9		1971-1975 4% Credit					
10		1975-12/31/85 10% Credit					
11							
12				\$73,124		\$73,124	\$76,952
13							
14							
15							
16	282	Deferred Taxes:	W/P-1-8	\$39,342,250		\$39,342,250	\$38,311,743
17		Utility Plant in Service	W/P-1-8	1,324,753		1,324,753	1,053,504
18		Deferred Maintenance	W/P-1-8	649,471		649,471	661,484
19		Deferred Debits					
20			3,324,188				
21							
22							
23							
24							
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50				\$41,316,474		\$41,316,474	\$40,026,731

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
JURISDICTIONAL PERCENTAGES

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

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

Line No.	Acct No.	Account Title	Jurisdictional Percentage	Description of Factors And/Or Method Of Allocation
1				
2				
3				
4				
5				
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
JURISDICTIONAL STATISTICS - RATE BASE

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

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

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Statistic	Statistic For Rate Area	Allocation Factor
1						
2						
3						
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
 CASE NO: 2010-00036  
 EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES

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

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

Line No.	Acct No.	Description	Procedures Approved In Prior Rate Case	Rationale for Change
1				
2				
3				
4				
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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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

<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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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 \_X\_ 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	\$68,523,626	\$25,848,286	\$94,371,912
3	Operating Expenses			
4	Operation and Maintenance	35,459,366	202,545	35,661,911
5	Depreciation and Amortization	11,319,797	0	11,319,797
6	Taxes Other Than Income	5,160,307	41,823	5,202,130
7	State Income Taxes	153,929	1,536,235	1,690,164
8	Federal Income Taxes	956,959	8,423,689	9,380,648
9	Total Operating Expenses	53,050,358	10,204,292	63,254,650
10	Utility Operating Income	\$15,473,267	\$15,643,994	\$31,117,261
11	Rate Base	\$362,672,028		\$362,672,028
12	Rate of Return	4.27%		8.58%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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\_UPDATED\_REVISED  
WORKPAPER REFERENCE NO(S): WP-2,3,4,5 & 6 (TOTAL COMPANY)

Line No.	Major Group Classification	Base Year Revenues & Expenses	Adjustments	Schedule Reference	Forecasted Revenues & Expenses
2	<b>Operating Revenues</b>				
3	Water Sales	\$64,254,178	\$499,310	Sch D-1	\$ 64,753,488
4	Other Operating Revenues	2,788,053	982,085	Sch D-1	3,770,138
5		<u>67,042,231</u>	<u>1,481,395</u>		<u>68,523,626</u>
6	<b>Operating Expenses</b>				
7	Labor	7,136,288	903,335	Sch D-1	8,039,623
8	Purchased Water	126,828	(6,173)	Sch D-1	120,655
9	Fuel and Power	3,179,899	1,195,685	Sch D-1	4,375,584
10	Chemicals	2,188,604	(415,874)	Sch D-1	1,772,730
11	Waste Disposal	289,729	50,497	Sch D-1	340,226
12	Management Fees	8,485,212	542,909	Sch D-1	9,028,121
13	Group Insurance	2,257,585	55,958	Sch D-1	2,313,543
14	Pensions	1,262,429	5,303	Sch D-1	1,267,732
15	Regulatory Expense	304,841	61,621	Sch D-1	366,462
16	Insurance Other than Group	690,501	51,761	Sch D-1	742,262
17	Customer Accounting	1,823,105	(110,588)	Sch D-1	1,712,517
18	Rents	32,992	(5,338)	Sch D-1	27,654
19	General Office Expense	636,050	3,728	Sch D-1	639,778
20	Miscellaneous	3,529,995	(89,856)	Sch D-1	3,440,139
21	Maintenance - Other	1,320,342	(48,001)	Sch D-1	1,272,341
22					
23	<b>Total O &amp; M Expenses</b>	<u>33,264,400</u>	<u>2,194,966</u>		<u>35,459,366</u>
24					
25	Depreciation	7,867,005	3,219,071	Sch D-1	11,086,076
26	Amortization	516,980	(283,259)	Sch D-1	233,721
27	General Taxes				
28	Property and Capital Stock	3,435,719	993,455	Sch D-1	4,429,174
29	Gross Receipts and Sales	99,219	10,607	Sch D-1	109,826
30	Payroll	545,836	75,471	Sch D-1	621,307
31	Miscellaneous	0	0	Sch D-1	0
32	State Income Taxes				
33	Current	240,355	(404,928)	Sch E-1.5	(164,573)
34	Deferred	937,339	(618,837)	Sch E-1.5	318,502
35					
36	Federal Income Taxes				
37	Current	(181,708)	(720,700)	Sch E-1.5	(902,408)
38	Deferred	6,585,582	(4,641,418)	Sch E-1.5	1,944,164
39	Deferred - ITC	(84,798)	1	Sch E-1.5	(84,797)
40					
41					
42					
43					
44	<b>Total Operating Expenses</b>	<u>53,225,929</u>	<u>(175,570)</u>		<u>53,050,358</u>
45					
46	<b>Utility Operating Income</b>	<u>\$13,816,302</u>	<u>\$1,656,965</u>		<u>\$15,473,267</u>
47					
48					
49					
50					

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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\_REVIS  
WORKPAPER REFERENCE NO(S): SCH D-1 (TOTAL COMPANY)

Line No.	Major Group Classification	Base Year Revenues & Expenses	Jurisdictional Percent	Base Year Unadjusted Jurisdiction	Jurisdictional Method/Description
2	<b>Operating Revenues</b>				
3	Water Sales	\$64,254,178		\$64,254,178	Not Applicable to Kentucky-American
4	Other Operating Revenues	2,788,053	100.00%	2,788,053	Water Company
5		<u>67,042,231</u>		<u>67,042,231</u>	
6	<b>Operating Expenses</b>				
7	Labor	7,136,288		7,136,288	
8	Purchased Water	126,828		126,828	
9	Fuel and Power	3,179,899		3,179,899	
10	Chemicals	2,188,604		2,188,604	
11	Waste Disposal	289,729		289,729	
12	Management Fees	8,485,212		8,485,212	
13	Group Insurance	2,257,585		2,257,585	
14	Pensions	1,262,429		1,262,429	
15	Regulatory Expense	304,841		304,841	
16	Insurance Other than Group	690,501		690,501	
17	Customer Accounting	1,823,105		1,823,105	
18	Rents	32,992		32,992	
19	General Office Expense	636,050		636,050	
20	Miscellaneous	3,529,995		3,529,995	
21	Maintenance - Other	1,320,342		1,320,342	
22					
23	<b>Total O &amp; M Expenses</b>	<u>33,264,400</u>		<u>33,264,400</u>	
24					
25	Depreciation	7,867,005		7,867,005	
26	Amortization	516,980		516,980	
27	General Taxes				
28	Property and Capital Stock	3,435,719		3,435,719	
29	Gross Receipts and Sales	99,219		99,219	
30	Payroll	545,836		545,836	
31	Miscellaneous	0		0	
32	State Income Taxes				
33	Current	240,355		240,355	
34	Deferred	937,339		937,339	
35					
36	Federal Income Taxes				
37	Current	(181,708)		(181,708)	
38	Deferred	6,585,582		6,585,582	
39	Deferred - ITC	(84,798)		(84,798)	
40					
41					
42					
43					
44	<b>Total Operating Expenses</b>	<u>53,225,929</u>		<u>53,225,929</u>	
45					
46	<b>Utility Operating Income</b>	<u>\$13,816,302</u>		<u>\$13,816,302</u>	
47					
48					
49					
50					

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

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

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
403000 Maint Exp ARO/Net Neg	727,432	728,131	731,166	744,992	746,899	746,447	766,000	766,000	767,000	770,000	774,000	8,997,984
BASE PERIOD	1,113,000	1,115,000	1,124,000	1,125,000	1,125,000	1,126,000	1,127,000	1,129,000	1,132,000	1,135,000	1,138,000	13,505,000
FORECAST PERIOD	(385,568)	(386,869)	(392,834)	(380,008)	(378,101)	(379,553)	(361,000)	(363,000)	(365,000)	(365,000)	(364,000)	(4,507,016)
DIFFERENCE												-33.37%
												PERCENT CHANGE
403100 Depr Expense-Contr Prop	(113,804)	(114,138)	(115,335)	(115,902)	(116,098)	0	(89,323)	(89,394)	(89,366)	(89,487)	(89,808)	(1,137,476)
BASE PERIOD	(90,855)	(91,823)	(93,304)	(93,418)	(93,531)	(94,144)	(94,556)	(94,766)	(94,827)	(94,887)	(94,997)	(1,123,848)
FORECAST PERIOD	(22,949)	(22,315)	(22,031)	(22,484)	(22,567)	94,144	5,233	5,372	5,461	5,400	5,189	(13,628)
DIFFERENCE												1.21%
												PERCENT CHANGE
404430 Amort of Reg-Asset-AFUDC	13,382	14,033	14,033	14,033	14,033	15,039	15,183	15,183	15,183	15,183	15,183	174,502
BASE PERIOD	15,486	15,486	17,729	17,729	17,729	17,729	17,729	17,729	17,729	17,729	17,729	206,019
FORECAST PERIOD	(2,104)	(1,453)	(3,696)	(3,696)	(3,696)	(2,690)	(2,546)	(2,546)	(2,546)	(2,546)	(2,546)	(31,517)
DIFFERENCE												-15.30%
												PERCENT CHANGE
404440 Amort-Reg Asset	575	575	575	575	575	575	575	575	575	575	575	6,900
BASE PERIOD	575	575	575	575	575	575	575	575	575	575	575	6,900
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE												0.00%
												PERCENT CHANGE
406000 Amort LUPAA	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	21,612
BASE PERIOD	1,801	1,801	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	15,915
FORECAST PERIOD	(0)	(0)	633	633	633	633	633	633	633	633	633	5,697
DIFFERENCE												35.79%
												PERCENT CHANGE
407000 Amort Property Losses	34,349	39,611	34,349	34,349	34,349	36,016	34,215	34,215	34,215	34,215	34,215	413,185
BASE PERIOD	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	34,215	410,580
FORECAST PERIOD	134	5,396	134	134	134	1,801	0	0	0	0	0	2,605
DIFFERENCE												0.63%
												PERCENT CHANGE
408100 Property Taxes	338,658	229,073	224,621	229,073	229,073	246,946	341,316	341,316	341,316	341,316	341,316	3,435,719
BASE PERIOD	341,316	341,316	355,333	355,333	355,333	355,333	355,333	355,333	355,333	355,333	355,333	4,221,945
FORECAST PERIOD	(2,658)	(112,243)	(130,712)	(126,260)	(126,260)	(108,387)	(14,017)	(14,017)	(14,017)	(14,017)	(14,017)	(786,226)
DIFFERENCE												-18.62%
												PERCENT CHANGE
408140 FUTA	83	123	112	16	0	4,655	1,998	1,998	87	0	0	7,194
BASE PERIOD	0	0	4,929	2,091	64	0	0	0	0	0	0	7,084
FORECAST PERIOD	83	123	(4,817)	(2,075)	(64)	4,655	1,998	1,998	87	0	0	110
DIFFERENCE												1.55%
												PERCENT CHANGE

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

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

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

ACCOUNT/TITLE	Jun 09		Jul 09		Aug 09		Sep 09		Oct 09		Nov 09		Dec 09		Jan 10		Feb 10		Mar 10		Apr 10		May 10		TOTAL	
	Oct 10	Nov 10	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11		Sep 11
408160 FICA Oper AG																										
BASE PERIOD	42,681	46,041	40,944	42,160	41,156	38,520	47,192	46,571	41,841	49,261	46,985	45,722	529,073													
FORECAST PERIOD	46,139	49,617	50,937	49,452	44,755	52,804	48,347	51,400	50,437	51,141	53,555	51,253	599,837													
DIFFERENCE	(3,458)	(3,576)	(9,993)	(7,292)	(3,599)	(14,284)	(1,155)	(4,829)	(8,596)	(1,880)	(6,570)	(5,531)	(70,764)													-11.80%
ACCOUNT																										
408180 SUTA Oper AG																										
BASE PERIOD	148	236	229	228	65	0	0	5,331	2,908	424	0	0	9,569													
FORECAST PERIOD	0	0	0	5,649	3,071	385	0	0	0	0	0	0	9,105													
DIFFERENCE	148	236	229	(5,421)	(3,006)	(385)	0	5,331	2,908	424	0	0	464													5.10%
ACCOUNT																										
409100 SIT-Current																										
BASE PERIOD	69,235	49,121	45,701	200,880	68,261	50,325	66,242	51,000	55,996	58,996	54,996	68,992	839,745													
FORECAST PERIOD	149,996	102,996	72,996	74,324	70,809	79,685	65,781	83,823	98,426	130,776	152,312	153,322	1,235,246													
DIFFERENCE	(80,761)	(53,875)	(27,295)	126,556	(2,548)	(29,360)	461	(32,823)	(42,430)	(71,780)	(97,316)	(84,330)	(395,501)													-32.02%
ACCOUNT																										
409111 SIT-Prior Year Adj																										
BASE PERIOD	40,334	0	0	(984,658)	0	378,393	0	0	0	0	0	0	(565,931)													
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0													
DIFFERENCE	40,334	0	0	(984,658)	0	378,393	0	0	0	0	0	0	(565,931)													
ACCOUNT																										
409150 FIT-Current																										
BASE PERIOD	263,819	(42,571)	22,241	1,109,907	179,136	(9,519)	268,789	360,000	389,973	415,973	389,973	487,947	3,835,668													
FORECAST PERIOD	1,057,973	729,973	526,973	520,265	495,666	557,795	460,465	586,758	688,985	915,429	1,066,183	1,073,253	8,679,718													
DIFFERENCE	(794,154)	(772,544)	(504,732)	589,642	(316,530)	(567,314)	(191,676)	(226,758)	(299,012)	(499,456)	(676,210)	(585,306)	(4,844,050)													-55.81%
ACCOUNT																										
409162 FIT-Adjustment Prior Years																										
BASE PERIOD	40,678	0	0	(3,046,369)	0	(132,437)	0	0	0	0	0	0	(3,138,128)													
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0													
DIFFERENCE	40,678	0	0	(3,046,369)	0	(132,437)	0	0	0	0	0	0	(3,138,128)													
ACCOUNT																										
409210 SIT-Other Inc & Ded-curr																										
BASE PERIOD	(1,469)	(240)	(121)	(2,509)	476	(8,094)	(561)	0	0	0	0	0	(12,518)													
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0													
DIFFERENCE	(1,469)	(240)	(121)	(2,509)	476	(8,094)	(561)	0	0	0	0	0	(12,518)													
ACCOUNT																										
409220 FIT-Oth Inc & Ded-curr																										
BASE PERIOD	(5,848)	(176)	(89)	(15,653)	1,322	(61,373)	(2,185)	0	0	0	0	0	(84,002)													
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0													
DIFFERENCE	(5,848)	(176)	(89)	(15,653)	1,322	(61,373)	(2,185)	0	0	0	0	0	(84,002)													
ACCOUNT																										

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



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	ACCOUNT/TITLE	Jul 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
410401 Def SIT-Reg Asset/Liab	BASE PERIOD	5,627	5,627	5,627	5,627	5,627	5,627	0	0	0	0	0	0	33,761
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	5,627	5,627	5,627	5,627	5,627	5,627	0	0	0	0	0	0	33,761
														100.00%
410402 Def SIT-Reg Asset/Liab	BASE PERIOD	(5,247)	(5,247)	(5,247)	(5,247)	(5,247)	(5,247)	0	0	0	0	0	0	(31,479)
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(5,247)	(5,247)	(5,247)	(5,247)	(5,247)	(5,247)	0	0	0	0	0	0	(31,479)
														100.00%
410601 Def SIT-Prior Year Adjust	BASE PERIOD	50,989	86,280	74,901	904,497	53,149	(344,899)	(6,747)	0	0	0	0	0	818,170
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	50,989	86,280	74,901	904,497	53,149	(344,899)	(6,747)	0	0	0	0	0	818,170
														100.00%
410700 Def FIT-Reg Asset/Liab	BASE PERIOD	30,852	30,852	30,852	30,852	30,852	30,852	0	0	0	0	0	0	185,113
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	30,852	30,852	30,852	30,852	30,852	30,852	0	0	0	0	0	0	185,113
														100.00%
410701 Def FIT-Reg Asset/Liab	BASE PERIOD	(12,288)	(12,288)	(12,288)	(12,288)	(12,288)	(12,288)	0	0	0	0	0	0	(73,726)
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(12,288)	(12,288)	(12,288)	(12,288)	(12,288)	(12,288)	0	0	0	0	0	0	(73,726)
														100.00%
410901 Def FIT-PY Adj Liab	BASE PERIOD	394,621	786,793	640,062	2,432,711	489,944	623,272	175,860	0	0	0	0	0	5,543,263
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	394,621	786,793	640,062	2,432,711	489,944	623,272	175,860	0	0	0	0	0	5,543,263
														100.00%
412210 ITC Restored- 3%	BASE PERIOD	(638)	(638)	(638)	(638)	(638)	(638)	0	0	0	0	0	0	(3,826)
	FORECAST PERIOD	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	(3,826)
														100.00%
412220 ITC Restored- 4%	BASE PERIOD	(525)	(525)	(525)	(525)	(525)	(525)	0	0	0	0	0	0	(3,153)
	FORECAST PERIOD	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	(3,153)
														100.00%
412230 ITC Restored-10%	BASE PERIOD	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(10,271)	0	0	0	0	0	(45,691)
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(10,271)	0	0	0	0	0	(45,691)

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
	PERCENT CHANGE												100.00%
ACCOUNT	415100 M&J Revenues-Outside												
BASE PERIOD	(4,747)	(4,621)	8,536	(13,858)	(19,339)	(4,674)	0	0	0	0	0	0	(38,704)
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(4,747)	(4,621)	8,536	(13,858)	(19,339)	(4,674)	0	0	0	0	0	0	(38,704)
ACCOUNT	416100 M&J Expenses-Outside												
BASE PERIOD	3,171	13,941	(12,118)	11,171	1,000	20,550	0	0	0	0	0	0	37,715
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	3,171	13,941	(12,118)	11,171	1,000	20,550	0	0	0	0	0	0	37,715
ACCOUNT	416110 M&J Expenses-Inside												
BASE PERIOD	0	113	0	456	0	0	0	0	0	0	0	0	570
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	113	0	456	0	0	0	0	0	0	0	0	570
ACCOUNT	420100 AFUDC - Equity												
BASE PERIOD	(352,260)	(123,729)	(171,770)	(173,271)	(163,520)	(181,414)	(204,553)	(167,000)	(191,962)	(222,962)	(237,963)	(236,962)	(2,427,366)
FORECAST PERIOD	(52,962)	(53,962)	(66,962)	(32,528)	(32,528)	(14,492)	(14,492)	(14,492)	(14,492)	(14,492)	(14,492)	(14,492)	(340,386)
DIFFERENCE	(299,298)	(69,767)	(104,808)	(140,743)	(130,992)	(166,922)	(190,061)	(152,508)	(177,470)	(208,470)	(223,471)	(222,470)	(2,086,980)
ACCOUNT	420210 AFUDC Debt												
BASE PERIOD	(175,989)	(61,812)	(85,813)	(86,064)	(81,691)	(91,386)	(92,895)	(136,800)	(157,162)	(181,862)	(190,863)	(189,862)	(1,532,197)
FORECAST PERIOD	(37,862)	(38,862)	(46,862)	(26,600)	(26,600)	(11,851)	(11,851)	(11,851)	(11,851)	(11,851)	(11,851)	(11,851)	(259,743)
DIFFERENCE	(138,127)	(22,950)	(38,951)	(59,464)	(55,091)	(79,535)	(81,044)	(124,949)	(145,311)	(170,011)	(179,012)	(178,011)	(1,272,454)
ACCOUNT	425100 Amtz UPAA												
BASE PERIOD	(35)	(35)	(35)	(35)	(35)	(35)	0	0	0	0	0	0	(212)
FORECAST PERIOD	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	(212)
ACCOUNT	425300 Amort PS Exp with mandatory												
BASE PERIOD	64	64	64	64	64	64	64	0	0	0	0	0	449
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	64	64	64	64	64	64	64	0	0	0	0	0	449
ACCOUNT	426100 Donations Deduct												
BASE PERIOD	11,550	1,583	2,848	11,312	1,300	1,359	1,379	28,167	28,167	28,167	28,167	28,167	172,165
FORECAST PERIOD	28,167	28,167	28,167	28,417	28,417	28,417	28,417	28,417	28,417	28,417	28,417	28,417	340,254
DIFFERENCE	(16,617)	(26,584)	(25,319)	(17,105)	(27,117)	(27,058)	(27,038)	(250)	(250)	(250)	(250)	(250)	(168,089)
ACCOUNT	426160 Other Lobbying Expenses												
BASE PERIOD	4,006	4,720	4,682	4,918	4,533	4,560	0	0	0	0	0	0	27,419
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	4,006	4,720	4,682	4,918	4,533	4,560	0	0	0	0	0	0	27,419

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	Account	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
426200 Other Income Deductions														
BASE PERIOD		30,390	390	660	4,463	2,750	37,279	5,424	60,576	40,626	39,885	62,982	19,230	304,666
FORECAST PERIOD		2,495	971	971	1,773	743	2,091	5,899	1,983	4,575	1,707	2,306	3,489	29,003
DIFFERENCE		27,895	(581)	(311)	2,690	2,007	35,188	(475)	58,593	36,051	38,178	60,676	15,741	275,653
														950.43%
ACCOUNT	426410 Non-Op Empl Exp Deduct													
BASE PERIOD		0	0	0	790	0	0	0	0	0	0	0	0	790
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		0	0	0	790	0	0	0	0	0	0	0	0	790
														100.00%
ACCOUNT	426420 Non-Op Empl Exp Nondeduct													
BASE PERIOD		0	0	0	89	(89)	0	0	0	0	0	0	0	0
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		0	0	0	89	(89)	0	0	0	0	0	0	0	0
														100.00%
ACCOUNT	427100 Int Ltd-Out-Reg													
BASE PERIOD		126,837	126,837	126,837	126,837	126,837	126,837	137,713	137,713	137,713	137,713	137,713	137,713	1,587,298
FORECAST PERIOD		137,713	137,713	137,713	137,713	137,713	137,713	137,713	137,713	137,713	137,713	137,713	137,713	1,652,556
DIFFERENCE		(10,876)	(10,876)	(10,876)	(10,876)	(10,876)	(10,876)	0	0	0	0	0	0	(65,258)
														-3.95%
ACCOUNT	427120 Int LTD Inside AW46													
BASE PERIOD		348,882	238,559	293,721	293,721	293,721	293,721	829,061	285,018	285,018	284,426	287,270	296,374	4,009,492
FORECAST PERIOD		861,028	861,028	861,028	785,419	785,419	784,827	767,671	767,671	767,671	767,671	767,671	767,671	9,544,775
DIFFERENCE		(512,146)	(622,469)	(567,307)	(491,698)	(491,698)	(491,106)	61,390	(482,653)	(482,653)	(483,245)	(500,401)	(471,297)	(5,535,283)
														-57.99%
ACCOUNT	428000 Amort Debt Discount & Expense													
BASE PERIOD		7,332	7,332	8,952	8,880	14,905	9,953	13,751	15,417	15,417	15,417	15,417	15,417	148,190
FORECAST PERIOD		15,417	15,417	15,417	15,417	15,417	15,417	15,417	15,417	15,417	15,417	15,417	15,417	185,004
DIFFERENCE		(8,085)	(8,085)	(6,465)	(6,537)	(512)	(5,464)	(1,666)	0	0	0	0	0	(36,814)
														-19.90%
ACCOUNT	431100 Interest on Short-Term Debt-Ins													
BASE PERIOD		40,565	22,937	16,459	13,935	11,276	9,735	74,830	17,230	22,005	32,589	37,008	24,345	322,913
FORECAST PERIOD		47,165	16,388	38,987	29,338	25,006	30,966	27,480	29,697	40,170	58,917	59,471	64,930	468,495
DIFFERENCE		(6,600)	6,569	(22,528)	(15,403)	(13,731)	(21,231)	(47,350)	(12,467)	(18,165)	(26,328)	(22,463)	(40,585)	(145,582)
														-31.07%
ACCOUNT	431200 Other Interest Expense													
BASE PERIOD		0	8,152	0	3	0	765	0	0	0	0	0	0	8,920
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		0	8,152	0	3	0	765	0	0	0	0	0	0	8,920
														100.00%

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	437100 Div Dec PS Out w/man	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
ACCOUNT/TITLE														
BASE PERIOD		38,273	38,273	38,273	38,273	38,273	38,273	6,511	(2)	(2)	(2)	(2)	(2)	236,139
FORECAST PERIOD		37,862	38,862	46,862	26,600	26,600	11,851	11,851	11,851	11,851	11,851	11,851	11,851	259,743
DIFFERENCE		411	(589)	(8,589)	11,673	11,673	26,422	(5,340)	(11,853)	(11,853)	(11,853)	(11,853)	(11,853)	(23,604)
ACCOUNT	438201 Div Dec Common Stk - In													-9.09%
BASE PERIOD		1,489,021	0	0	2,006,260	0	0	2,899,673	0	0	1,567,142	0	0	7,962,097
FORECAST PERIOD		0	0	285,653	0	0	1,483,036	0	0	1,845,474	0	0	4,481,761	8,095,924
DIFFERENCE		1,489,021	0	(285,653)	2,006,260	0	(1,483,036)	2,899,673	0	(1,845,474)	1,567,142	0	(4,481,761)	(133,827)
ACCOUNT	461100 Res Sales Billed													-1.65%
BASE PERIOD		(2,709,556)	(3,213,004)	(3,106,357)	(3,033,825)	(2,866,905)	(2,641,359)	(2,985,671)	(2,683,888)	(2,533,746)	(2,683,837)	(2,562,027)	(2,728,018)	(33,748,193)
FORECAST PERIOD		(3,319,900)	(2,849,200)	(2,700,300)	(2,680,200)	(2,531,000)	(2,680,200)	(2,559,100)	(2,724,100)	(2,939,800)	(3,227,300)	(3,390,900)	(3,376,000)	(94,978,000)
DIFFERENCE		610,344	(363,804)	(406,057)	(353,625)	(335,905)	38,841	(426,571)	40,212	406,054	543,463	828,873	647,982	1,229,807
ACCOUNT	461110 Res Sales Unbilled													-3.52%
BASE PERIOD		(227,699)	(163,312)	53,035	23,650	(61,734)	155,000	0	0	0	0	0	0	(221,059)
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		(227,699)	(163,312)	53,035	23,650	(61,734)	155,000	0	0	0	0	0	0	(221,059)
ACCOUNT	461200 Com Sales Billed													100.00%
BASE PERIOD		(1,238,179)	(1,545,734)	(1,547,093)	(1,471,477)	(1,429,022)	(1,242,648)	(1,413,019)	(1,318,464)	(1,273,283)	(1,381,723)	(1,306,198)	(1,427,999)	(16,594,838)
FORECAST PERIOD		(1,703,600)	(1,477,700)	(1,339,100)	(1,312,100)	(1,267,200)	(1,374,900)	(1,299,900)	(1,420,900)	(1,461,000)	(1,620,900)	(1,753,000)	(1,758,300)	(17,758,600)
DIFFERENCE		465,421	(68,034)	(207,993)	(159,377)	(161,822)	132,252	(113,119)	102,436	187,717	239,177	446,802	330,301	1,193,762
ACCOUNT	461210 Com Sales Unbilled													-6.71%
BASE PERIOD		(159,612)	(67,752)	(13,711)	34,678	(15,283)	(46,209)	0	0	0	0	0	0	(267,890)
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		(159,612)	(67,752)	(13,711)	34,678	(15,283)	(46,209)	0	0	0	0	0	0	(267,890)
ACCOUNT	461300 Ind Sales Billed													100.00%
BASE PERIOD		(92,949)	(158,227)	(149,829)	(155,839)	(161,376)	(123,682)	(172,927)	(113,396)	(125,049)	(143,118)	(137,382)	(161,958)	(1,695,732)
FORECAST PERIOD		(148,200)	(135,200)	(114,200)	(113,400)	(125,000)	(143,100)	(137,400)	(162,000)	(111,800)	(158,200)	(156,200)	(163,400)	(1,688,100)
DIFFERENCE		55,251	(23,027)	(35,629)	(42,439)	(36,376)	19,418	(35,527)	48,604	(13,249)	15,082	18,818	1,442	(27,632)
ACCOUNT	461310 Ind Sales Unbilled													1.66%
BASE PERIOD		(40,809)	10,629	(10,987)	(11,382)	6,910	10,381	0	0	0	0	0	0	(35,258)
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		(40,809)	10,629	(10,987)	(11,382)	6,910	10,381	0	0	0	0	0	0	(35,258)
ACCOUNT	461400 Misc Sales Billed													100.00%
BASE PERIOD		(2,123)	(2,403)	(2,228)	(329)	(552)	53	0	0	0	0	0	0	(7,582)
FORECAST PERIOD		0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE		(2,123)	(2,403)	(2,228)	(329)	(552)	53	0	0	0	0	0	0	(7,582)

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
462000	Priv Fire Prot Ser Billed													
	BASE PERIOD	(137,586)	(139,731)	(138,240)	(138,673)	(138,866)	(137,792)	(129,861)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(1,654,248)
	FORECAST PERIOD	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(1,684,400)
	DIFFERENCE	1,114	(1,031)	460	27	(166)	908	8,839	0	0	0	0	0	10,152
														-0.61%
462001	Priv Fire Unbilled													
	BASE PERIOD	(131,826)	127,372	19,290	0	0	0	0	0	0	0	0	0	14,836
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(131,826)	127,372	19,290	0	0	0	0	0	0	0	0	0	14,836
														100.00%
463000	Pub Fire Prot Ser Billed													
	BASE PERIOD	(225,483)	(226,072)	(226,072)	(226,072)	(226,072)	(226,063)	(252,499)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(2,738,833)
	FORECAST PERIOD	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(226,100)	(2,713,200)
	DIFFERENCE	617	28	28	28	28	37	(26,399)	0	0	0	0	0	(25,633)
														0.94%
464200	Pub Auth Billed													
	BASE PERIOD	(368,672)	(498,395)	(547,683)	(519,977)	(500,476)	(403,334)	(432,614)	(388,612)	(452,586)	(543,187)	(446,219)	(490,743)	(5,592,499)
	FORECAST PERIOD	(527,500)	(452,700)	(367,000)	(330,500)	(360,100)	(346,300)	(357,100)	(425,600)	(472,800)	(501,100)	(561,100)	(624,200)	(5,326,000)
	DIFFERENCE	158,828	(45,695)	(180,683)	(189,477)	(140,376)	(57,034)	(75,514)	36,988	20,214	(42,087)	114,881	133,457	(266,499)
														5.00%
464210	Pub Auth Unbilled													
	BASE PERIOD	(117,770)	(10,450)	17,124	(38,303)	10,906	67,867	0	0	0	0	0	0	(70,626)
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(117,770)	(10,450)	17,124	(38,303)	10,906	67,867	0	0	0	0	0	0	(70,626)
														100.00%
466000	Sales for Resale-Billed													
	BASE PERIOD	(115,655)	(185,351)	(159,596)	(138,069)	(139,852)	(117,129)	(116,561)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(1,559,364)
	FORECAST PERIOD	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(117,430)	(1,409,160)
	DIFFERENCE	1,775	(67,921)	(42,166)	(20,639)	(22,422)	301	869	0	0	0	0	0	(150,204)
														10.66%
466100	Sales for Resale Unbilled													
	BASE PERIOD	(67,621)	31,500	(6,090)	(33,616)	24,101	(31,166)	0	0	0	0	0	0	(82,893)
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	(67,621)	31,500	(6,090)	(33,616)	24,101	(31,166)	0	0	0	0	0	0	(82,893)
														100.00%
470000	Oth Rev - Forfeited Discount													
	BASE PERIOD	0	0	0	0	35	0	0	0	0	0	0	0	35
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	0	0	0	0	35	0	0	0	0	0	0	0	35
														100.00%

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

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

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

ACCOUNT	ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
	471100 Reconnection/Activation Charges													
BASE PERIOD	(133,384)	(124,796)	(126,390)	(139,724)	(114,036)	(103,584)	(91,650)	(102,934)	(102,934)	(114,478)	(119,210)	(113,360)	(120,224)	(1,403,770)
FORECAST PERIOD	(105,820)	(109,460)	(98,514)	(102,934)	(114,478)	(119,210)	(113,360)	(120,224)	(120,224)	(106,132)	(108,004)	(101,166)	(99,996)	(1,299,298)
DIFFERENCE	(27,564)	(15,336)	(27,876)	(36,790)	442	15,626	21,710	17,290	17,290	(8,346)	(11,206)	(12,194)	(20,228)	(104,472)
														8.04%
ACCOUNT	471200 Returned Check Charge													
BASE PERIOD	(2,300)	(2,136)	(2,080)	(2,484)	(2,017)	(1,934)	(1,799)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(23,930)
FORECAST PERIOD	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(22,032)
DIFFERENCE	(464)	(300)	(244)	(648)	(181)	(98)	37	0	0	0	0	0	0	(1,898)
														8.61%
ACCOUNT	471400 Bill & Coll for Others													
BASE PERIOD	(93,301)	(93,469)	(93,476)	(93,799)	(93,446)	(94,009)	(84,201)	(93,252)	(93,252)	(93,252)	(93,252)	(93,252)	(93,252)	(1,111,960)
FORECAST PERIOD	(93,252)	(93,252)	(93,252)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(95,117)	(1,135,809)
DIFFERENCE	(49)	(217)	(224)	(1,318)	1,671	1,108	10,916	1,865	1,865	1,865	1,865	1,865	1,865	23,849
														-2.10%
ACCOUNT	472000 Rents From Water Property													
BASE PERIOD	(7,355)	(13,737)	(6,501)	(38,539)	27,782	(9,973)	(7,835)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(171,867)
FORECAST PERIOD	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(23,142)	(277,704)
DIFFERENCE	15,787	9,405	16,641	(15,397)	50,924	13,169	15,307	0	0	0	0	0	0	105,837
														-38.11%
ACCOUNT	474300 Other Rev - Miscellaneous													
BASE PERIOD	(738)	(839)	(0)	(2,108)	(54,066)	(18,809)	0	0	0	0	0	0	0	(76,560)
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(738)	(839)	(0)	(2,108)	(54,066)	(18,809)	0	0	0	0	0	0	0	(76,560)
														100.00%
ACCOUNT	602000 Purchased Water													
BASE PERIOD	9,281	8,419	13,498	10,759	4,945	8,311	16,512	9,706	9,706	9,695	8,851	9,576	11,346	120,900
FORECAST PERIOD	16,516	11,425	12,858	9,957	9,946	9,077	9,823	11,647	11,647	12,167	13,017	10,207	20,285	146,925
DIFFERENCE	(7,235)	(3,006)	640	802	(5,001)	(766)	6,689	(1,941)	(1,941)	(2,472)	(4,166)	(631)	(8,939)	(26,025)
														-17.71%
ACCOUNT	603100 Miscellaneous SS Expenses													
BASE PERIOD	3,759	2,256	3,153	2,067	2,581	1,965	5,126	3,801	3,801	7,049	4,134	5,490	4,226	45,607
FORECAST PERIOD	12,803	11,711	11,711	11,711	12,803	11,711	11,711	11,711	11,711	12,803	11,711	11,711	11,711	143,808
DIFFERENCE	(9,044)	(9,455)	(8,558)	(9,644)	(10,222)	(9,746)	(6,585)	(7,910)	(7,910)	(5,754)	(7,577)	(6,221)	(7,485)	(98,201)
														100.00%
ACCOUNT	610000 Labor Maint SS													
BASE PERIOD	0	432	0	0	0	0	0	0	0	0	0	0	0	432
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	432	0	0	0	0	0	0	0	0	0	0	0	432
														100.00%
ACCOUNT	611100 Chemical Carbon													
BASE PERIOD	7,423	7,423	7,423	7,423	7,423	7,423	0	7,422	7,422	7,422	7,422	3,782	3,782	74,366
FORECAST PERIOD	3,782	3,782	3,782	3,782	3,782	3,782	0	0	0	0	0	0	0	22,692
DIFFERENCE	3,641	3,641	3,641	3,641	3,641	3,641	0	7,422	7,422	7,422	7,422	3,782	3,782	51,674
														227.72%

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



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
ACCOUNT	643310 Amort WT Waste Disposal Exp.												
BASE PERIOD	0	15,386	7,693	7,693	7,693	7,693	10,000	0	0	0	0	0	56,157
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	15,386	7,693	7,693	7,693	7,693	10,000	0	0	0	0	0	56,157
ACCOUNT	650000 Sup & Eng Lab Maint WT												
BASE PERIOD	12,240	6,705	7,637	7,784	8,268	10,720	1,100	0	0	0	0	0	54,453
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	12,240	6,705	7,637	7,784	8,268	10,720	1,100	0	0	0	0	0	54,453
ACCOUNT	651100 Or Maint WT Struct & Imp Mat												
BASE PERIOD	6,513	33,463	22,630	14,374	11,134	304	12,100	7,530	6,680	60,680	11,060	6,680	193,167
FORECAST PERIOD	11,280	6,880	13,480	8,347	7,472	7,472	71,712	7,472	19,572	7,472	7,472	7,472	176,103
DIFFERENCE	(4,767)	26,583	9,150	6,027	3,662	(7,168)	(59,612)	58	(12,892)	53,208	3,608	(792)	17,064
ACCOUNT	651120 Amort Def Maint WT												
BASE PERIOD	12,367	12,367	11,952	11,952	11,952	11,952	14,167	12,772	12,772	12,772	12,772	12,772	150,570
FORECAST PERIOD	12,772	12,772	12,772	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	123,645
DIFFERENCE	(405)	(405)	(820)	2,471	2,471	2,471	4,686	3,291	3,291	3,291	3,291	3,291	26,925
ACCOUNT	660000 Labor Oper TD Super/E												
BASE PERIOD	1,432	7,792	5,673	6,196	7,489	1,598	0	0	0	0	0	0	30,181
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	1,432	7,792	5,673	6,196	7,489	1,598	0	0	0	0	0	0	30,181
ACCOUNT	662100 Safety TD												
BASE PERIOD	1,638	1,523	2,060	1,725	1,092	1,313	1,475	2,428	2,428	2,428	2,428	2,428	22,965
FORECAST PERIOD	2,578	2,578	2,578	2,641	2,641	2,641	2,641	2,641	2,641	2,641	2,641	2,641	31,503
DIFFERENCE	(940)	(1,055)	(518)	(916)	(1,549)	(1,328)	(1,166)	(213)	(213)	(213)	(213)	(213)	(8,538)
ACCOUNT	662200 Labor Oper TD												
BASE PERIOD	213,848	149,478	152,590	226,562	166,915	211,077	0	0	0	0	0	0	1,120,471
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	213,848	149,478	152,590	226,562	166,915	211,077	0	0	0	0	0	0	1,120,471
ACCOUNT	665300 M&S Oper TD												
BASE PERIOD	18,088	36,652	37,182	26,522	19,282	25,830	33,446	29,747	30,359	27,853	31,311	21,513	337,785
FORECAST PERIOD	21,813	30,305	33,291	31,619	32,248	29,822	33,236	23,144	26,940	22,722	22,346	22,887	330,373
DIFFERENCE	(3,725)	6,347	3,891	(5,097)	(12,966)	(3,992)	210	6,603	3,419	5,131	8,965	(1,374)	7,412
													2,242%

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



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
666000 Rents-Real Prop Oper TD													
BASE PERIOD	150	0	100	4,502	(350)	0	315	774	774	774	774	774	8,587
FORECAST PERIOD	774	774	774	796	796	796	796	796	796	796	796	796	9,486
DIFFERENCE	(624)	(774)	(674)	3,706	(1,146)	(796)	(481)	(22)	(22)	(22)	(22)	(22)	(899)
ACCOUNT													-9.48%
670000 Labor Mtn TD													
BASE PERIOD	2,746	4,407	2,512	862	692	786	0	0	0	0	0	0	12,004
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	2,746	4,407	2,512	862	692	786	0	0	0	0	0	0	12,004
ACCOUNT													100.00%
671200 Labor Mtn TD Super/Eng													
BASE PERIOD	1,966	1,463	1,457	1,811	1,529	1,810	0	0	0	0	0	0	10,036
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	1,966	1,463	1,457	1,811	1,529	1,810	0	0	0	0	0	0	10,036
ACCOUNT													100.00%
672120 Amort Def Maint TD													
BASE PERIOD	13,286	13,286	13,286	13,286	13,286	13,286	721	7,755	7,755	7,755	7,755	7,755	119,211
FORECAST PERIOD	7,755	7,755	11,278	11,278	11,278	11,278	11,278	11,278	11,278	11,278	11,278	11,278	124,767
DIFFERENCE	5,531	5,531	2,008	2,008	2,008	2,008	(10,557)	(3,523)	(3,523)	(3,523)	(3,523)	(3,523)	(5,556)
ACCOUNT													-4.45%
672200 Labor Maint TD Dist Res													
BASE PERIOD	942	818	801	1,136	1,113	2,165	0	0	0	0	0	0	6,975
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	942	818	801	1,136	1,113	2,165	0	0	0	0	0	0	6,975
ACCOUNT													100.00%
673200 Labor Mtn TD Mains													
BASE PERIOD	33,305	20,752	19,111	17,219	17,537	24,979	0	0	0	0	0	0	132,902
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	33,305	20,752	19,111	17,219	17,537	24,979	0	0	0	0	0	0	132,902
ACCOUNT													100.00%
675200 Labor Mtn TD Services													
BASE PERIOD	27,782	19,593	18,569	20,413	19,842	29,477	0	0	0	0	0	0	135,675
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	27,782	19,593	18,569	20,413	19,842	29,477	0	0	0	0	0	0	135,675
ACCOUNT													100.00%
676200 Labor Mtn TD Meters													
BASE PERIOD	6,729	4,567	3,429	5,757	6,790	7,898	0	0	0	0	0	0	35,171
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	6,729	4,567	3,429	5,757	6,790	7,898	0	0	0	0	0	0	35,171
ACCOUNT													100.00%

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
676400 Labor Mtn TD Met Install											
BASE PERIOD	18,143	14,375	18,744	13,585	16,681	22,598	0	0	0	0	104,127
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	18,143	14,375	18,744	13,585	16,681	22,598	0	0	0	0	104,127
											100.00%
678100 M&S Maint TD											
BASE PERIOD	73,929	44,433	46,087	57,328	21,788	30,434	28,196	28,196	40,474	42,474	472,310
FORECAST PERIOD	39,974	40,455	41,455	29,298	29,298	29,298	40,937	41,439	41,439	46,539	466,070
DIFFERENCE	33,955	3,978	4,632	28,030	(7,510)	1,136	(12,741)	(13,243)	(965)	(4,065)	6,240
											1.34%
902200 Labor Oper CA Meter Read											
BASE PERIOD	29,436	22,496	19,135	22,972	20,714	25,246	0	0	0	0	139,997
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	29,436	22,496	19,135	22,972	20,714	25,246	0	0	0	0	139,997
											100.00%
903100 Misc Oper CA											
BASE PERIOD	1,109	(326)	(539)	54	2,086	316	0	0	0	0	2,702
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	1,109	(326)	(539)	54	2,086	316	0	0	0	0	2,702
											100.00%
903200 Labor Oper CA											
BASE PERIOD	77,187	55,492	52,001	41,142	47,964	74,325	0	0	0	0	348,111
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	77,187	55,492	52,001	41,142	47,964	74,325	0	0	0	0	348,111
											100.00%
903300 Bank Service Charges CA											
BASE PERIOD	23,136	26,264	24,170	26,795	21,649	28,578	24,103	25,133	33,167	24,618	303,132
FORECAST PERIOD	24,103	25,133	33,167	25,446	24,916	25,977	24,916	25,977	34,252	25,446	329,031
DIFFERENCE	(967)	1,131	(8,997)	1,349	(3,267)	2,601	(813)	(844)	(1,085)	(828)	(25,899)
											-7.87%
903520 Billing & Accounting Other Exp											
BASE PERIOD	77,985	73,451	78,697	76,391	79,431	76,542	74,641	74,641	76,241	74,641	913,946
FORECAST PERIOD	76,241	74,641	76,880	78,528	76,880	76,880	76,880	78,528	76,880	76,880	922,387
DIFFERENCE	1,744	(1,190)	4,056	(2,137)	2,551	(338)	(2,239)	(3,887)	(639)	(2,239)	(8,441)
											-0.92%
904000 Uncollectible Accounts											
BASE PERIOD	69,313	71,363	40,524	20,928	77,566	28,594	47,499	50,661	48,061	51,152	601,956
FORECAST PERIOD	78,904	72,159	68,364	61,934	60,271	64,172	67,813	74,053	78,201	78,555	830,278
DIFFERENCE	(9,591)	(796)	(27,840)	(41,006)	17,295	(35,578)	(20,314)	(23,392)	(30,140)	(27,403)	(228,322)
											-27.50%

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
	905100 M&S Oper CA													
	BASE PERIOD	438	1,017	(608)	(152)	290	(150)	525	0	0	0	0	0	1,359
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	438	1,017	(608)	(152)	290	(150)	525	0	0	0	0	0	1,359
														100.00%
	ACCOUNT													
	920000 Labor													
	BASE PERIOD	(69,350)	140,059	87,367	113,917	110,948	(106,144)	573,544	583,965	523,315	616,793	588,201	572,854	3,735,488
	FORECAST PERIOD	592,980	654,052	679,078	620,786	560,590	662,213	606,125	645,215	632,471	642,669	674,399	653,365	7,623,943
	DIFFERENCE	(662,330)	(513,993)	(591,711)	(506,869)	(449,642)	(768,357)	(32,581)	(61,250)	(109,156)	(25,876)	(86,198)	(80,511)	(3,888,475)
														-51.00%
	ACCOUNT													
	920500 Incentive Plan Exp													
	BASE PERIOD	22,721	22,202	22,199	29,640	22,313	33,588	33,207	31,828	30,412	34,652	33,239	31,828	347,830
	FORECAST PERIOD	31,828	33,239	34,652	32,894	31,434	35,819	32,894	34,357	34,357	32,894	35,819	34,357	404,544
	DIFFERENCE	(9,107)	(11,037)	(12,453)	(3,254)	(9,121)	(2,231)	313	(2,529)	(3,945)	(1,758)	(2,580)	(2,529)	(56,715)
														-14.02%
	ACCOUNT													
	921100 Employee Expenses AG													
	BASE PERIOD	6,495	9,978	2,844	8,757	(245)	16,353	8,745	8,822	11,086	68,811	11,154	17,606	170,406
	FORECAST PERIOD	16,229	7,311	8,086	9,141	11,518	19,867	10,756	18,351	24,005	20,284	7,572	12,484	165,604
	DIFFERENCE	(9,734)	2,667	(5,242)	(384)	(11,763)	(3,514)	(2,011)	(9,529)	(12,919)	48,527	3,582	5,122	4,802
														2.90%
	ACCOUNT													
	921130 Dues/Membership Deduct AG													
	BASE PERIOD	2,600	2,339	3,048	1,036	608	1,734	170	6,975	5,245	1,285	1,860	2,571	29,471
	FORECAST PERIOD	1,189	1,978	7,470	7,352	5,570	1,491	2,083	2,815	6,560	1,300	1,300	2,685	41,793
	DIFFERENCE	1,411	361	(4,422)	(6,316)	(4,962)	243	(1,913)	4,160	(1,315)	(15)	560	(114)	(12,322)
														-29.48%
	ACCOUNT													
	921200 Misc Office Exp													
	BASE PERIOD	25,494	43,291	39,524	49,200	20,453	32,115	32,249	36,221	36,681	34,193	35,653	34,830	419,904
	FORECAST PERIOD	37,226	35,902	43,289	40,291	40,621	37,955	39,650	38,712	38,427	38,950	38,517	41,539	471,079
	DIFFERENCE	(11,732)	7,389	(3,765)	8,909	(20,168)	(5,840)	(7,401)	(2,491)	(1,746)	(4,757)	(2,864)	(6,709)	(51,175)
														-10.86%
	ACCOUNT													
	923100 Contr Svc-Mgmt Fees													
	BASE PERIOD	719,244	723,086	691,063	710,094	673,984	701,733	661,908	727,004	691,311	752,314	728,364	705,106	8,485,211
	FORECAST PERIOD	717,752	719,177	795,815	748,813	712,050	774,883	750,215	726,260	770,763	752,684	753,479	753,687	8,975,578
	DIFFERENCE	1,492	3,909	(104,752)	(38,719)	(38,066)	(73,150)	(88,307)	744	(79,452)	(370)	(25,115)	(48,581)	(490,367)
														-5.46%
	ACCOUNT													
	923200 Contr Svc-Acctg Oper AG													
	BASE PERIOD	5,196	8,997	8,850	8,850	9,292	8,850	6,206	18,095	18,095	18,095	18,095	18,095	146,713
	FORECAST PERIOD	18,095	18,095	18,095	18,479	18,479	18,479	18,479	18,479	18,479	18,479	18,479	18,479	220,596
	DIFFERENCE	(12,900)	(9,098)	(9,245)	(9,629)	(9,187)	(9,629)	(12,273)	(384)	(384)	(384)	(384)	(384)	(73,883)
														-33.49%
	ACCOUNT													
	923300 Contr Svc-Legal Oper AG													
	BASE PERIOD	8,879	16,317	18,245	18,849	14,610	14,218	6,550	16,317	16,317	16,317	16,317	16,317	162,659
	FORECAST PERIOD	7,438	(16,594)	1,928	21,167	21,167	21,167	21,167	21,167	21,167	21,167	21,167	21,167	239,454
	DIFFERENCE	(1,559)	32,811	16,317	(2,318)	(6,557)	(6,949)	(14,617)	(4,850)	(4,850)	(4,850)	(4,850)	(4,850)	(76,795)
														-32.07%

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT	ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
923500	Contr Svc-Eng Oper AG													
	BASE PERIOD	91,068	45,555	65,979	100,652	53,866	20,406	52,484	47,720	51,827	55,977	46,602	63,202	695,338
	FORECAST PERIOD	52,602	50,202	48,952	50,006	54,827	60,634	51,008	66,396	72,242	56,713	47,786	60,533	671,901
	DIFFERENCE	38,466	(4,647)	17,027	50,646	(961)	(40,228)	1,476	(18,676)	(20,415)	(736)	(1,184)	2,669	23,437
														3.49%
	ACCOUNT													100.00%
	924000	Insur Other Oper AG												
	BASE PERIOD	13,353	13,384	13,348	13,348	13,348	13,348	3,368	0	0	0	0	0	83,499
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	13,353	13,384	13,348	13,348	13,348	13,348	3,368	0	0	0	0	0	83,499
														100.00%
	ACCOUNT													100.00%
	925110	Ins Work Comp												
	BASE PERIOD	11,290	12,663	12,554	12,464	12,621	10,284	12,680	0	0	0	0	0	84,555
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	11,290	12,663	12,554	12,464	12,621	10,284	12,680	0	0	0	0	0	84,555
														100.00%
	ACCOUNT													100.00%
	925300	Injuries and Damages												
	BASE PERIOD	175	(175)	(1,984)	0	0	0	1,000	0	0	0	0	0	(984)
	FORECAST PERIOD	0	0	1,000	0	0	0	0	0	1,030	0	0	0	2,030
	DIFFERENCE	175	(175)	(2,984)	0	0	0	1,000	0	(1,030)	0	0	0	(3,014)
														-148.46%
	ACCOUNT													-148.46%
	925400	Ins Gen Liab												
	BASE PERIOD	34,979	29,384	29,022	(15,131)	29,384	29,384	43,870	68,311	68,311	68,311	68,311	68,311	522,447
	FORECAST PERIOD	68,311	68,311	68,311	75,981	75,981	75,981	75,981	75,981	75,981	75,981	75,981	75,981	888,762
	DIFFERENCE	(33,332)	(38,927)	(39,289)	(91,112)	(46,597)	(46,597)	(32,111)	(7,670)	(7,670)	(7,670)	(7,670)	(7,670)	(366,315)
														-41.22%
	ACCOUNT													-41.22%
	926100	PBOP Cap Credits												
	BASE PERIOD	80,700	89,058	85,254	83,939	86,210	59,842	47,000	75,000	75,000	75,000	75,000	75,000	907,004
	FORECAST PERIOD	75,000	75,000	75,000	77,250	77,250	77,250	77,250	77,250	77,250	77,250	77,250	77,250	920,250
	DIFFERENCE	5,700	14,058	10,254	6,689	8,960	(17,408)	(30,250)	(2,250)	(2,250)	(2,250)	(2,250)	(2,250)	(13,246)
														-1.44%
	ACCOUNT													-1.44%
	926110	Group Ins Oper AG												
	BASE PERIOD	78,093	91,139	97,920	97,391	98,309	96,377	110,480	239,698	239,707	239,707	239,707	239,709	1,868,240
	FORECAST PERIOD	129,175	129,176	129,176	136,857	136,858	136,857	136,859	136,857	136,857	136,858	136,861	136,857	1,619,248
	DIFFERENCE	(51,082)	(38,037)	(31,256)	(39,466)	(38,549)	(40,480)	(26,379)	102,841	102,850	102,849	102,846	102,852	248,992
														15.38%
	ACCOUNT													15.38%
	926200	Other Welf Oper AG												
	BASE PERIOD	4,576	7,679	6,545	6,484	4,653	5,145	5,950	11,182	14,082	11,182	5,017	5,382	87,876
	FORECAST PERIOD	6,717	9,955	6,932	8,221	14,916	7,706	5,182	3,895	3,380	7,191	8,736	6,161	88,992
	DIFFERENCE	(2,141)	(2,276)	(387)	(1,737)	(10,263)	(2,561)	768	7,287	10,702	3,991	(3,719)	(779)	(1,116)
														-1.25%
	ACCOUNT													-1.25%
	926220	ESPP Oper AG												
	BASE PERIOD	577	577	577	319	319	319	0	0	0	0	0	0	2,689
	FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
	DIFFERENCE	577	577	577	319	319	319	0	0	0	0	0	0	2,689

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
	PERCENT CHANGE											
ACCOUNT	100.00%											
926250 401k Oper AG												
BASE PERIOD	8,588	10,508	9,324	9,088	7,651	10,036	10,904	9,778	11,527	10,988	10,703	117,841
FORECAST PERIOD	11,099	12,249	11,612	10,488	12,394	11,345	12,067	11,826	12,013	12,607	12,227	142,644
DIFFERENCE	(2,511)	(1,741)	(2,288)	(1,400)	(4,743)	(1,309)	(1,163)	(2,048)	(486)	(1,619)	(1,524)	(24,803)
ACCOUNT	PERCENT CHANGE											
926400 Pension Cap Credits												
BASE PERIOD	112,390	123,746	115,228	118,526	78,337	50,479	109,317	109,317	109,317	109,317	109,317	1,262,429
FORECAST PERIOD	109,317	109,317	104,498	104,498	104,498	104,498	104,498	104,498	104,498	104,498	104,498	1,268,433
DIFFERENCE	3,073	14,429	10,730	14,028	(26,161)	(54,019)	4,819	4,819	4,819	4,819	4,819	(6,004)
ACCOUNT	PERCENT CHANGE											
926600 DCP												
BASE PERIOD	8,754	9,293	10,441	9,689	8,982	9,900	9,279	9,007	10,360	9,907	9,437	114,130
FORECAST PERIOD	10,621	11,315	10,651	10,314	11,860	10,808	11,351	11,345	10,824	11,815	11,344	134,073
DIFFERENCE	(1,867)	(2,022)	(210)	(625)	(2,878)	(908)	(2,072)	(2,338)	(464)	(1,908)	(1,907)	(19,943)
ACCOUNT	PERCENT CHANGE											
928100 Reg Comm Rate Case Amort												
BASE PERIOD	23,605	23,803	24,010	24,010	24,010	29,367	23,777	23,777	23,777	23,777	23,777	292,311
FORECAST PERIOD	23,777	23,777	33,556	33,556	33,556	33,556	33,556	33,556	33,556	33,556	33,556	383,114
DIFFERENCE	(172)	26	(9,546)	(9,546)	(9,546)	(4,189)	(9,779)	(9,779)	(9,779)	(9,779)	(9,779)	(90,803)
ACCOUNT	PERCENT CHANGE											
928300 Reg Comm Depr Study Amor												
BASE PERIOD	1,299	1,299	1,299	1,299	1,299	853	500	500	500	500	500	11,145
FORECAST PERIOD	500	500	500	500	500	500	500	500	500	500	500	6,000
DIFFERENCE	799	799	799	799	799	353	0	0	0	0	0	5,145
ACCOUNT	PERCENT CHANGE											
928400 Reg Comm Other Oper AG												
BASE PERIOD	0	0	0	0	0	0	277	277	277	277	277	1,385
FORECAST PERIOD	277	277	833	833	833	833	833	833	833	833	833	8,884
DIFFERENCE	(277)	(277)	(833)	(833)	(833)	(833)	(556)	(556)	(556)	(556)	(556)	(7,499)
ACCOUNT	PERCENT CHANGE											
930210 Misc General Exp												
BASE PERIOD	31,015	22,049	53,427	31,600	20,809	106,691	44,232	69,933	48,388	35,953	62,601	719,031
FORECAST PERIOD	56,028	36,046	45,461	72,133	49,742	36,934	64,521	42,907	54,729	54,443	71,694	627,235
DIFFERENCE	(25,013)	(13,997)	7,966	(40,533)	(28,933)	69,757	(20,289)	27,026	(6,341)	(18,490)	(9,093)	(91,796)
ACCOUNT	PERCENT CHANGE											
930230 Software Licenses												
BASE PERIOD	9,308	1,331	1,314	1,320	2,054	4,600	2,000	2,000	2,000	2,000	2,000	31,259
FORECAST PERIOD	2,000	2,000	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	24,540
DIFFERENCE	7,308	(669)	(746)	(740)	(6)	2,540	(60)	(60)	(60)	(60)	(60)	6,719
ACCOUNT	PERCENT CHANGE											
930260 Meals&Travel Noneduct AG												
BASE PERIOD	1,357	1,213	1,307	589	1,337	3,537	1,250	1,102	1,536	869	1,277	16,270
FORECAST PERIOD	1,604	1,087	1,231	1,175	1,712	915	1,232	1,133	1,302	929	1,312	14,966
DIFFERENCE	(247)	126	(437)	(586)	(375)	2,622	18	(31)	234	(60)	(35)	1,304

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

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES  
THE TWELVE MONTH ENDED MAY 31, 2010 (BASE PERIOD) AND SEPTEMBER 30, 2011 (FORECAST PERIOD)

SCHEDULE C-22  
WITNESS RESPONSIBLE: M. MILLER / S. MILLER

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

ACCOUNT/TITLE	Jun 09 Oct 10	Jul 09 Nov 10	Aug 09 Dec 10	Sep 09 Jan 11	Oct 09 Feb 11	Nov 09 Mar 11	Dec 09 Apr 11	Jan 10 May 11	Feb 10 Jun 11	Mar 10 Jul 11	Apr 10 Aug 11	May 10 Sep 11	TOTAL
	PERCENT CHANGE												8.71%
ACCOUNT	930270 Charitable Contrib Deduct												
BASE PERIOD	0	20	0	0	0	0	0	0	0	0	0	0	0
FORECAST PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	20	0	0	0	0	0	0	0	0	0	0	0
ACCOUNT	930600 Transportation Expenses												
BASE PERIOD	38,696	43,311	48,801	53,682	36,986	85,426	83,162	57,476	57,318	57,318	57,318	57,318	57,318
FORECAST PERIOD	57,318	57,318	57,318	57,565	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407
DIFFERENCE	(18,622)	(14,007)	(8,517)	(3,883)	(20,421)	28,019	25,755	69	(89)	(89)	(89)	(89)	(89)
ACCOUNT	930880 Dues/Membership Deduct AG												
BASE PERIOD	5,951	5,398	5,568	5,361	5,274	5,294	2,537	2,597	2,492	38,652	2,612	2,612	84,349
FORECAST PERIOD	2,612	2,612	2,612	2,713	2,608	42,768	2,728	2,728	2,728	2,728	5,028	2,928	74,793
DIFFERENCE	3,339	2,786	2,956	2,648	2,666	(37,474)	(191)	(131)	(236)	35,924	(2,416)	(316)	9,556
ACCOUNT	930890 Advertising AG												
BASE PERIOD	(10,456)	3,000	4,000	1,500	8,218	1,193	212	4,500	3,152	2,500	9,500	3,534	30,853
FORECAST PERIOD	8,104	1,534	0	4,500	3,247	2,575	9,650	3,641	3,592	4,500	0	4,241	45,584
DIFFERENCE	(18,560)	1,466	4,000	(3,000)	4,971	(1,382)	(9,438)	859	(440)	(2,000)	9,500	(707)	(14,731)
ACCOUNT	931000 Misc Oper Exp AG												
BASE PERIOD	1,671	1,167	577	1,084	1,992	2,085	4,414	2,283	2,283	2,283	2,283	2,283	24,405
FORECAST PERIOD	2,283	2,283	2,283	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	28,017
DIFFERENCE	(612)	(1,116)	(1,706)	(1,268)	(360)	(267)	2,062	(69)	(69)	(69)	(69)	(69)	(3,612)
ACCOUNT	932100 M&S Maint AG General												
BASE PERIOD	8,408	7,751	18,757	9,576	8,563	705	9,808	18,155	18,155	18,155	18,155	18,155	154,343
FORECAST PERIOD	18,155	18,155	18,155	19,140	20,101	19,284	20,274	19,432	20,452	19,585	20,635	19,743	233,111
DIFFERENCE	(9,747)	(10,404)	602	(9,564)	(11,538)	(18,579)	(10,466)	(1,277)	(2,297)	(1,430)	(2,480)	(1,588)	(78,768)
ACCOUNT	932700 Contr Svc Other Maint AG												
BASE PERIOD	5,293	578	6,616	2,235	849	2,970	1,314	3,863	3,863	3,863	3,863	3,863	39,169
FORECAST PERIOD	3,863	3,863	3,863	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	47,391
DIFFERENCE	1,430	(3,285)	2,753	(1,743)	(3,129)	(1,008)	(2,664)	(115)	(115)	(115)	(115)	(115)	(8,222)
PERCENT CHANGE													-17.35%

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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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\_ REVISEI  
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
<b>Water Revenues</b>							
1	461100	Residential - Billed	\$ 33,748,193	\$ 1,374,387	\$ 0	\$ 0	\$ 1,374,387
3	461110	Residential - Unbilled	221,059	(221,059)	0	0	(221,059)
4	461200	Commercial - Billed	16,594,838	(205,728)	0	0	(205,728)
5	461210	Commercial - Unbilled	267,890	(267,890)	0	0	(267,890)
6	461300	Industrial - Billed	1,695,732	(162,327)	0	0	(162,327)
7	461310	Industrial - Unbilled	35,258	(35,258)	0	0	(35,258)
8	461400	Miscellaneous - Billed	7,582	12,073	0	0	12,073
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	1,639,412	77,481	0	0	77,481
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	2,798,833	8,171	0	0	8,171
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	5,592,489	43,611	0	0	43,611
15	464210	OPA - Unbilled	70,626	(70,626)	0	0	(70,626)
16	466000	Sales for Resale - Billed	1,566,056	22,675	0	0	22,675
17	466100	Sales for Resale - Unbilled	76,200	(76,200)	0	0	(76,200)
18		Total Water Revenues	64,254,178	499,310	0	0	499,310
19							
20		<b>Sewer Revenues</b>					
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		<b>OTHER OPERATING REVENUES</b>					
31	471100	Reconnection Charges/Activation fees	1,403,736	0	(76,956)	0	(76,956)
32	471200	NSF Checks	23,930	0	1,198	0	1,198
33	472000	Rents from Water Property	242,768	0	34,936	0	34,936
34	474100	Billing & Collection Services	1,111,960	0	371,060	0	371,060
35	474300	Other Water Revenues	5,659	0	5,666	0	5,666
36		AFUDC	0	0	646,180	0	646,180
37		TOTAL OTHER OPERATING REVENUES	2,788,053	0	335,905	646,180	982,085
38							
39		TOTAL OPERATING REVENUES	\$87,042,231	\$499,310	\$335,905	\$646,180	\$1,481,395
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							



























KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-1  
Page 13 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
<b>WATER TREATMENT EXPENSES (WT)</b>											
1	640000	Operation Supervision & Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$910,309
2	641110	Chemicals-Carbon	0	0	0	0	0	0	0	0	0
3	641100	General Chemicals	2,188,604	0	0	0	0	0	0	0	(415,874)
4	641200	Softening Chemicals	0	0	0	0	0	0	0	0	0
5	642100	General WT Labor	1,689,328	0	0	0	0	0	0	0	(215,570)
6	642200	Softening Labor	0	0	0	0	0	0	0	0	0
7	642300	General WT Expenses	152,554	0	0	0	27,750	0	0	27,750	27,750
8	642390	General WT Administration	0	0	0	0	0	0	0	0	0
9	642400	Softening Expenses	0	0	0	0	0	0	0	0	0
10	643100	Misc Expenses	94,975	0	0	0	24,660	0	0	24,660	24,660
11	643190	Misc Expenses - Service Co	0	0	0	0	0	0	0	0	0
12	643200	Misc Labor	0	0	0	0	0	0	0	0	0
13	643300	Waste Disposal Expenses	233,572	0	0	0	0	0	0	0	4,278
14	643310	Amort Waste Disposal Expenses	56,157	0	0	0	0	0	0	0	46,219
15	644000	Rents	0	0	0	0	0	0	0	0	0
16	650000	Maint Supervision & Engineering Ord	104,427	0	0	0	0	0	0	0	(104,427)
17	650010	Maint Supervision & Engineering Prg	0	0	0	0	0	0	0	0	0
18	651100	Maint WT Struc & Improvements-Mat Ord	193,167	0	0	0	0	(34,877)	0	(34,877)	(34,877)
19	651110	Maint WT Struc & Improvements-Mat Prg	0	0	0	0	0	0	0	0	0
20	651120	Amort WT Structures	150,570	0	0	0	0	(39,082)	0	(39,082)	(39,082)
21	651200	Maint WT Struc & Improvements-Labor Ord	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
23	652100	Maint General WT Equipment-Mat Ord	0	0	0	0	0	17,813	0	17,813	17,813
24	652110	Maint General WT Equipment-Mat Prg	0	0	0	0	0	0	0	0	0
25	652200	Maint Softening Equipment-Materials	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
27	652310	Maint General WT Equipment-Labor Prg	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
29											
30		TOTAL WT EXPENSES	4,863,354	0	0	0	52,410	(56,146)	0	(3,736)	221,199







KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-1  
Page 17 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
<b>ADMINISTRATIVE &amp; GENERAL EXP(A&amp;G) - CONT</b>											
<b>REGULATORY COMMISSION EXPENSES</b>											
1	928100	Amort Expense of Rate Proceedings	292,311	0	0	0	0	0	0	0	43,160
2	928110	Amort Serv Study Exp Cost	0	0	0	0	0	0	0	0	0
3	928200	Tax Savings	0	0	0	0	0	0	0	0	0
4	928300	Amort of Other Regulatory Expenses	11,145	0	0	0	0	0	0	0	2,355
5	928400	Other Regulatory Expenses - Current	1,385	0	0	0	0	0	0	0	16,106
6	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0
7	930210	Misc General Expenses Current	719,660	0	0	0	(100,083)	0	0	(100,083)	(100,083)
8	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0
9	930230	Amort Misc General Expenses	31,259	0	0	0	(2,799)	0	0	(2,799)	(2,799)
10	930240	Misc Gen Exp - Community Relations	0	0	0	0	0	0	0	0	0
11	930250	Amort Plant Expansion Study	0	0	0	0	0	0	0	0	0
12	930260	Meals & Travel Expenses - Taxable	16,270	0	(1,319)	0	0	0	0	(1,319)	(1,319)
13	930270	Donations	20	0	0	(20)	0	0	0	(20)	(20)
14	930280	Data Processing Communication Exp	0	0	0	0	0	0	0	0	0
15	930300	Research & Development Expenses	0	0	0	0	0	0	0	0	0
16	930330	Research & Development Exp - Ser Co	0	0	0	0	0	0	0	0	0
17	930500	Non-deductible Penalties	0	0	0	0	0	0	0	0	0
18	930510	Lobbying Expenses	0	0	0	0	0	0	0	0	0
19	930600	Transportation Expenses	676,812	0	0	0	(53,104)	0	0	(53,104)	(53,104)
20	930610	Transportation Cap (A&B)	0	0	0	0	0	0	0	0	0
21	930620	Transportation Cap (C&R)	0	0	0	0	0	0	0	0	0
22	930630	Transportation Cap (H)	0	0	0	0	0	0	0	0	0
23	930880	Misc Gen Exp - Company Dues	84,348	0	0	0	(9,998)	0	0	(9,998)	(9,998)
24	930980	Misc General Exp-Taxable Co Dues	30,853	0	0	0	(6,817)	0	0	(6,817)	(6,817)
25	931000	Rents	24,405	0	(4,677)	0	0	0	0	(4,677)	(4,677)
26	932100	Maint A&G Struc & Improv-Material Ord	154,343	0	0	0	(10,633)	0	0	(10,633)	(10,633)
27	932110	Maint A&G Struc & Improv-Material Prtg	0	0	0	0	0	0	0	0	0
28	932120	Maint A&G Struc & Improv	0	0	0	0	0	0	0	0	0
29	932200	Maint A&G Struc & Improv-Labor Ord	0	0	0	0	0	0	0	0	0
30	932210	Maint A&G Struc & Improv-Labor Prtg	0	0	0	0	0	0	0	0	0
31	932300	Maint A&G Office Furniture-Material Ord	0	0	0	0	0	0	0	0	0
32	932310	Maint A&G Office Furniture-Material Prtg	0	0	0	0	0	0	0	0	0
33	932400	Maint A&G Office Furniture-Labor Ord	0	0	0	0	0	0	0	0	0
34	932410	Maint A&G Office Furniture-Labor Prtg	0	0	0	0	0	0	0	0	0
35	932500	Maint A&G Communication Equip-Material	0	0	0	0	0	0	0	0	0
36	932600	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0
37	932610	Maint A&G Com Equip-Labor Prtg	0	0	0	0	0	0	0	0	0
38	932700	Maint A&G Misc Property-Material Ord	39,169	0	0	0	8,222	0	0	8,222	8,222
39	932710	Maint A&G Misc Property-Material Prtg	0	0	0	0	0	0	0	0	0
40	932800	Maint A&G Misc Property-Labor Ord	0	0	0	0	0	0	0	0	0
41	932810	Maint A&G Misc Property-Labor Prtg	0	0	0	0	0	0	0	0	0
42	932820	Total A & G Expenses	17,921,919	0	(4,677)	3,728	(149,213)	(2,411)	0	(152,574)	777,324
43		Total O & M Expenses	\$33,264,400	(\$110,588)	(\$5,338)	\$3,728	(\$89,856)	(\$48,001)	(\$6,173)	(\$256,228)	\$2,194,966





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	\$9,004,481	\$2,081,595	\$0	\$0	\$2,081,595
2	403100	Depreciation - CIAC	(1,137,476)	1,137,476	\$0	\$0	1,137,476
3			\$7,867,005	\$3,219,071	\$0	\$0	\$3,219,071
4							
5			6.00%	\$193,144	\$0	\$0	\$0
6		State Income Tax Impact		\$1,059,075	\$0	\$0	\$1,059,075
7		Federal Income Tax Impact	35.00%	\$0	\$0	\$0	\$0
8		Net Operating Income Impact		\$1,966,852	\$0	\$0	\$1,966,852
9							
10		AMORTIZATION EXPENSE					
11	404100	Amortization Lim Term Ut Plant	\$0	\$0	\$0	\$0	\$0
12	404110	Amortization Franchise Expense	0	0	0	0	0
13	404430	Amortization Regulatory Asset - AFUDC	82,183	0	(1,939)	0	(1,939)
14	406000	Amortization Utility Plant Acquisition Adj	21,612	0	(13,998)	0	(13,998)
15	407000	Amortization Property Losses	413,185	0	(267,322)	0	(267,322)
16		TOTAL AMORTIZATION	\$516,980	\$0	(\$283,259)	\$0	(\$283,259)
17							
18		State Income Tax Impact	6.00%	\$0	(\$16,996)	\$0	(\$16,996)
19		Federal Income Tax Impact	35.00%	\$0	(\$93,192)	\$0	(\$93,192)
20				\$0	(\$173,071)	\$0	(\$173,071)
21		Net Operating Income Impact					
22							
23							
24		TAXES, OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$3,435,719	\$0	\$993,455	\$0	\$993,455
26	408110	Gross Income & Receipts Taxes	99,219	0	10,607	0	10,607
27	408120	Invested Capital Tax	0	0	0	0	0
28	408030	Other General Taxes	0	0	0	0	0
29	408140	FUTA	7,194	0	14,607	0	14,607
30	408150	FUTA Capitalized - (A Work Order)	0	0	(12,862)	0	(12,862)
31	408040	FUTA Capitalized - (H Work Order)	0	0	0	0	0
32	408050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	529,073	0	198,867	0	198,867
34	408170	FICA Capitalized - (A Work Order)	0	0	(122,995)	0	(122,995)
35	408060	FICA Capitalized - (H Work Order)	0	0	0	0	0
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408180	SUTA	9,569	0	5,896	0	5,896
38	408190	SUTA Capitalized - (A Work Order)	0	0	(8,042)	0	(8,042)
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			\$4,080,774	\$0	\$1,079,533	\$0	\$1,079,533
43							
44		State Income Tax Impact	6.00%	\$0	\$64,772	\$0	\$64,772
45		Federal Income Tax Impact	35.00%	\$0	\$355,166	\$0	\$355,166
46		Net Operating Income Impact		\$0	\$659,595	\$0	\$659,595
47							
48							
49							
50							

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	To adjust Residential billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
3		W/P-2	\$35,122,580
4			33,748,193
5			<u>\$1,374,387</u>
6	To adjust Commercial billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
7		W/P-2	\$16,389,110
8			16,594,838
9			<u>(\$205,728)</u>
10			
11			
12	To adjust Industrial billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
13		W/P-2	\$1,533,405
14			1,685,732
15			<u>(\$162,327)</u>
16			
17	To adjust Other Public Authority billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
18		W/P-2	\$5,636,110
19			5,592,499
20			<u>\$43,611</u>
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.		
23		W/P-2	\$1,588,731
24			1,566,056
25			<u>\$22,675</u>
26			
27	To adjust Public Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
28		W/P-2	\$2,747,004
29			2,738,833
30			<u>\$8,171</u>
31			
32	To adjust Private Fire Service billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
33		W/P-2	\$1,716,893
34			1,639,412
35			<u>\$77,481</u>
36			
37	To adjust Miscellaneous billed water revenue for the change in billing determinants at present rates for the forecasted test period.		
38		W/P-2	\$19,655
39			7,582
40			<u>\$12,073</u>
41			
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			\$1,170,343
45			
46			
47			
48			
49			
50			

Billed Revenues, Adjustment D-1

RESIDENTIAL

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

COMMERCIAL

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

INDUSTRIAL

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

OTHER PUBLIC AUTHORITY

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

SALES FOR RESALE (OWU)

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

PUBLIC FIRE SERVICE

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

PRIVATE FIRE SERVICE

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

MISCELLANEOUS

Forecasted Amount  
Base Period Amount  
Pro Forma Adjustment

Total Billed Water Revenue Adjustment

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	To eliminate the net change in Residential water unbilled accrued utility revenues recorded during the base period.		
3		W/P-2	\$0
4			221,059
5			(\$221,059)
6	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.		
7		W/P-2	\$0
8			267,890
9			(\$267,890)
10			
11			
12	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.		
13		W/P-2	\$0
14			35,258
15			(\$35,258)
16			
17	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.		
18		W/P-2	\$0
19			70,626
20			(\$70,626)
21			
22	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period.		
23		W/P-2	\$0
24			76,200
25			(\$76,200)
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	Total Unbilled Water Revenue Adjustment		(\$671,033)

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	Worksheet Reference	Amount
1			
2	To eliminate Residential billed sewer revenue for forecasted test period.		
3			
4			
5			
6	To eliminate Commercial billed sewer revenue for the forecasted test period.		
7			
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11			
12	To eliminate Industrial billed sewer revenue for the forecasted test period.		
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43	The purpose of each adjustment is to eliminate the sewer revenue for the forecasted test period.		
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**Billed Revenues, Adjustment D-1**

RESIDENTIAL			
Forecasted Amount	W/P-2	\$0	
Base Period Amount		0	
Pro Forma Adjustment		\$0	
COMMERCIAL			
Forecasted Amount	W/P-2	\$0	
Base Period Amount		0	
Pro Forma Adjustment		\$0	
INDUSTRIAL			
Forecasted Amount	W/P-2	\$0	
Base Period Amount		0	
Pro Forma Adjustment		\$0	
Total Sewer Revenue Adjustment		0	
Total Revenue Adjustment		\$489,310	

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	Worksheet Reference	Amount
1			
2	To adjust Activation Fees and reconnection fees for the forecast period.		
3		RECONNECTION FEES/ACTIVATION FEES	\$1,326,780
4		W/P-2-3	1,403,736
5			<u>(\$76,956)</u>
6	To adjust Returned Check Charges for the forecasted test period level of bad checks.		
8		OTHER MISC SERV REVENUES	\$25,128
9		Forecasted Amount	23,930
10		Base Period Amount	<u>\$1,198</u>
11		Pro Forma Adjustment	
12	To adjust for all other revenues for more current information. This includes an adjustment for billing and collecting for landfill services and stormwater billing for the Lexington-Fayette Urban County Government		
13		OTHER REVENUES	\$1,772,080
14		Forecasted Amount	1,360,387
15		Base Period Amount	<u>\$411,663</u>
16		Pro Forma Adjustment	
17		Total Other Revenue Adjustment	<u>\$335,905</u>
18			
19			
20			
21			
22	To reflect AFUDC above the line based on the overall rate of return and qualifying CWIP.		
23	This includes the gross-up of the equity piece of AFUDC per SFAS 109.		
24		AFUDC Adjustment D-3	\$646,180
25		AFUDC ABOVE THE LINE	0
26		Forecasted Amount	<u>\$646,180</u>
27		Base Period Amount	
28		Pro Forma Adjustment	
29			
30			
31			
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41			
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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			
2	Labor expense is being adjusted to reflect an increase due to union wage contracts and includes the actual wages for non-union employees effective January 1, 2010. Also included is a 3% increase for salary employees effective January 1, 2011 and a 3.5% increase for non-union hourly employees effective January 1, 2011. Allocations were made to transfer labor costs from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-1	\$8,039,623
3			7,136,288
4			\$903,335
5			
6	Fuel and Power expense is being adjusted to reflect the forecasted sales.	W/P-3-2	\$4,375,584
7			3,179,899
8			\$1,195,685
9			
10			
11			
12	Chemical expense is being adjusted to reflect the level of forecasted sales. Also reflected is the adjustment for contracted chemical prices made to the forecast.	W/P-3-3	\$1,772,730
13			2,188,604
14			(\$415,874)
15			
16			
17	Waste Disposal expense reflects two year amortization of the lagoon cleaning along with other normal recurring waste disposal expenses.	W/P-3-4	\$340,226
18			289,729
19			\$50,497
20			
21			
22	Management Fees expense reflects the forecasted charges from the Service Company for services rendered during the forecasted period including costs from the Eastern Region Service Company office, Shared Services Center, and the Customer Call Center. Also included are allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-5	\$9,028,121
23			8,485,212
24			\$542,909
25			
26			
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	W/P-3-6	\$2,313,543
28			2,257,585
29			\$55,958
30			
31			
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	W/P-3-7	\$1,267,732
33			1,262,429
34			\$5,303
35			
36			
37	Regulatory Expense reflects a three year amortization of the cost of the current filing, as well as a three year amortization of the cost of service study, and a five year amortization of the depreciation study.	W/P-3-8	\$366,462
38			304,841
39			\$61,621
40			
41			
42			
43			
44			
45	Insurance Other than Group expense reflects the Company's forecasted cost for liability insurance, workers compensation and property insurance based upon the Company's projections for the forecast. Also included are allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-9	\$742,262
46			690,501
47			\$51,761
48			
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: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Customer Accounting expense reflects the cost of customer billing, meter reading and other expenses related to this function, as well as allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-10	\$1,712,517
3			1,823,105
4			<u>(\$110,588)</u>
5			
6			
7	Rent expense reflects all leases and rental agreements that the company has entered into or is forecasted to enter into during the forecasted test period.	W/P-3-11	\$27,654
8			32,992
9			<u>(\$5,338)</u>
10			
11			
12	General Office expense reflects all expenses related to the Company's office including telephone, employee expenses, supplies, as well as allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass O&M Contract.	W/P-3-12	\$639,778
13			636,050
14			<u>\$3,728</u>
15			
16			
17	Miscellaneous expenses reflect all remaining expenses that are not specifically assigned to the above discussed adjustments. Refer to workpapers for detailed listing. This also includes allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-13	\$3,440,139
18			3,529,995
19			<u>(\$89,856)</u>
20			
21			
22	Maintenance expense reflect the costs of maintaining the property and assets of the Company. These expenses include amortizations of prior and forecasted deferred maintenance projects. It also includes normal maintenance of pumping equipment, mains, meters, as well as allocations from KAWC to Owenton Sewer, Rockwell Village Sewer, and Bluegrass Station O&M Contract.	W/P-3-14	\$1,272,341
23			1,320,342
24			<u>(\$48,001)</u>
25			
26			
27	Purchased Water represents water purchased from the Winchester Municipal System, Georgetown Municipal System, and Carroll County Water & Gallatin County Water.	W/P-3-15	\$120,655
28			126,828
29			<u>(\$6,173)</u>
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The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DETAILED ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-2.4  
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-4 & W/P-5 (TOTAL COMPANY)

Line No.	Purpose and Description of Adjustment	Worksheet Reference	Amount
1			
2	Depreciation expense reflects an increase due to an increased level of Utility Plant in Service.		
3	Also included is an adjustment for the unrecovered reserve amortization		
4			
5			
6			
7	Amortization expense reflects the amortization of UPAA, Property Losses and Regulatory Asset on the equity gross-up of AFUDC.		
8			
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11			
12	General Taxes represent Property Taxes, Payroll Taxes, PSC Fees calculated for the forecasted test year.		
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32	The purpose of each adjustment is to reflect an appropriate level of expense for the forecasted test period.		
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Worksheet Reference	Amount
<u>Depreciation Expense Adjustment D-18</u>	
Forecasted Amount	\$11,086,076
Base Period Amount	7,867,005
Pro Forma Adjustment	<u>\$3,219,071</u>
<u>Amortization Expense Adjustment D-19</u>	
Forecasted Amount	\$233,721
Base Period Amount	516,980
Pro Forma Adjustment	<u>(\$283,259)</u>
<u>General Taxes Expense Adjustment D-20</u>	
Forecasted Amount	\$5,160,307
Base Period Amount	4,080,774
Pro Forma Adjustment	<u>\$1,079,533</u>

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF JURISDICTIONAL FACTORS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-3  
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): (TOTAL COMPANY)

Line No.	Acct.	Account Title	Jurisdictional Factor	Description of Factor and/or method of Allocation
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
JURISDICTIONAL STATISTICS  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-4  
Page 1 of 1

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

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
1						
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE D-5  
Page 1 of 1

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

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rational for Change
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.

**EXHIBIT 37  
SCHEDULE E**

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

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

<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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
TOTAL COMPANY

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

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

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2	Operating Revenues	\$67,042,231	\$0	\$67,042,231
3	Operating Expenses			
4	Operation & Maintenance Expenses	33,264,400	0	33,264,400
5	Depreciation & Amortization	8,383,985	0	8,383,985
6	Taxes other than Income	4,080,774	0	4,080,774
7	State Income Taxes - Current	806,286	0	806,286
8	Federal Income Taxes	0	0	0
9	Net below the line income (loss)	(3,482,519)	3,482,519	0
10	Total Operating Expenses before FIT	43,052,926	3,482,519	46,535,445
11				
12	Operating Income before Federal Income Taxes	23,989,305	(3,482,519)	20,506,786
13	Reconciling Items:			
14	Interest Charges	(5,939,486)	0	(5,939,486)
15	Permanent differences			
16	Taxable Meals/lobbying	58,659	0	58,659
17	Nondeductible penalties & dividend mandatory red	185,088	0	185,088
18	Medicare Subsidy	(101,798)	0	(101,798)
19		141,949	0	141,949
20	Book Depreciation	7,867,005	0	7,867,005
21	Tax Depreciation	(13,278,007)	0	(13,278,007)
22	Taxable Customer Adv and CIAC	(919,391)	0	(919,391)
23	Other Amortizations	0	0	0
24	Tax AFUDC	(3,132,534)	0	(3,132,534)
25	Deferred Maintenance	107,545	0	107,545
26	Abandonment losses	(118,459)	0	(118,459)
27	Misc Deferred Debits	441,177	0	441,177
28	Uncollectible	34,896	0	34,896
29	Vacation Pay	(7,315)	0	(7,315)
30	All other	(739,771)	0	(739,771)
31	Reserved	0	0	0
32	Reserved	0	0	0
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36	Total Reconciling Items	(9,744,854)	0	(9,744,854)
37				
38	Federal Taxable Income	8,446,914	(3,482,519)	4,964,395
39	Federal Income Tax Rate	35.00%	35.00%	35.00%
40	Federal Income Tax Liability	2,956,420	0	2,956,420
41	Adjustment of Prior Year	(3,138,128)	3,138,128	0
42				
43	Federal Income Taxes - Current	(181,708)		1,737,538
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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: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
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	167,131	\$0	\$167,131
5	Def FIT Other	3,410,699	0	3,410,699
6	Def FIT Prior Year	<u>3,007,752</u>	<u>(3,007,752)</u>	<u>0</u>
7		6,585,582	<u>(3,007,752)</u>	<u>3,577,830</u>
8	Amort Deferred ITC	<u>(84,798)</u>	<u>0</u>	<u>(84,798)</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$6,500,784</u>	<u>(\$3,007,752)</u>	<u>\$3,493,032</u>
11				
12	Total Federal Income Taxes	<u>\$6,319,076</u>	<u>(\$3,007,752)</u>	<u>\$5,230,570</u>
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
STATE INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
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	\$67,042,231	\$0	\$67,042,231
3				
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	33,264,400	0	33,264,400
7	Depreciation & Amortization	8,383,985	0	8,383,985
8	Taxes other than Income	4,080,774	0	7,563,293
9	State Income Taxes - Current	0	0	3,482,519
10	Federal Income Taxes	0	0	0
11	Net below the line income (loss)	(3,482,519)	3,482,519	0
12	Total Operating Expenses before SIT	42,246,640	3,482,519	52,694,197
13				
14	Operating Income before State Income Taxes	24,795,591	0	14,348,034
15	Reconciling Items:			
16	Interest Charges	(5,939,486)	0	(5,939,486)
17	Permanent differences			
18	Taxable Meals/lobbying	58,659	0	58,659
19	Nondeductible penalties & dividend mandatory red	185,088	0	185,088
20	Medicare Subsidy	(101,798)	0	(101,798)
21		141,949		141,949
22	Book Depreciation	7,867,005	0	7,867,005
23	Tax Depreciation	(9,093,115)	0	(9,093,115)
24	Taxable Customer Adv and CIAC	(919,391)	0	(919,391)
25	Other Amortizations	0	0	0
26	Tax AFUDC	(3,132,534)	0	(3,132,534)
27	Deferred Maintenance	107,545	0	107,545
28	Abandonment losses	(118,459)	0	(118,459)
29	Misc Deferred Debits	441,177	0	441,177
30	Uncollectible	34,896	0	34,896
31	Vacation Pay	(7,315)	0	(7,315)
32	All other	(739,771)	0	(739,771)
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36	Reserved	0	0	0
37	Total Reconciling Items	(5,559,962)	0	(5,559,962)
38	State Taxable Income	13,436,092	0	2,990,536
39				
40	State Income Tax Rate	6.00%	6.00%	6.00%
41	State Income Tax Liability	806,286	0	179,432
42				
43	State Income Taxes - Current	806,286		179,432
44	Less: Prior Year Adjustment	(565,931)	565,931	0
45		\$240,355	\$565,931	\$179,432
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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: 2010-00036  
STATE INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
TOTAL COMPANY

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

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

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted
1				
2				
3	Deferred State Income Taxes:			
4	Def SIT Regulatory Asset/Liability	(\$2,580)		\$ (2,580)
5	Def SIT Other	333,598	0	333,598
6	Def SIT Prior Year Adj	606,321	(606,321)	0
7		937,339	(606,321)	331,018
8	Amort Deferred ITC	0	0	0
9				
10	Total Deferred State Income Taxes	\$ 937,339	\$ (606,321)	\$ 331,018
11				
12	Total State Income Taxes	\$ 1,177,694	\$ (40,390)	\$ 510,450
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 2010  
TOTAL COMPANY

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORKPAPER REFERENCE NO(S): W/P-6

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

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Operating Revenues	\$68,523,626	\$0	\$68,523,626	\$25,848,286	\$94,371,912
3						
4	Operating Expenses	35,459,366	0	35,459,366	202,545	35,661,911
5	Operation & Maintenance Expenses	11,319,797	0	11,319,797	0	11,319,797
6	Depreciation & Amortization	5,160,307	0	5,160,307	41,823	5,202,130
7	Taxes other than Income	(164,573)	0	(164,573)	1,536,235	1,371,662
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	51,774,897	0	51,774,897	1,780,603	53,555,500
12						
13	Operating Income before Federal Income Taxes	16,748,728	0	16,748,728	24,067,683	40,816,411
14	Reconciling Items;					
15	Interest Charges	(12,294,582)	0	(12,294,582)	0	(12,294,582)
16						
17	Permanent Differences					
18	Taxable meals/lobbying	58,659	0	58,659	0	58,659
19	Non-deductible penalties & dividend mandatory red	185,088	0	185,088	0	185,088
20	Medicare Subsidy	(101,798)	0	(101,798)	0	(101,798)
21		141,949	0	141,949	0	141,949
22						
23	Book Depreciation	11,086,076	0	11,086,076	0	11,086,076
24	Tax Depreciation	(18,246,803)	0	(18,246,803)	0	(18,246,803)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	(533,252)	0	(533,252)	0	(533,252)
27	Deferred Debits	145,856	0	145,856	0	145,856
28	Amortization of UPAA	7,614	0	7,614	0	7,614
29	Deferred Maintenance	366,562	0	366,562	0	366,562
30	Property Losses	0	0	0	0	0
31	Amort Regulatory Assets / Liabilities	80,244	0	80,244	0	80,244
32	Taxable Advances and CIAC	1,263,825	0	1,263,825	0	1,263,825
33	Repairs Maintenance	(1,344,527)	0	(1,344,527)	0	(1,344,527)
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	(7,174,405)	0	(7,174,405)	0	(7,174,405)
39						
40	Federal Taxable Income	(2,578,310)	0	(2,578,310)	24,067,683	21,489,373
41						
42	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
43						
44	Federal Income Tax - Current	(902,408)	0	(902,408)	8,423,689	7,521,281
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 2010  
TOTAL COMPANY

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_\_\_ ORIGINAL \_\_\_UPDATED\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-6

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

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def FIT Regulatory Asset/Liability	\$260,569	\$0	\$260,569	\$0	\$260,569
4	Def FIT UPIS	1,854,689	0	1,854,689	0	1,854,689
5	Def FIT Deferred Maintenance	(120,600)	0	(120,600)	0	(120,600)
6	Def FIT Deferred Debits	(50,494)	0	(50,494)	0	(50,494)
7	Def FIT Property Losses	0	0	0	0	0
8						
9						
10		1,944,164	0	1,944,164	0	1,944,164
11	Amort Deferred ITC	(84,797)	0	(84,797)	0	(84,797)
12						
13	Total Deferred Federal Income Taxes	1,859,367	0	1,859,367	0	1,859,367
14						
15	Total Federal Income Taxes	\$956,959	\$0	\$956,959	\$8,423,689	\$9,380,648
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
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 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	\$ 68,523,626	\$ -	\$ 68,523,626	\$ 25,848,286	\$ 94,371,912
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 35,459,366	\$ -	\$ 35,459,366	\$ 202,545	\$ 35,661,911
6	Depreciation & Amortization	11,319,797	0	11,319,797	0	11,319,797
7	Taxes other than Income	5,160,307	0	5,160,307	41,823	5,202,130
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 51,939,470	\$ -	\$ 51,939,470	\$ 244,368	\$ 52,183,838
12						
13	Operating Income before Federal Income Taxes	\$ 16,584,155	\$ -	\$ 16,584,155	\$ 25,603,918	\$ 42,188,073
14	Reconciling Items;					
15	Interest Charges	(12,294,582)	0	(12,294,582)	0	(12,294,582)
16						
17	Permanent differences					
18	Taxable meals/lobbying	58,659	0	58,659	0	58,659
19	Non-deductible penalties & dividend mandatory red	185,088	0	185,088	0	185,088
20	Medicare Subsidy	(101,798)	0	(101,798)	0	(101,798)
21		141,949	0	141,949	0	141,949
22						
23	Book Depreciation	11,086,076	0	11,086,076	0	11,086,076
24	Tax Depreciation	(18,246,803)	0	(18,246,803)	0	(18,246,803)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	(533,252)	0	(533,252)	0	(533,252)
27	Deferred Debits	145,856	0	145,856	0	145,856
28	Amortization of UPAA	7,614	0	7,614	0	7,614
29	Deferred Maintenance	366,562	0	366,562	0	366,562
30	Property Losses	0	0	0	0	0
31	Amort Regulatory Assets / Liabilities	80,244	0	80,244	0	80,244
32	Taxable Advances and CIAC	1,263,825	0	1,263,825	0	1,263,825
33	Repairs Maintenance	(1,344,527)	0	(1,344,527)	0	(1,344,527)
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	\$ (7,174,405)	\$ -	\$ (7,174,405)	\$ -	\$ (7,174,405)
39						
40	State Taxable Income	\$ (2,742,883)	\$ -	\$ (2,742,883)	\$ 25,603,918	\$ 22,861,035
41						
42	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%
43						
44	State Income Tax Liability	\$ (164,573)	\$ -	\$ (164,573)	\$ 1,536,235	\$ 1,371,662
45						
46						
47	State Income Taxes - Current	\$ (164,573)	\$ -	\$ (164,573)	\$ 1,536,235	\$ 1,371,662
48						
49						
50						

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
STATE INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: MAY 2010  
TOTAL COMPANY

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

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

Line No.	Description	At Current Rates Unadjusted	Adjustments	Adjusted	At Proposed Rates Adjustments	Adjusted
1						
2	Deferred Income Taxes:					
3	Def SIT Regulatory Asset/Liability	\$11,460	\$0	\$11,460	\$0	\$11,460
4	Def SIT UPIS	338,241	0	338,241	0	338,241
5	Def SIT Deferred Maintenance	(21,992)	0	(21,992)	0	(21,992)
6	Def SIT Deferred Debits	(9,207)	0	(9,207)	0	(9,207)
7	Def SIT Property Losses	0	0	0	0	0
8						
9						
10		318,502	0	318,502	0	318,502
11	Amort Deferred ITC	0	0	0	0	0
12						
13	Total Deferred State Income Taxes	318,502	0	318,502	0	318,502
14						
15	Total State Income Taxes	\$153,929	\$0	\$153,929	\$1,536,235	\$1,690,164
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SUMMARY OF INCOME TAX ADJUSTMENTS  
TOTAL COMPANY

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_UPDATED\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-6

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

Line No.	Reference Base Period	Description	Forecasted Period	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
3	Sch E-1.2	State Income Taxes				
4	Sch E-1.2	Current	Sch E-1.4	\$179,432	\$ (164,573)	(\$344,005)
5	Sch E-1.2	Deferred	Sch E-1.4	331,018	318,502	(12,516)
6		Reserved		0	0	0
7		Reserved		0	0	0
9		Total State Income Taxes		\$ 510,450	\$ 153,929	\$ (356,521)
13	Sch E-1.1	Federal Income Taxes				
14	Sch E-1.1	Current	Sch E-1.3	1,737,538	\$ (902,408)	(\$2,639,946)
15	Sch E-1.1	Deferred - ITC	Sch E-1.3	3,577,830	1,944,164	(1,633,666)
16	Sch E-1.1	Reserved	Sch E-1.3	(84,798)	(84,797)	1
17		Reserved		0	0	0
19		Total Federal Income Taxes		\$ 5,230,570	\$ 956,959	\$ (4,273,611)
21		Total Income Taxes		\$ 5,741,020	\$ 1,110,888	\$ (4,630,132)

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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\_022610.pdf.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
SOCIAL AND SERVICE CLUB DUES  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE F - 1  
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.	Social Organization / Service Club	Total Utility	Base Period Jurisdictional %	Jurisdiction	Total Utility	Forecasted Period Jurisdictional %	Jurisdiction
1								
2								
3								
4	921130	Kentucky Chamber of Commerce	2,540	100.00%	2,540	1,700	100.00%	1,700
5	921130	Rotary Club	465		465	0		0
6	921130	Scott County Chamber	500		500	500		500
7	921130	Home Builders Association of Lexington	450		450	450		450
8	921130	Jessamine Co Chamber of Commerce	300		300	300		300
9	921130	Kentucky Bar Association	315		315	0		0
10	921130	Scott County Home Builders Association	260		260	260		260
11	921130	Lexington Forum Inc	450		450	1,085		1,085
12	921130	Ky Academy of Science	250		250	0		0
13	921130	Calence	2,049		2,049	0		0
14	921130	Commerce Lexington	5,000		5,000	5,000		5,000
15	921130	Better Business Bureau	715		715	625		625
16	921130	International Association of Administrators	96		96	0		0
17	921130	AWWA Partnership for Safe Water	1,200		1,200	1,200		1,200
18	921130	Woodford Co. Chamber	1,100		1,100	1,100		1,100
19	921130	Bourbon Co. Chamber	500		500	500		500
20	921130	Harrison Co. Chamber	350		350	350		350
21	921130	Clark Co. Chamber	500		500	470		470
22	921130	Owen Co. Chamber	500		500	500		500
23	921130	Bluegrass Tomorrow	1,000		1,000	1,000		1,000
24	921130	Kentucky World Trade Center	675		675	675		675
25	921130	Lexington Apartment Assn	325		325	325		325
26	921130	Lexington-Bluegrass Assn of Realtors	300		300	300		300
27	921130	Blue Grass Trust	1,000		1,000	1,000		1,000
28	921130	Downtown Lexington Corporation	800		800	800		800
29	921130	Kentucky Historical Society	0		0	0		0
30	921130	American Society of Civil Engineers	450		450	250		250
31	921130	National Society of Professional Engineers	247		247	275		275
32	921130	NSPE Webpage	0		0	1,000		1,000
33	921130	Kentucky Board of Engineers	300		300	275		275
34	921130	Society for Human Resources	0		0	100		100
35	921130	Bluegrass Cross Connection	0		0	396		396
36	921130	American Water Works Association	664		664	1,149		1,149
37	921130	AICPA	0		0	230		230
38	921130	Kentucky Board of Accountancy	100		100	230		230
39	921130	Kentucky League of Cities	5,000		5,000	5,000		5,000
40	921130	Professional Womens' Association	95		95	108		108
41	921130	PRSA	275		275	0		0
42	921130	ADDA	0		0	0		0
43	921130	Kentucky County Judge Executive Association	200		200	0		0
44	921130	Winchester Clark County	500		500	0		0
45								
46								
47								
48								
49								
50								
			<u>29,471</u>		<u>29,471</u>	<u>27,703</u>		<u>27,703</u>



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
CHARITABLE CONTRIBUTIONS  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE F - 2.1  
PAGE 2 OF 3  
Witness Responsible: N Rowe

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: X\_ORIGINAL X\_UPDATED X\_REVIS  
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	IAAP Blue Grass Chapter	500	100.00%	500	-	100.00%	-
2	4262	KAW H2O Help to Others	60,000	-	60,000	61,800	-	61,800
3	4262	KAW Ripple Effect Scholarship	10,000	-	10,000	10,300	-	10,300
4	4262	Kentucky Chamber Water Feature (3 of 5)	10,000	-	10,000	10,300	-	10,300
5	4261	Kentucky River Clean Sweep	5,000	-	5,000	5,150	-	5,150
6	4261	Kentucky River Watershed Watch	500	-	500	515	-	515
7	4262	Kentucky Science Olympiad	1,000	-	1,000	1,030	-	1,030
8	4262	KY DragonFly science program	5,000	-	5,000	5,150	-	5,150
9	4261	KY Recreation & Park Society	1,000	-	1,000	-	-	-
10	4261	Leadership Scott County	500	-	500	515	-	515
11	4261	Lex. Fire Department Golf Classic	180	-	180	185	-	185
12	4261	Lexington Arts and Cultural Council	2,500	-	2,500	2,575	-	2,575
13	4261	Lexington Forum	2,500	-	2,500	2,575	-	2,575
14	4262	Lexington Legends billboards	9,500	-	9,500	9,785	-	9,785
15	4262	Lexington Legends tickets	5,166	-	5,166	5,321	-	5,321
16	4261	Lexington NAACP/KY Conference	-	-	-	618	-	618
17	4261	Lexington Pepsi Cola	320	-	320	-	-	-
18	4261	LexLinc	500	-	500	-	-	-
19	4261	LFUGG Festival Latina	-	-	-	1,030	-	1,030
20	4261	LFUGG Fire Prevention Week	-	-	-	1,030	-	1,030
21	4261	LFUGG Partnership for Youth	1,000	-	1,000	1,030	-	1,030
22	4261	LFUGG-Police Memorial Golf	250	-	250	258	-	258
23	4261	Living Arts and Science Center	1,500	-	1,500	1,545	-	1,545
24	4262	Mannon, Catherine E	3,000	-	3,000	-	-	-
25	4261	Martin Luther King Jr. Celebration	1,000	-	1,000	1,030	-	1,030
26	4261	Math Counts	250	-	250	-	-	-
27	4262	Miscellaneous	4,300	-	4,300	6,469	-	6,469
28	4261	Miscellaneous/Environmental	9,600	-	9,600	18,802	-	18,802
29	4261	NACKES - Science Expo	1,000	-	1,000	1,030	-	1,030
30	4261	Nature Conservancy	1,000	-	1,000	1,030	-	1,030
31	4261	News-Herald Owenton	640	-	640	-	-	-
32	4262	One Vision 2 Campaign (2 of 5)	15,000	-	15,000	15,450	-	15,450
33	4261	Owen Co. Miscellaneous	600	-	600	721	-	721
34	4261	Owen Co. Newspapers in Educ.	1,050	-	1,050	1,732	-	1,732
35	4261	Owen County 4-H Council	300	-	300	-	-	-
36	4262	Owen County Fiscal Court	500	-	500	-	-	-
37	4261	Owen County Historical Society	500	-	500	-	-	-
38	4262	Owen County Projects	-	-	-	206	-	206
39	4261	Paris City Club	150	-	150	155	-	155
40	4262	PLD Girls Basketball	275	-	275	-	-	-
41	4261	PLD High School Boys Soccer	250	-	250	-	-	-
42	4261	Project Graduation - Fayette Co.	100	-	100	103	-	103
43	4261	Project Graduation - George Rogers Clark	100	-	100	103	-	103
44	4261	Project Graduation - Scott Co	100	-	100	103	-	103
45	4261	Project Graduation - Jessamine Co.	100	-	100	103	-	103
46	4261	Reforest the Bluegrass	5,000	-	5,000	5,150	-	5,150
47	4261	Roots & Heritage Festival	1,000	-	1,000	-	-	-
48	4262	Sams Club	78	-	78	-	-	-
49	4261	Sanders Brown Center on Aging	1,500	-	1,500	-	-	-
50	4261	Sattenwhite Golf Shamble Owen Co.	500	-	500	515	-	515

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
CHARITABLE CONTRIBUTIONS  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: X\_ORIGINAL X\_UPDATED X\_REVIS  
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	Scott County High School	1,000	100.00%	1,000	-	100.00%	-
2	4262	Scott County projects	500		500	721		721
3	4262	Southland Association Inc	1,000		1,000	-		-
4	4262	StudioLink Inc	7,558		7,558	-		-
5	4261	Susan G. Komen Foundation	-		-	5,150		5,150
6	4261	Team Warrior Boxing	200		200	-		-
7	4261	Toyota Classic-Scott Co H.S.	2,500		2,500	2,575		2,575
8	4261	Triangle Foundation fountains (3rd of 5)	5,000		5,000	5,150		5,150
9	4261	UK Athletics Assn	1,200		1,200	-		-
10	4262	UK Athletics Assn	1,894		1,894	-		-
11	4261	United Way corporate donation	10,000		10,000	10,300		10,300
12	4261	United Way of the Bluegrass -	550		550	-		-
13	4261	Urb League-OneVisionOne Voice	500		500	515		515
14	4261	Urban League of Lexington-PO/R	1,000		1,000	-		-
15	4262	Windrunner Advertising	535		535	-		-
16	4262	Xu, Shuang	2,000		2,000	-		-
17	4261	YMCA Black Achievers	1,750		1,750	-		-
18	4261	YMCA Black Achievers Golf Scramble	-		-	1,803		1,803
19	4261	YMCA Campaign for Kids	1,000		1,000	309		309
20	4261	YMCA Campaign for Kids-Scott Co.	250		250	1,030		1,030
21	4261	YMCA of Greater Lex Beaumont Golf Tourm	-		-	258		258
22						155		155
23								
24								
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			264,135		264,136	266,141		266,141

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
INITIATION FEES/COUNTRY CLUB EXPENSES  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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								
6				100.00%			100.00%	
7								
8								
9		None to report						
10								
11								
12								
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15			\$0			\$0		\$0
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Totals			\$0			\$0		\$0

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMPLOYEE PARTY, OUTING AND GIFT EXPENSES  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE F - 2.3  
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.	Employee Expenditures	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1						
2						
3						
4	9262	Employee Recognition Banquet	14,000	100.00%	14,420	100.00%
5	9262	Company Picnic	5,155		0	
6	9262	United Way rally	768		5,150	
7	9262	Holiday Event	0		5,500	
8	9262	H1N1 prevention	2,728		0	
9						
10	4261	UK K Fund	3,000		4,120	
11	4262	UK Tickets	1,490		3,389	
12						
13						
14						
15						
16						
17						
18		Totals	<u>\$27,141</u>		<u>\$27,579</u>	
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
ADVERTISING

FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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
1							
2	Base Period:						
3	Newspaper	\$0	\$0	\$6,000	\$0	\$7,060	\$13,060
4							
5	Magazine and Other	0	0	17,932	0	0	17,932
6							
7	Television	0	0	7,755	0	0	7,755
8							
9	Radio	0	0	10,500	0	0	10,500
10							
11	Direct Mail	0	0	0	0	0	0
12							
13	Sales	0	0	0	0	0	0
14							
15	Customer Handouts	0	0	0	0	0	0
16							
17	Outdoor billboard	0	0	76,460	0	0	76,460
18							
19	Misc Bus Adv	0	0	28,800	0	5,574	34,374
20							
21	Totals	<u>\$0</u>	<u>\$0</u>	<u>\$147,447</u>	<u>\$0</u>	<u>\$12,634</u>	<u>\$160,081</u>
22							
23							
24	Amount Assigned to Kentucky Retail	<u>\$0</u>	<u>\$0</u>	<u>\$147,447</u>	<u>\$0</u>	<u>\$7,060</u>	<u>\$160,081</u>
25							
26							
27	Forecasted Period:						
28							
29	Newspaper	0	0	18,420	0	6,180	24,600
30							
31	Magazine and Other	0	0	0	0	0	0
32							
33	Television	0	0	61,350	0	0	61,350
34							
35	Radio	0	0	6,120	0	0	6,120
36							
37	Direct Mail	0	0	0	0	0	0
38							
39	Sales	0	0	0	0	0	0
40							
41	Customer Handouts	0	0	0	0	0	0
42							
43	Outdoor billboard	0	0	76,074	0	0	76,074
44							
45	Misc Bus Adv	0	0	24,720	0	0	24,720
46	Totals	<u>\$0</u>	<u>\$0</u>	<u>\$186,684</u>	<u>\$0</u>	<u>\$6,180</u>	<u>\$192,864</u>
47							
48							
49	Amount Assigned to Kentucky Retail	<u>\$0</u>	<u>\$0</u>	<u>\$186,684</u>	<u>\$0</u>	<u>\$6,180</u>	<u>\$192,864</u>
50							



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
PROFESSIONAL SERVICE EXPENSES  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	Expense Breakdown			Total Company Unadjusted	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
		Rate Case	Annual Audit	Other					
1									
2									
3									
4	Legal	\$87,000	\$0	\$162,659	\$249,659	100.00%	\$249,659	\$0	\$249,659
5									
6	Engineering	0	0	0	0		0	0	0
7									
8	Accounting	26,250	101,729	0	127,979		127,979	0	127,979
9									
10	Other	87,500	0	0	87,500		87,500	0	87,500
11									
12	Totals	\$200,750	\$101,729	\$162,659	\$465,138		\$465,138	\$0	\$465,138
13									
14									
15									
16									
17									
18									
19									
20									
21									
22	Legal	213,000	0	178,311	391,311	100.00%	391,311	0	391,311
23									
24	Engineering	0	0	0	0		0	0	0
25									
26	Accounting	48,750	110,166	0	158,916		158,916	0	158,916
27									
28	Other	170,000	0	0	170,000		170,000	0	170,000
29									
30	Totals	\$431,750	\$110,166	\$178,311	\$720,227		\$720,227	\$0	\$720,227
31									
32									
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34									
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Forecasted Period:

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO.: 2010-00036  
RATE CASE EXPENSE

FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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): W/P-3

Line No.	Item of Expense	Current Case 2008		Case No. 2008		Case No. 2007		
		Estimate	Actual	Estimate	Actual	Estimate	Estimate	
1								
2								
3	<u>Comparison of projected expenses associated with the current case to prior rate cases:</u>							
4								
5	Accounting	75,000	78,680	\$ 75,000	72,903	\$ 150,000		
6	Legal	300,000	194,844	300,000	179,115	325,000		
7	Rate of Return Study	50,000	21,675	40,000	30,750	27,000		
8	Cost of Service Study	42,500	16,598	25,000	18,786	25,000		
9	Other	100,000	79,748	80,000	125,905	103,000		
10	Weather Normalization Consultant	20,000	9,600	27,000	7,800	25,000		
11	Customer Notification	45,000	31,849	45,000	31,483	45,000		
12								
13	Totals	\$632,500	\$432,995	\$592,000	\$466,742	\$700,000		
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25	Current Rate Case Estimate	632,500	2010-00036	N/A	3 Years	0	0	
26	Case No. 2008-00427	432,995	2008-427	6/2009	3 Years	71,060	142,123	
27								
28	Case No. 2007-143	466,742	2007-143	12/2007	3 years	311,161	155,581	
29								
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Schedule of Rate Case Expense Amortization:

Total to be Amortized	Order No.	Order Date	Amortization Period	Amount Amortized to Date 11/09	Forecasted Period	Write-Offs	Base Period
632,500	2010-00036	N/A	3 Years	0	\$210,833		0
432,995	2008-427	6/2009	3 Years	71,060	142,123		142,123
466,742	2007-143	12/2007	3 years	311,161	77,790		155,581
					<u>\$430,746</u>		<u>\$297,704</u>

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
CIVIC, POLITICAL, AND RELATED ACTIVITIES  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE F - 7  
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.	Item	Amount
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38		
	<u>Base Period:</u>	
	Donations	264,135
	Civic Activities	29,471
	Political Activities	0
	Other	0
	Totals	<u>\$293,606</u>
	<u>Forecasted Period:</u>	
	Donations	266,141
	Civic Activities	27,703
	Political Activities	0
	Other	0
	Totals	<u>\$293,844</u>

**EXHIBIT 37  
SCHEDULE G**

**PAYROLL COST ANALYSIS**

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

<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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PAYROLL COSTS  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

DATA: X BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING X ORIGINAL UPDATE 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	<b>Base Period:</b>					
3	Total Salary	\$8,769,511	100.00%	\$8,769,511	\$0	\$8,769,511
4	Other Allowances and Compensation	347,830		347,830	0	347,830
5	Sub-total	9,117,340		9,117,341	0	9,117,341
6						
7	<b>Employee Benefits:</b>					
8	Pension	1,527,255		1,527,255	0	1,527,255
9	Group Insurance	2,731,170		2,731,170	0	2,731,170
10	Defined Contribution Plan	130,026		130,026	0	130,026
11	401-K Plan	142,561		142,561	0	142,561
12	Sub-total	4,531,012		4,531,012	0	4,531,012
13						
14	<b>Payroll Taxes:</b>					
15	F.I.C.A.	640,060		640,060	0	640,060
16	Federal Unemployment	8,703		8,703	0	8,703
17	State Unemployment	11,577		11,577	0	11,577
18	Sub-total	660,340		660,340	0	660,340
19						
20	Total Compensation	\$14,308,692		\$14,308,693	\$0	\$14,308,693
21						
22						
23						
24						
25	<b>Forecasted Period:</b>					
26	Total Salary	9,410,431	100.00%	9,410,431	0	9,410,431
27	Other Allowances and Compensation	376,757		376,757	0	376,757
28	Sub-total	9,787,188		9,787,188	0	9,787,188
29						
30	<b>Employee Benefits:</b>					
31	Pension	1,533,670		1,533,670	0	1,533,670
32	Group Insurance	2,798,866		2,798,866	0	2,798,866
33	Defined Contribution Plan	183,451		183,451	0	183,451
34	401-K Plan	158,275		158,275	0	158,275
35	Sub-total	4,674,262		4,674,262	0	4,674,262
36						
37	<b>Payroll Taxes:</b>					
38	F.I.C.A.	738,635		738,635	0	738,635
39	Federal Unemployment	22,117		22,117	0	22,117
40	State Unemployment	15,686		15,686	0	15,686
41	Sub-total	776,438		776,438	0	776,438
42						
43	Total Compensation	\$15,237,888		\$15,237,888	\$0	\$15,237,888
44						
45						
46						
47						
48						
49						
50						



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Description	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	Base Period	% Change	Forecasted Period
2	<b>Production</b>													
3	Employee Hours:													
4	Straight-Time Hours	61,820	-3.96%	59,374	15.02%	68,290	-4.37%	65,306	7.23%	70,025	10.91%	77,661	26.12%	97,943
5	Overtime Hours	4,896	-28.74%	3,489	24.82%	4,355	-0.79%	4,321	8.74%	4,699	15.82%	5,442	32.12%	7,190
6	Total Employee Hours	66,716	(0)	62,863	72,645	69,627	74,724	83,103	105,133					
7	Ratio of Overtime Hours to Straight-Time Hours	7.92%	5.88%	6.38%	6.62%	6.71%	7.01%	7.34%						
8	Labor Dollars:													
9	Straight-Time Dollars	\$1,429,653	-2.59%	\$1,392,691	13.14%	\$1,575,713	0.75%	\$1,587,604	14.23%	\$1,813,590	10.01%	\$1,985,094	29.89%	\$2,591,384
10	Overtime Dollars	145,012	-24.90%	108,902	27.88%	139,262	3.19%	143,709	16.48%	167,392	18.16%	197,790	36.45%	269,882
11	Total Labor Dollars	\$1,574,665	-4.64%	\$1,501,593	\$1,714,975	\$1,731,313	\$1,980,982	\$2,192,885	\$2,861,266					
12	Ratio of Overtime Dollars to Straight-Time Dollars	10.14%	7.82%	8.84%	9.05%	9.23%	9.91%	10.41%						
13	O&M Labor Dollars	1,574,665	100.00%	1,501,593	100.00%	1,714,975	100.00%	1,731,313	100.00%	1,980,982	100.00%	2,192,885	100.00%	2,861,266
14	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%	100.00%	100.00%	100.00%	100.00%
15	Total Employee Benefits	788,119	-6.23%	720,282	11.85%	805,602	-8.08%	740,501	10.57%	818,788	38.37%	1,132,958	25.44%	1,421,184
16	Employee Benefits Expensed	788,119	-6.23%	720,282	11.85%	805,602	-8.08%	740,501	10.57%	818,788	38.37%	1,132,958	25.44%	1,421,184
17	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%	100.00%	100.00%	100.00%	100.00%
18	Total Payroll Taxes	124,710	-12.20%	109,497	20.21%	131,628	4.56%	137,635	22.79%	169,007	-2.30%	165,115	33.61%	220,605
19	Payroll Taxes Expensed	124,710	-12.20%	109,497	20.21%	131,628	4.56%	137,635	22.79%	169,007	-2.30%	165,115	33.61%	220,605
20	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%	100.00%	100.00%	100.00%	100.00%
21	Average Employee Levels	33	-3.03%	32	0.00%	32	3.13%	33	3.03%	34	17.65%	40	12.50%	45
22	Year-End Employee Levels	33	-6.06%	31	3.23%	32	3.13%	33	6.06%	35	28.57%	45	0.00%	45

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING X\_ ORIGINAL UPDATE\_REVIS  
WORKPAPER REFERENCE NO(S): N/A  
SCHEDULE G - 2  
PAGE 3 of 6  
Witness Responsible: S.A. Miller

Line No.	Description	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	Base Period	% Change	Forecasted Period
2	<b>Distribution</b>													
3	Employee Hours:													
4	Straight-Time Hours	124,644	0.04%	124,690	6.33%	132,586	-7.11%	123,154	2.01%	125,634	21.17%	152,229	-12.30%	133,498
5	Overtime Hours	12,601	23.05%	15,505	1.06%	15,669	8.90%	17,063	2.35%	17,464	-8.76%	15,935	6.56%	16,981
6	Total Employee Hours	137,245.00	2.15%	140,195.00	148,255.00	140,216.58	143,098.31	168,163.99	150,478.20					
7	Ratio of Overtime Hours to													
8	Straight-Time Hours	10.11%	12.43%	11.82%	13.86%	10.47%	12.72%							
9	Labor Dollars:													
10	Straight-Time Dollars	\$2,248,730	4.61%	\$2,352,395	11.46%	\$2,621,947	-3.03%	\$2,542,376	6.07%	\$2,696,737	25.18%	\$3,375,689	-12.26%	\$2,961,788.42
11	Overtime Dollars	342,823	29.07%	442,476	5.29%	465,866	13.65%	529,445	15.71%	612,596	-14.30%	524,959	9.65%	575,656
12	Total Labor Dollars	\$2,591,553	7.85%	\$2,794,871	\$3,087,813	\$3,071,822	\$3,309,332	\$3,900,689	\$3,537,445					
13	Ratio of Overtime Dollars to													
14	Straight-Time Dollars	15.25%	18.81%	17.77%	20.82%	15.55%	22.72%	19.44%						
15	O&M Labor Dollars	2,591,553	100.00%	2,794,871	3,087,813	3,071,822	3,309,332	3,900,689	3,537,445					
16	Ratio of Labor Dollars to													
17	Total Labor Dollars	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					
18	Total Employee Benefits	1,264,155	6.05%	1,340,639	8.19%	1,450,486	-9.42%	1,313,850	4.11%	1,367,828	47.34%	2,015,298	-12.81%	1,757,040
19	Employee Benefits Expensed	1,264,155	6.05%	1,340,639	8.19%	1,450,486	-9.42%	1,313,850	4.11%	1,367,828	47.34%	2,015,298	-12.81%	1,757,040
20	Ratio of Employee Benefits Expensed													
21	Total Employee Benefits	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					
22	Total Payroll Taxes	205,246	-0.70%	203,803	16.29%	236,997	3.04%	244,201	15.62%	282,335	4.03%	293,705	-7.14%	272,739
23	Payroll Taxes Expensed	205,246	-0.70%	203,803	16.29%	236,997	3.04%	244,201	15.62%	282,335	4.03%	293,705	-7.14%	272,739
24	Ratio of Payroll Taxes Expensed													
25	Total Payroll Taxes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					
26	Average Employee Levels	67	-4.48%	64	14.06%	73	5.48%	77	2.60%	79	2.53%	81	0.00%	81
27	Year-End Employee Levels	58	20.69%	70	7.14%	75	4.00%	78	2.56%	80	1.25%	81	0.00%	81





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING X\_ ORIGINAL UPDATE\_REVIS  
WORKPAPER REFERENCE NO(S): N/A  
SCHEDULE G - 2  
PAGE 5 of 6  
Witness Responsible: S.A. Miller

Line No.	Description	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	Base Period	% Change	Forecasted Period
1	<b>Administrative &amp; General</b>													
2	Employee Hours:													
3	Straight-Time Hours	24,235	-18.54%	19,743	-11.32%	17,508	23.28%	21,584	21,783	21,783	0.92%	36,848	69.16%	37,549
4	Overtime Hours	618	-91.26%	54	-27.78%	39	414.49%	201	186	186	-7.43%	794	327.24%	350
5	Total Employee Hours	24,853.00		19,797.00		17,547.00		21,785.03		21,969.19		37,641.83		37,898.99
6	Ratio of Overtime Hours to Straight-Time Hours	2.55%		0.27%		0.22%		0.93%		0.85%		2.15%		0.93%
7	Labor Dollars:													
8	Straight-Time Dollars	\$696,352	30.54%	\$908,984	-49.70%	\$457,255	85.44%	\$847,954	\$746,389	\$746,389	-11.98%	\$1,237,180	65.76%	\$1,387,987
9	Overtime Dollars	17,222	-91.21%	1,513	-30.34%	1,054	508.65%	6,415	7,350	7,350	14.56%	28,980	294.45%	12,873
10	Total Labor Dollars	\$713,574		\$910,497		\$458,309		\$854,369		\$753,739		\$1,266,170		\$1,400,860
11	Ratio of Overtime Dollars to Straight-Time Dollars	2.47%		0.17%		0.23%		0.76%		0.98%		2.34%		0.93%
12	O&M Labor Dollars	713,574		910,497		458,309		854,369		753,739		1,266,170		1,400,860
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	348,080	25.47%	438,746	-50.71%	215,289	69.74%	365,423	311,539	311,539	-14.75%	654,169	109.98%	695,804
15	Employee Benefits Expensed	348,080	25.47%	438,746	-50.71%	215,289	69.74%	365,423	311,539	311,539	-14.75%	654,169	109.98%	695,804
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	56,514	17.48%	66,394	-47.02%	35,176	93.09%	67,920	64,305	64,305	-5.32%	95,337	48.26%	108,007
18	Payroll Taxes Expensed	56,514	17.48%	66,394	-47.02%	35,176	93.09%	67,920	64,305	64,305	-5.32%	95,337	48.26%	108,007
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	21	-4.76%	20	-5.00%	19	15.79%	22	24	24	9.09%	26	8.33%	27
21	Year-End Employee Levels	21	-14.29%	18	11.11%	20	15.00%	23	25	25	8.70%	27	8.00%	27



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

DATA: X, BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: X, ORIGINAL, UPDATE, 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	<b>Base Period:</b>					
6	Total Salary	\$0	100.00%	\$0	\$0	\$0
7	Other Allowances and Compensation (AIP)	0		0	0	0
8	Sub-total	0		0	0	0
9						
10	<b>Employee Benefits:</b>					
11	Pension	0		0	0	0
12	Group Insurance	0		0	0	0
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	0		0	0	0
15	Sub-total	0		0	0	0
16						
17	<b>Payroll Taxes:</b>					
18	F.I.C.A.	0		0	0	0
19	Federal Unemployment	0		0	0	0
20	State Unemployment	0		0	0	0
21	Sub-total	0		0	0	0
22						
23	Total Compensation	\$0		\$0	\$0	\$0
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary	\$0	100.00%	\$0	\$0	\$0
29	Other Allowances and Compensation (AIP)	0		0	0	0
30	Sub-total	0		0	0	0
31						
32	<b>Employee Benefits:</b>					
33	Pension	0		0	0	0
34	Group Insurance	0		0	0	0
35	Defined Contribution Plan	0		0	0	0
36	401-K Plan	0		0	0	0
37	Sub-total	0		0	0	0
38						
39	<b>Payroll Taxes:</b>					
40	F.I.C.A.	0		0	0	0
41	Federal Unemployment	0		0	0	0
42	State Unemployment	0		40	40	40
43	Sub-total	0		40	0	40
44	Total Compensation	\$0		\$40	\$0	\$40
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3						
4						
5	Title of Executive: Vice President Operations					
6	<b>Base Period:</b>					
7	Total Salary	\$141,458	100.00%	\$141,458	\$0	\$141,458
8	Other Allowances and Compensation	28,292		28,292	0	28,292
9	Sub-total	169,750		169,750	0	169,750
10	<b>Employee Benefits:</b>					
11	Pension	24,636		24,636	0	24,636
12	Group Insurance	18,579		18,579	0	18,579
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	3,536		3,536	0	3,536
15	Sub-total	46,751		46,751	0	46,751
16	<b>Payroll Taxes:</b>					
17	F.I.C.A.	8,673		8,673	0	8,673
18	Federal Unemployment	56		56	0	56
19	State Unemployment	40		40	0	40
20	Sub-total	8,769		8,769	0	8,769
21						
22						
23	Total Compensation	\$225,270		\$225,270	\$0	\$225,270
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary	\$147,141	100.00%	\$147,141	\$0	\$147,141
29	Other Allowances and Compensation	29,428		29,428	0	29,428
30	Sub-total	176,569		176,569	0	176,569
31	<b>Employee Benefits:</b>					
32	Pension	23,980		23,980	0	23,980
33	Group Insurance	18,293		18,293	0	18,293
34	Defined Contribution Plan	0		0	0	0
35	401-K Plan	3,679		3,679	0	3,679
36	Sub-total	45,952		45,952	0	45,952
37	<b>Payroll Taxes:</b>					
38	F.I.C.A.	8,927		8,927	0	8,927
39	Federal Unemployment	56		56	0	56
40	State Unemployment	40		40	0	40
41	Sub-total	9,023		9,023	0	9,023
42						
43	Total Compensation	\$231,544		\$231,504	\$0	\$231,504
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: Vice President Treasurer and Comptroller					
3						
4						
5	<b>Base Period:</b>					
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	<b>Employee Benefits:</b>					
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		0		0	0	0
16		0		0	0	0
17	<b>Payroll Taxes:</b>					
18	F.I.C.A.			0	0	0
19	Federal Unemployment			0	0	0
20	State Unemployment			0	0	0
21	Sub-total	0		0	0	0
22		0		0	0	0
23	Total Compensation	\$0		\$0	\$0	\$0
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary		100.00%	\$0	\$0	\$0
29	Other Allowances and Compensation	0		0	0	0
30	Sub-total	0		0	0	0
31	<b>Employee Benefits:</b>					
32	Pension	0		0	0	0
33	Group Insurance	0		0	0	0
34	Defined Contribution Plan	0		0	0	0
35	401-K Plan	0		0	0	0
36	Sub-total	0		0	0	0
37		0		0	0	0
38	<b>Payroll Taxes:</b>					
39	F.I.C.A.			0	0	0
40	Federal Unemployment			0	0	0
41	State Unemployment			0	0	0
42	Sub-total	0		0	0	0
43		0		0	0	0
44	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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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

For electronic version, see KAW\_APP\_EX37H\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
GROSS REVENUE CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	0.783590%
5		
6	Less: PSC Fees	0.16180%
7		
8	Net Revenues	99.0546%
9		
10	SIT Rate:	6.00%
11		
12	Income before Federal Income Taxes	93.11133%
13		
14	FIT Rate:	35.00%
15		
16	Operating Income Percentage	60.52236%
17		
18	Gross Revenue Conversion Factor (1)	1.6522819
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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
COMPARATIVE INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

SCHEDULE I - 1  
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

Line No.	Description	Forecasted Period	% Change	Base Period	% Change	2008	% Change	2007	% Change	2006	% Change	2005	% Change	2004
1	Operating Revenues	\$67,877,446	1.25%	\$67,042,231	11.58%	\$ 60,085,606	13.85%	\$ 52,778,218	7.69%	\$ 49,010,147	-2.21%	\$ 50,119,619	18.05%	\$ 42,454,681
2	Operating Expenses													
3	Operation & Maintenance	35,459,366	6.60%	33,264,400	8.41%	30,683,867	8.67%	28,235,415	3.42%	27,300,483	1.67%	\$ 26,852,111	-3.27%	\$ 27,761,139
4	Depreciation	11,086,076	40.92%	7,867,005	34.01%	5,870,647	-6.62%	6,287,030	-6.39%	6,716,503	15.53%	5,813,673	-12.65%	6,655,435
5	Amortization	233,721	-54.79%	516,980	0.95%	512,126	1.59%	504,092	9.76%	459,264	-33.74%	693,166	-2.24%	709,015
6	Taxes Other	5,160,307	26.45%	4,080,774	28.46%	3,176,783	3.91%	3,057,241	6.88%	2,860,457	4.52%	2,736,877	-2.68%	2,812,302
7	State Income Taxes	1,690,164	43.51%	1,177,694	38.06%	853,059	45.06%	588,068	29.27%	454,913	-57.05%	1,059,248	221.99%	328,969
8	Federal Income Taxes	9,380,648	48.45%	6,319,076	23.58%	5,113,469	61.03%	3,175,475	46.37%	2,169,470	-5.41%	2,293,500	-527.85%	(536,058)
9	Total Operating Expenses	63,010,282	18.38%	53,225,929	15.18%	46,209,951	10.43%	41,847,321	4.72%	39,961,090	1.30%	39,448,575	4.55%	37,730,802
10	Operating Income	4,867,163	-64.77%	13,816,302	-0.43%	13,875,655	26.94%	10,930,897	20.80%	9,049,057	-15.20%	10,671,044	125.90%	4,723,879
11	AFUDC	646,180	-90.82%	7,040,676	266.88%	1,919,093	56.37%	1,227,277	214.53%	390,200	-21.04%	494,177	184.79%	173,521
12	Other Income	0	0.00%	0	-100.00%	63,033	-80.51%	323,396	-352.45%	(128,105)	-716.72%	20,772	-85.83%	146,587
13	Total Other Income	646,180	-90.82%	7,040,676	255.21%	1,982,126	27.82%	1,550,673	491.65%	262,095	-49.10%	514,949	60.87%	320,108
14	Income before Deductions	5,513,343	-73.57%	20,856,978	31.53%	15,857,781	27.05%	12,481,570	34.05%	9,311,152	-16.76%	11,185,993	121.77%	5,043,987
15	Income Deductions													
16	Interest on Long-Term Debt	11,716,890	29.55%	9,044,525	58.86%	5,693,320	22.39%	4,651,663	-8.99%	5,111,245	-4.79%	\$ 5,368,517	7.35%	\$ 5,001,017
17	Amort of Debt Expense	98,679	-33.58%	148,576	65.93%	89,540	19.28%	75,069	3.01%	72,873	-5.60%	77,198	-1.75%	78,573
18	Interest on Bank Debt	322,913	78.07%	181,336	-76.20%	761,822	-46.18%	1,415,522	246.35%	408,695	122.56%	183,637	180.73%	65,413
19	Other Interest	0	0.00%	0	-100.00%	3	-100.01%	(38,175)	-1030.64%	4,102	16.43%	3,523	1131.82%	286
20	Miscellaneous Amortization	0	0.00%	0	-100.00%	(425)	(425)	(425)	0.00%	(531)	0.00%	0	-100.00%	771
21	Other Deductions	0	0.00%	0	-100.00%	278,715	-12.66%	319,101	195.60%	107,949	-68.09%	338,328	-1.86%	344,753
22	Total Income Deductions	12,138,482	29.48%	9,374,437	37.40%	6,822,975	6.23%	6,422,755	12.59%	5,704,333	-4.47%	5,971,203	8.75%	5,490,813
23	Net Income	(\$6,625,139)	-157.70%	\$11,482,542	27.09%	\$9,034,806	49.12%	\$6,058,815	67.98%	\$3,606,819	-30.83%	\$5,214,790	-1267.07%	(\$446,826)

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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
REVENUE STATISTICS - TOTAL COMPANY  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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

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

Line No.	Description	2 Projected Calendar Years											
		2004	2005	2006	2007	2008	Base Period	Forecasted Period	2010	2011			
<b>Revenue by Customer Class:</b>													
1	Residential	\$22,094,519	\$26,440,906	\$27,262,686	\$27,594,445	\$30,854,938	\$33,929,261	\$35,122,580	\$35,171,326	\$35,464,133			
2	Commercial	10,477,600	12,193,418	12,143,005	12,388,694	14,530,582	\$16,182,106	\$16,389,110	16,374,416	16,399,742			
3	Industrial	1,359,278	1,569,209	1,444,547	1,480,187	1,480,364	\$1,570,232	\$1,533,405	1,533,395	1,533,395			
4	Other Public Authorities	3,177,804	3,771,324	3,565,255	3,896,261	4,890,969	\$5,272,045	\$5,636,110	5,326,040	5,326,040			
5	Other Water Utilities	824,589	1,000,284	1,109,393	1,151,111	1,438,391	\$1,684,622	\$1,588,731	1,409,161	1,409,161			
6	Miscellaneous	9,780	5,768	19,513	18,789	26,577	\$7,582	\$19,655	0	0			
7	Fire Service	2,753,265	3,103,614	3,234,422	3,354,596	3,687,882	\$4,407,311	\$4,463,897	4,377,600	4,377,600			
8													
9													
10													
11	<b>Total</b>	\$40,696,835	\$48,084,523	\$48,778,821	\$49,884,083	\$56,909,703	\$63,053,159	\$64,753,488	\$64,191,938	\$64,510,072			
12													
13													
14													
15	<b>Number of Customers:</b>												
16	<b>12-Month Average:</b>												
17	Residential	98,567	100,729	104,104	105,572	106,694	107,601	108,767	108,086	108,994			
18	Commercial	8,179	8,241	8,512	8,623	8,716	8,774	8,798	8,786	8,801			
19	Industrial	18	21	23	21	21	21	21	21	21			
20	Other Public Authorities	486	483	485	487	500	519	519	519	519			
21	Other Water Utilities	10	10	11	13	11	12	12	12	12			
22	Miscellaneous	0	0	0	0	0	0	0	0	0			
23	Fire Service	1,345	1,652	1,824	1,868	1,939	2,051	2,104	2,068	2,116			
24													
25	<b>Total</b>	108,605	111,136	114,959	116,584	118,882	118,978	120,221	119,493	120,464			
26													
27	<b>End of Period:</b>												
28	Residential	99,267	101,683	104,780	106,068	107,003	107,990	109,430	108,408	109,316			
29	Commercial	8,164	8,262	8,586	8,585	8,748	8,803	8,849	8,775	8,790			
30	Industrial	20	21	23	21	22	21	21	21	21			
31	Other Public Authorities	484	484	486	488	504	519	519	519	519			
32	Other Water Utilities	10	10	11	13	12	12	12	12	12			
33	Miscellaneous	0	0	0	0	0	0	0	0	0			
34	Fire Service	2,761	1,767	1,899	1,913	1,957	2,062	2,125	2,090	2,137			
35													
36	<b>Total</b>	110,706	112,227	115,785	117,088	118,246	119,407	120,956	119,825	120,795			
37													
38													
39	<b>Average Revenue per Customer:</b>												
40	Residential	\$224	\$263	\$262	\$261	\$289	\$315	\$323	\$325	\$325			
41	Commercial	1,281	1,480	1,427	1,437	1,667	1,844	1,863	1,864	1,863			
42	Industrial	75,515	74,724	62,806	70,485	69,664	74,773	73,019	73,019	73,019			
43	Other Public Authorities	6,539	7,808	7,351	8,001	9,788	10,158	10,860	10,262	10,262			
44	Other Water Utilities	82,459	100,028	100,854	88,547	127,857	140,385	132,394	117,430	117,430			
45	Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
46	Fire Service	2,047	1,879	1,773	1,796	1,902	2,148	2,122	2,117	2,069			
47													
48													
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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: 2010-00036  
REVENUE STATISTICS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	2004	2005	2006	2007	2008	Base Period	Forecasted Period	2010	2011
1										
2	Revenue by Customer Class:									
3	Residential									
4	Commercial									
5	Industrial									
6	Other Public Authorities									
7	Other Water Utilities									
8	Miscellaneous									
9	Fire Service									
10										
11	Total									
12										
13	Number of Customers:									
14	12-Month Average:									
15	Residential									
16	Commercial									
17	Industrial									
18	Other Public Authorities									
19	Other Water Utilities									
20	Miscellaneous									
21	Fire Service									
22										
23	Total									
24										
25										
26	End of Period:									
27	Residential									
28	Commercial									
29	Industrial									
30	Other Public Authorities									
31	Other Water Utilities									
32	Miscellaneous									
33	Fire Service									
34										
35	Total									
36										
37										
38	Average Revenue per Customer:									
39	Residential									
40	Commercial									
41	Industrial									
42	Other Public Authorities									
43	Other Water Utilities									
44	Miscellaneous									
45	Fire Service									
46										
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ALL COMPANY OPERATIONS ARE JURISDICTIONAL

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
SALES STATISTICS - TOTAL COMPANY  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	2 Projected Calendar Years											
		2004	2005	2006	2007	2008	Base Period	Forecasted Period	2010	2011			
<b>Sales by Customer Class:</b>													
1	Residential	7,638,396	8,837,505	8,587,371	8,890,472	8,578,232	7,872,399	8,240,213	8,282,903	8,352,460			
2	Commercial	5,348,863	5,769,787	5,633,764	5,748,991	5,500,564	5,077,161	5,159,571	5,154,593	5,163,392			
3	Industrial	1,007,927	1,077,592	998,637	1,023,987	825,840	708,514	691,136	691,134	691,134			
4	Other Public Authorities	1,833,668	2,031,685	1,892,992	2,094,952	2,201,571	1,915,410	2,064,372	2,064,372	2,064,372			
5	Other Water Utilities	531,179	592,584	518,505	817,456	697,644	665,667	626,591	626,589	626,589			
6	Miscellaneous	3,953	448	1,789	5,075	25,469	235,628	0	0	0			
7	<b>Total</b>	<b>16,363,985</b>	<b>18,309,601</b>	<b>17,633,059</b>	<b>18,580,933</b>	<b>17,829,320</b>	<b>16,474,778</b>	<b>16,781,883</b>	<b>16,819,591</b>	<b>16,897,947</b>			
<b>Number of Customers:</b>													
<b>12-Month Average:</b>													
8	Residential	98,567	100,729	104,104	105,572	106,694	107,601	108,767	108,086	108,994			
9	Commercial	8,179	8,241	8,512	8,623	8,716	8,774	8,798	8,786	8,801			
10	Industrial	18	21	23	21	21	21	21	21	21			
11	Other Public Authorities	486	483	485	487	500	519	519	519	519			
12	Other Water Utilities	10	10	11	13	11	12	12	12	12			
13	Miscellaneous	0	0	0	0	0	0	0	0	0			
14	<b>Total</b>	<b>107,260</b>	<b>109,484</b>	<b>113,135</b>	<b>114,716</b>	<b>115,942</b>	<b>116,927</b>	<b>118,117</b>	<b>117,425</b>	<b>118,348</b>			
<b>End of Period:</b>													
15	Residential	99,267	101,683	104,780	106,068	107,003	107,990	109,430	108,408	109,316			
16	Commercial	8,164	8,262	8,586	8,585	8,748	8,803	8,849	8,775	8,790			
17	Industrial	20	21	23	21	22	21	21	21	21			
18	Other Public Authorities	484	484	486	488	504	519	519	519	519			
19	Other Water Utilities	10	10	11	13	12	12	12	12	12			
20	Miscellaneous	0	0	0	0	0	0	0	0	0			
21	<b>Total</b>	<b>107,945</b>	<b>110,460</b>	<b>113,886</b>	<b>115,175</b>	<b>116,289</b>	<b>117,345</b>	<b>118,831</b>	<b>117,735</b>	<b>118,658</b>			
<b>Average Sales per Customer:</b>													
22	Residential	78	88	83	84	80	73	76	77	77			
23	Commercial	654	700	662	667	631	579	586	587	587			
24	Industrial	55,996	51,314	43,419	48,761	38,863	33,739	32,911	32,911	32,911			
25	Other Public Authorities	3,773	4,206	3,903	4,302	4,406	3,691	3,978	3,978	3,978			
26	Other Water Utilities	53,118	59,258	47,137	62,881	62,013	55,472	52,216	52,216	52,216			
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: 2010-00036  
SALES STATISTICS - TOTAL COMPANY  
FOR THE TWELVE MONTHS ENDED: MAY 31, 2010  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

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	2004	2005	2006	2007	2008	Base Period	Forecasted Period	2010	2011
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									
44										
45										
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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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

<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\_022610.pdf.





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
COST OF CAPITAL SUMMARY  
AS OF MAY 31, 2010

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): WP-7

Line No.	Class of Capital	Reference	Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Terminal Weighted Cost
1								
2	Short-Term Debt	J-2, Page 2	\$46,364,000	13.924%	\$ 129,434	\$46,493,434	2.085%	0.290%
3								
4	Long-Term Debt	J-3, Page 2	140,291,184	42.133%	391,651	140,682,835	6.490%	2.730%
5								
6	Preferred Stock	J-4, Page 2	5,935,170	1.783%	16,569	5,951,739	7.750%	0.140%
7								
8	Common Equity		140,381,000	42.160%	391,902	140,772,902	11.500%	4.850%
9								
10	Total Capital		<u>\$332,971,354</u>	100.000%	<u>\$ 929,556</u>	<u>\$333,900,910</u>		<u>8.010%</u>
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	(1) JDITC:	\$ 929,556						

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
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	\$8,319,538	2.315%	\$ 20,031	\$8,339,569	2.085%	0.05%
3							
4	Long-Term Debt	187,073,668	52.060%	450,463	187,524,131	6.410%	3.34%
5							
6	Preferred Stock	5,935,810	1.652%	14,294	5,950,104	7.750%	0.13%
7							
8	Common Equity	158,013,385	43.973%	380,488	158,393,873	11.500%	5.06%
9							
10	Total Capital	<u>\$359,342,402</u>	<u>100.000%</u>	<u>\$ 865,276</u>	<u>\$360,207,678</u>		<u>8.58%</u>
11							
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(1) JDITC: \$ 865,276

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF SHORT-TERM DEBT  
FROM OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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): WP-7

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 8,824,000	2.085%	\$ 183,954
5				
6				
7	Weighted Cost of Short-Term Debt	2.085%		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF SHORT-TERM DEBT  
AS OF MAY 31, 2010

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): WP-7

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	<u>\$46,364,000</u>	<u>2.085%</u>	<u>\$966,550</u>
5				
6				
7	Weighted Cost of Short-Term Debt	<u>2.085%</u>		
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SCHEDULE J-3  
PAGE 1 of 2  
Witness Responsible: M.A. Miller

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF LONG-TERM DEBT  
September 30, 2011

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WP-7

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	<u>General Mortgage Bonds:</u>													
3	Series 6.87%	03/30/01	03/29/11	0	6.870%	0.000%	N/A	0	7,000,000	26,040	0	0	0	0
4	Series 6.96%	12/01/93	12/01/23	7,000,000	6.960%	6.993%	N/A	489,510	7,000,000	2,294	0	27,908	0	6,972,092
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	37,252	0	7,462,748
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	54,360	0	8,945,640
7	Series 6.58%	6/12/2002	6/12/2037	47,000,000	6.580%	6.614%	N/A	3,108,580	47,000,000	15,962	0	432,544	0	46,567,456
8	Series 6.25%	6/23/2009	6/1/2039	45,390,000	6.250%	6.295%	N/A	2,857,301	45,390,000	20,390	0	564,128	0	44,825,872
9	Series 5.625%	09/10/09	09/01/39	26,000,000	5.625%	5.668%	N/A	1,473,680	26,000,000	11,064	0	356,684	0	25,643,316
10	Prop 5.625%(tax exempt)	06/01/10	06/01/40	26,000,000	5.625%	5.658%	N/A	1,471,080	26,000,000	8,667	0	248,444	0	25,751,556
11	Proposed 6.663%	11/01/10	11/01/40	25,000,000	6.663%	6.694%	N/A	1,673,500	25,000,000	7,639	0	242,361	0	24,757,639
25	Total Long-Term Debt and Annualized Cost													
26					\$192,890,000			\$12,244,641	\$ 192,890,000	\$97,743	\$0	\$1,963,682	\$0	\$190,926,318
29	Annualized Cost Rate													
30					6.410%									

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF LONG-TERM DEBT  
AS OF MAY 31, 2010

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): WP-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	<u>General Mortgage Bonds:</u>													
3	Series 6.87%	03/30/01	03/29/11	0	6.870%	0.000%	N/A	0	7,000,000	62,496	0	52,077	0	(52,077)
5	Series 6.96%	12/01/93	12/01/23	7,000,000	6.960%	6.993%	N/A	489,510	7,000,000	2,294	0	30,966	0	6,969,034
6	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	40,484	0	7,459,516
7	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	58,712	0	8,941,288
8	Series 6.58%	06/12/02	06/12/37	47,000,000	6.580%	6.614%	N/A	3,108,580	47,000,000	15,962	0	453,826	0	46,546,174
9	Series 6.25%	06/23/09	06/01/39	45,390,000	6.250%	6.295%	N/A	2,857,301	45,390,000	20,390	0	591,315	0	44,798,685
10	Series 5.625%	09/10/09	09/01/39	26,000,000	5.625%	5.668%	N/A	1,473,680	26,000,000	11,064	0	371,436	0	25,628,564
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25	Total Long-Term Debt and Annualized Cost				\$141,890,000			\$9,100,061	\$141,890,000	\$117,894	\$0	\$1,598,816	\$0	\$140,291,184
26														
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Annualized Cost Rate  
6.490%







**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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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

For electronic version, see KAW\_APP\_EX37K\_022610.pdf.



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
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

Line No.	Description	Forecasted Period	Base Period	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
1													
2	Condensed Income Statement Data:												
3	Operating Revenues	\$67,877,446	\$67,042,231	\$ 60,085,606	\$ 52,778,218	\$ 49,010,147	\$ 50,119,619	\$ 42,454,681	\$ 42,800,150	\$ 43,626,950	\$ 41,477,827	\$ 38,719,864	\$ 39,103,841
4	Operating Expenses												
5	(Excluding Income Taxes)	51,939,470	45,729,159	40,243,423	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
6	State Income Taxes - Current	1,371,662	240,355	535,450	682,673	617,481	503,486	400,285	539,890	682,933	717,335	178,853	615,191
7	Deferred SIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
8	Deferred SIT - Other	318,502	937,339	317,609	(94,605)	(162,568)	555,762	(71,316)	174,892	222,489	209,924	762,856	402,307
9	Federal Income Taxes - Current	7,521,281	(181,708)	3,119,331	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
10	Deferred FIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
11	Deferred FIT - Other	1,944,164	6,585,582	2,078,935	(1,166,142)	(1,218,281)	629,311	995,778	735,039	1,676,242	688,814	2,820,169	1,368,381
12	Deferred FIT - ITC	0	0	0	0	0	0	0	0	0	0	0	0
13	Amortization of ITC	(84,797)	(84,798)	(84,797)	(84,836)	(84,757)	(95,596)	(95,596)	(85,352)	(84,797)	(84,796)	(84,798)	(84,795)
14													
15	Operating Income	4,867,163	13,816,302	13,875,655	10,930,896	9,049,057	10,671,044	4,723,879	9,204,138	10,833,676	11,482,198	11,845,559	11,478,611
16	AFUDC	646,180	7,040,676	1,919,093	1,227,277	390,200	494,177	173,521	655,695	652,328	449,628	606,971	1,101,362
17	Other Income (Deductions), Net	0	0	(215,257)	4,720	(235,523)	(317,556)	(198,937)	(326,435)	(420,864)	465,889	(1,060,065)	(180,425)
18													
19	Income Available for Fixed Charges	5,513,343	20,856,978	15,579,491	12,162,893	9,203,734	10,847,665	4,698,463	9,533,398	11,065,140	12,397,715	11,392,465	12,399,548
20	Interest Charges	12,138,482	9,374,437	6,544,685	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
21													
22	Net Income	(6,625,139)	11,482,542	9,034,806	6,058,814	3,606,819	5,214,790	(446,826)	4,827,014	6,021,769	7,010,217	5,659,148	7,134,422
23	Preferred Dividends	471,474	236,139	78,307	78,773	78,706	79,874	448,208	513,293	533,615	536,778	540,118	543,637
24													
25	Net Income to Common Equity	(\$7,096,613)	\$11,246,403	\$8,956,499	\$5,980,041	\$3,528,113	\$5,134,916	-\$895,034	\$4,313,721	\$5,488,154	\$6,473,439	\$5,119,030	\$6,590,785
26													
27													
28													
29	AFUDC as a Percent of Net Income	-9.75%	61.32%	21.24%	20.26%	10.82%	9.48%	-38.83%	13.58%	10.83%	6.41%	10.73%	15.44%
30													
31	AFUDC as a Percent to Earnings Available for Common Equity	-9.11%	62.60%	21.43%	20.52%	11.06%	9.62%	-19.39%	15.20%	11.89%	6.95%	11.86%	16.71%
32													
33													
34	Cost of Capital:												
35	Embedded Cost of Long-Term Debt	6.41%	6.49%	7.13%	6.06%	6.29%	6.91%	6.24%	6.87%	7.34%	9.27%	10.37%	7.85%
36	Embedded Cost of Preferred Stock	7.75%	7.75%	5.38%	5.37%	5.37%	5.44%	7.41%	8.50%	7.74%	7.74%	7.75%	7.75%
37													
38	Fixed Charge Coverages:												
39	Pre-Tax Interest Coverage	1.37	3.02	3.29	2.61	2.11	2.52	0.87	2.73	3.02	3.11	2.77	3.27
40	Pre-Tax Interest Coverage (Excluding AFUDC)	1.31	2.27	3.00	2.41	2.04	2.43	0.84	2.60	2.89	3.03	2.66	3.06
41	After-Tax Interest Coverage	0.45	2.22	2.38	1.99	1.64	1.93	0.91	2.03	2.19	2.30	1.99	2.36
42	After-Tax Fixed Charge Coverage	0.44	2.17	2.35	1.97	1.62	1.90	0.84	1.83	1.98	2.09	1.82	2.13
43													
44													
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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: 2010-00036  
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

Line No.	Description	Forecasted Period	Base Period	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
2	<u>Stock and Bond Ratings:</u>												
3	Moody's Bond Rating												
4	S&P Bond Rating												
5	Moody's Preferred Stock Rating												
6	S&P Preferred Stock Rating												
7													
8	<u>Common Stock Related Data:</u>												
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	1,567,391
11	Earnings per Share - Weighted Average	(\$4.53)	\$7.18	\$5.71	\$3.82	\$2.25	\$3.28	(\$0.57)	\$2.75	\$3.50	\$4.13	\$3.27	\$4.20
12	Dividends Paid per Share	(\$3.40)	\$5.39	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29
13	Dividends Declared per Share	(\$3.40)	\$5.39	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01	\$3.06	\$2.60	\$3.29
14	Dividend Payout Ratio (Declared Basis)	75.06%	75.07%	67.08%	69.63%	56.89%	33.54%	-214.04%	78.91%	86.00%	74.09%	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)	\$100.81	\$89.56	\$59.64	\$47.71	\$46.72	\$40.65	\$38.45	\$40.00	\$39.41	\$38.92	\$37.85	\$37.18
21	<u>Rate of Return Measures:</u>												
22	Return on Common Equity (Average)	-4.49%	8.94%	10.65%	8.08%	5.15%	8.28%	-1.46%	6.93%	8.94%	10.76%	8.71%	22.62%
23	Return on Total Capital - (Average)	1.39%	4.82%	8.24%	7.55%	6.56%	7.22%	3.30%	6.71%	8.25%	9.31%	10.10%	9.72%
24	Return on Net Plant in Service (Average)	0.72%	3.60%	4.43%	3.97%	3.55%	4.54%	2.15%	4.36%	5.31%	5.88%	6.34%	6.40%
25	<u>Other Financial and Operating Data:</u>												
26	Mix of Sales (Gas and Electric)	2.35%	2.20%	2.32%	2.36%	2.50%	2.33%	2.75%	2.23%	2.27%	2.30%	2.31%	2.55%
27	Mix of Fuel (Gas and Electric)												
28	Composite Depreciation Rate												
29	Return on net plant calculated by dividing utility operating income by average net plant.												

ALL BOND AND PREFERRED STOCK ISSUES ARE PRIVATELY PLACED AND THEREFORE, NOT RATED

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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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

For electronic version, see KAW\_APP\_EX37L\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
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: L. Bridwell/S.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 see the testimony of Michael Miller for a general discussion about the impact of the change in water service tariffs proposed by the testimony and exhibits of Paul Herbert. Also see the cost of service study prepared by Mr. Herbert attached to Exhibit 36.

The Company is proposing two changes to its tariffs that, if approved, would permit the metering of a fire protection line and a special connection line to a private hydrant owned by the customer, where unauthorized/unmetered usage related to a leak or a non-fire usage is occurring. The metering would only take place after proper notice to the customer and proper time has been permitted to rectify the situation. See the testimony of Keith Cartier.

In this proceeding, the Company is proposing to adjust its Tapping Fee tariff. Please refer to the testimony of Ms. Linda Bridwell.

**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: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

<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\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
REVENUES AT PRESENT AND PROPOSED RATES  
TWELVE MONTHS ENDED MAY 31, 2010

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

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

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	7,872,399	\$33,929,261	\$46,400,708	\$12,471,447	36.757%
8	Commercial	5,077,161	16,182,106	23,089,183	6,907,077	42.683%
9	Industrial	708,514	1,570,232	2,344,318	774,086	49.298%
10	Other Public Authority	1,915,410	5,272,045	7,709,475	2,437,430	46.233%
11	Sales for Resale	665,667	1,684,622	2,511,366	826,744	49.076%
12	Miscellaneous	235,628	7,582	7,582	0	0.003%
13	Private Fire Service	0	1,682,620	2,423,193	740,573	44.013%
14	Public Fire Service	0	2,724,691	3,590,230	865,539	31.767%
15						
16	Total	16,474,778	\$63,053,159	\$88,076,055	\$25,022,896	39.685%
17						
18						
19	Proforma Other Operating Revenues					
20	Oth Rev-Rents Water Property		\$242,768	\$242,768	\$0	0.000%
21	Oth Rev-Collect for Others		1,111,960	1,111,960	0	0.000%
22	Oth Rev-NSF Check Charge		23,783	23,783	0	0.000%
23	Oth Rev-App/Initiate Serv Fee		670,128	670,128	0	0.000%
24	Oth Rev-Reconnection Charges		733,642	733,642	0	0.000%
25	Oth Rev-Misc Service Rev		112	112	0	0.000%
26	Oth Rev-Other Water Rev		5,658	5,658	0	0.000%
27	AFDUC					
28	Proforma Total Operating Revenues		\$65,841,210	\$90,864,106	\$25,022,896	38.005%
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
REVENUES AT PRESENT AND PROPOSED RATES  
TWELVE MONTHS ENDED SEPTEMBER 30, 2011

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

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

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						
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5						
6						
7	Residential	8,240,213	\$35,122,580	\$48,172,874	\$13,050,294	37.160%
8	Commercial	5,159,571	16,389,110	23,401,316	7,012,206	42.790%
9	Industrial	691,136	1,533,405	2,288,614	755,209	49.250%
10	Other Public Authority	2,064,372	5,636,110	8,259,143	2,623,033	46.540%
11	Sales for Resale	626,591	1,588,731	2,367,137	778,406	49.000%
12	Miscellaneous	0	19,655	19,655	0	0.000%
13	Private Fire Service	0	1,716,893	2,472,547	755,654	44.010%
14	Public Fire Service	0	2,747,004	3,619,630	872,626	31.770%
15						
16	Total	16,781,883	\$64,753,488	\$90,600,916	\$25,847,428	39.920%
17						
18	Proforma Other Operating Revenues					
19	Other Revenue-Rents Water Property		\$277,704	\$277,704	\$0	0.000%
20	Other Revenue - Collections for Others		\$1,483,020	1,483,020	0	0.000%
21	Other Revenues - NSF Checks		\$25,128	25,128	0	0.000%
22	Reconnection Fee		\$709,280	709,280	0	0.000%
23	Activation Fee		\$617,500	617,500	0	0.000%
24	Other revenue - misc		11,325	11,325	0	0.000%
25	AFDUC		646,180	646,180	0	0.000%
26						
27	Proforma Total Operating Revenues		\$68,523,625	\$94,371,063	\$25,847,428	37.720%
28						
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED MAY 31, 2010

SCHEDULE #K-3.1  
PAGE 5 OF 8  
Witness Responsible: S. Miller

DATA: \_X\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WFP-2

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
2												
3												
4		<b>Sales for Resale</b>										
5		Customer Charge	0		\$9.15	\$0	0.000%	\$8.60	\$0	0.000%	\$0	0.00%
6		5/8" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
7		5/8" Quarterly	0		13.70	0	0.000%	12.90	0	0.000%	0	0.00%
8		3/4" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
9		3/4" Quarterly	0		22.90	0	0.000%	21.50	0	0.000%	0	0.00%
10		1" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
11		1" Quarterly	48		45.80	2,198	0.088%	43.00	2,064	0.123%	134	6.49%
12		1 1/2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
13		1 1/2" Quarterly	84		73.20	6,181	0.246%	68.80	5,809	0.345%	372	6.40%
14		2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
15		2" Quarterly	0		137.30	0	0.000%	129.00	0	0.000%	0	0.00%
16		3" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
17		3" Quarterly	84		228.80	19,135	0.762%	215.00	17,981	1.067%	1,154	6.42%
18		4" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
19		4" Quarterly	60		457.50	27,541	1.097%	430.00	25,886	1.537%	1,655	6.39%
20		6" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
21		6" Quarterly	0		732.00	0	0.000%	688.00	0	0.000%	0	0.00%
22		8" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
23		8" Quarterly	0									
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)		665,668	3.6900	2,456,315	97.808%	2,4530	1,632,884	96.929%	823,431	50.43%
27												
28												
29												
30												
31												
32		Quarterly Accounts:										
33		All Usage (CCF)		0	3.6900	0	0.000%	2,4530	0	0.000%	0	0.00%
34												
35												
36												
37												
38												
39		Credit Adjustments		(1)		(4)	0.000%		(2)	0.000%	(2)	63.27%
40		Additional / Local Billings		0		0	0.000%		0	0.000%	0	0.00%
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
				276		\$2,511,366	100.00%		\$1,684,622	100.00%	\$826,744	49.08%



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED MAY 31, 2010

SCHEDULE #3.1  
PAGE 7 OF 8  
Witness Responsible: S. Miller

DATA: \_X\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WWP-2

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
2												
3												
4												
5		<b>Private Fire Service:</b>										
6		Private Fire Charges:										
7		2" Connections	0		\$ 105.00	\$ 6,510	0.269%	\$ 72.91	\$ 4,520	0.269%	\$ 1,990	44.03%
8		4" Connections	0		\$ 422.58	152,129	6.278%	\$ 293.43	105,635	6.278%	46,494	44.01%
9		6" Connections	0		\$ 950.53	731,908	30.204%	\$ 660.03	508,223	30.204%	223,685	44.01%
10		8" Connections	0		\$ 1,689.92	405,581	16.737%	\$ 1,173.45	281,628	16.737%	123,953	44.01%
11		10" Connections	0		\$ 2,641.17	18,488	0.763%	\$ 1,833.98	12,838	0.763%	5,650	44.01%
12		12" Connections	0		\$ 3,804.28	15,217	0.628%	\$ 2,641.62	10,566	0.628%	4,651	44.02%
13		14" Connections	0		\$ 5,178.83	0	0.000%	\$ 3,596.08	0	0.000%	0	0.00%
14		16" Connections	0		\$ 6,762.70	6,763	0.279%	\$ 4,695.89	4,696	0.279%	2,067	44.02%
15		Private Fire Hydrants	0		\$ 939.15	1,086,597	44.842%	\$ 652.13	754,514	44.842%	332,083	44.01%
16		Total Private Fire Service	2,601			\$ 2,423,193	100.00%		\$ 1,682,620	100.00%	\$ 740,573	44.01%











KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED SEPTEMBER 30, 2011

SCHEDULE #K-3.2  
PAGE 4 OF 8  
Witness Responsible: S. Miller

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WP-2  
AGDR2#19(9)

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
<b>Other Public Authority</b>												
2		Customer Charge										
3		5/8" Monthly	1,663		\$9.15	\$15,218	0.184%	\$8.60	\$14,304	0.254%	\$914	6.39%
4		5/8" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
5		3/4" Monthly	0		13.70	0	0.000%	12.90	0	0.000%	0	0.00%
6		3/4" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
7		1" Monthly	2,120		22.90	48,557	0.588%	21.50	45,589	0.809%	2,968	6.51%
8		1" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
9		1 1/2" Monthly	324		45.80	14,839	0.180%	43.00	13,932	0.247%	907	6.51%
10		1 1/2" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
11		2" Monthly	4,259		73.20	311,744	3.775%	68.80	293,006	5.199%	18,738	6.40%
12		2" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
13		3" Monthly	12		137.30	1,648	0.020%	129.00	1,548	0.027%	100	6.46%
14		3" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
15		4" Monthly	478		228.80	109,275	1.323%	215.00	102,684	1.822%	6,591	6.42%
16		4" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
17		6" Monthly	110		457.50	50,508	0.612%	430.00	47,472	0.842%	3,036	6.40%
18		6" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
19		8" Monthly	24		732.00	17,568	0.213%	688.00	16,512	0.293%	1,056	6.40%
20		8" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
21		Block Consumption:										
22		Monthly Accounts:										
23		All Usage (CCF)		2,064,372	3.7250	7,689,786	93.106%	2,4710	5,101,063	90.507%	2,588,723	50.75%
24		Quarterly Accounts:										
25		All Usage (CCF)		0	3.7250	0	0.000%	2,4710	0	0.000%	0	0.00%
26		Credit Adjustments										
27		Additional / Local Billings										
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
			8,990	2,064,372		\$8,259,143	100.00%		\$5,636,110	100.00%	\$2,623,033	46.54%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED SEPTEMBER 30, 2011

SCHEDULE #A-3.2  
PAGE 5 OF 8  
Witness Responsible: S. Miller

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WP-2  
AGDR2#19(13)

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
<b>Sales for Resale</b>												
2		Customer Charge	0		\$9.15	\$0	0.0000%	\$8.60	\$0	0.0000%	\$0	0.00%
3		5/8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
4		5/8" Quarterly	0		13.70	0	0.0000%	12.90	0	0.0000%	0	0.00%
5		3/4" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
6		3/4" Quarterly	0		22.90	0	0.0000%	21.50	0	0.0000%	0	0.00%
7		1" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
8		1" Quarterly	0		45.80	2,198	0.0833%	43.00	2,064	0.1300%	134	6.49%
9		1 1/2" Monthly	48		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
10		1 1/2" Quarterly	84		73.20	6,149	0.2600%	68.80	5,779	0.3640%	370	6.40%
11		2" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
12		2" Quarterly	0		137.30	0	0.0000%	129.00	0	0.0000%	0	0.00%
13		3" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
14		3" Quarterly	0		228.80	19,219	0.8120%	215.00	18,060	1.1370%	1,159	6.42%
15		4" Monthly	84		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
16		4" Quarterly	0		457.50	27,450	1.1600%	430.00	25,800	1.6240%	1,650	6.40%
17		6" Monthly	60		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
18		6" Quarterly	0		732.00	0	0.0000%	688.00	0	0.0000%	0	0.00%
19		8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
20		8" Quarterly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
21			0									
22			0									
23												
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)		626,591	3.6900	2,312,121	97.676%	2,4530	1,537,028	96.746%	775,093	50.43%
27												
28												
29												
30												
31												
32		Quarterly Accounts:										
33		All Usage (CCF)		0	3.6900	0	0.0000%	2,4530	0	0.0000%	0	0.00%
34												
35												
36												
37												
38												
39		Credit Adjustments		0		0	0.0000%		0	0.0000%	0	0.00%
40		Additional / Local Billings		0		0	0.0000%		0	0.0000%	0	0.00%
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
			276	626,591		\$2,367,137	100.000%		\$1,588,731	100.000%	\$778,406	49.000%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED SEPTEMBER 30, 2011

SCHEDULE #3.2  
PAGE 6 OF 8  
Witness Responsible: S. Miller

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WP-2  
AGDR2#19(10)

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
2												
3		<u>Miscellaneous:</u>										
4		Customer Charge	0		\$9.15	\$0	0.000%	\$8.60	\$0	0.000%	\$0	0.00%
5		5/8" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
6		5/8" Quarterly	0		13.70	0	0.000%	12.90	0	0.000%	0	0.00%
7		3/4" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
8		3/4" Quarterly	0		22.90	0	0.000%	21.50	0	0.000%	0	0.00%
9		1" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
10		1" Quarterly	0		45.80	0	0.000%	43.00	0	0.000%	0	0.00%
11		1 1/2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
12		1 1/2" Quarterly	0		73.20	0	0.000%	68.80	0	0.000%	0	0.00%
13		2" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
14		2" Quarterly	0		137.30	0	0.000%	129.00	0	0.000%	0	0.00%
15		3" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
16		3" Quarterly	0		228.80	0	0.000%	215.00	0	0.000%	0	0.00%
17		4" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
18		4" Quarterly	0		457.50	0	0.000%	430.00	0	0.000%	0	0.00%
19		6" Monthly	0		732.00	0	0.000%	688.00	0	0.000%	0	0.00%
20		6" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
21		8" Monthly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
22		8" Quarterly	0		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
23												
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)	0		1.0803	19.655	100.000%	0.0000	19.655	100.000%	0	0.00%
27												
28												
29												
30												
31												
32		Quarterly Accounts:										
33		All Usage (CCF)	0		1.0803	0	0.000%	0.0000	0	0.000%	0	0.00%
34												
35												
36												
37												
38												
39		Credit Adjustments	0			0	0.000%		0	0.000%	0	0.00%
40		Additional / Local Billings	0			0	0.000%		0	0.000%	0	0.00%
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
				0		\$19.655	100.00%		\$19.655	100.00%	\$0	0.00%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ANNUALIZED CLASS AND SCHEDULE REVENUE SUMMARY  
TWELVE MONTHS ENDED SEPTEMBER 30, 2011

SCHEDULE #3.2  
PAGE 7 OF 8  
Witness Responsible: S. Miller

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): WWP-2  
AGDR#19(11)

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
2												
3												
4												
5		<b>Private Fire Service:</b>										
6		2" Connections	65		\$ 105.00	\$ 6,825	0.276%	\$ 72.91	\$ 4,739	0.276%	\$ 2,086	44.02%
7		4" Connections	372		\$ 422.58	157,362	6.364%	\$ 293.43	109,269	6.364%	48,093	44.01%
8		6" Connections	783		\$ 950.53	744,192	30.098%	\$ 660.03	516,753	30.098%	227,439	44.01%
9		8" Connections	246		\$ 1,689.92	415,720	16.813%	\$ 1,173.45	288,669	16.813%	127,051	44.01%
10		10" Connections	7		\$ 2,641.17	18,488	0.748%	\$ 1,833.98	12,838	0.748%	5,650	44.01%
11		12" Connections	4		\$ 3,804.28	15,217	0.615%	\$ 2,641.62	10,566	0.615%	4,651	44.02%
12		14" Connections	0		\$ 5,178.83	0	0.000%	\$ 3,596.08	0	0.000%	0	0.00%
13		16" Connections	1		\$ 6,762.70	6,763	0.274%	\$ 4,695.89	4,696	0.274%	2,067	44.02%
14		Private Fire Hydrants	1,180		\$ 939.15	1,107,980	44.811%	\$ 652.13	769,363	44.811%	338,617	44.01%
15		Total Private Fire Service	2,658		\$ 2,472,547		100.00%		\$ 1,716,893	100.00%	\$ 755,654	44.01%





**EXHIBIT 37  
SCHEDULE N**

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

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO: 2010-00036**

Forecasted Test Period FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 2010

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

For electronic version, see KAW\_APP\_EX37N\_022610.pdf.

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
TYPICAL BILL COMPARISON  
MONTHLY- RESIDENTIAL

SCHEDULE N-3  
PAGE 1 OF 2  
Witness Responsible: S.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	\$ 8.60	\$ 9.15	\$ 0.55	\$8.60	\$9.15	\$0.55	6.40%
7	All Usage	\$ 2.82900	\$ 4.32100	\$ 1.49200	11.43	13.47	2.04	17.87%
8					14.26	17.79	3.53	24.79%
9					17.09	22.11	5.03	29.41%
10					19.92	26.43	6.52	32.73%
11					22.75	30.76	8.01	35.22%
12					25.57	35.08	9.50	37.15%
13					28.40	39.40	10.99	38.71%
14					31.23	43.72	12.49	39.98%
15					34.06	48.04	13.98	41.04%
16					36.89	52.36	15.47	41.94%
17					42.55	61.00	18.45	43.37%
18					51.04	73.97	22.93	44.93%
19					53.86	78.29	24.42	45.34%
20					59.52	86.93	27.41	46.04%
21					65.18	95.57	30.39	46.62%
22					79.33	117.18	37.85	47.72%
23					93.47	138.78	45.31	48.48%
24					121.76	181.99	60.23	49.47%
25					150.05	225.20	75.15	50.08%
26					291.50	441.25	149.75	51.37%
27					574.40	873.35	298.95	52.05%
28					857.30	1,305.45	448.15	52.27%
29					1,140.20	1,737.55	597.35	52.39%
30					1,423.10	2,169.65	746.55	52.46%
31					1,706.00	2,601.75	895.75	52.51%
32					1,988.90	3,033.85	1,044.95	52.54%
33					2,271.80	3,465.95	1,194.15	52.56%
34					2,554.70	3,898.05	1,343.35	52.58%
35					2,837.60	4,330.15	1,492.55	52.60%
36					5,666.60	8,651.15	2,984.55	52.67%
37					8,495.60	12,972.15	4,476.55	52.69%
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								

5/8" METER  
100 CUBIC FEET:

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
TYPICAL BILL COMPARISON

SCHEDULE N-3  
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): N/A

		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	<b>Residential</b> (5/8" Meter)				
4					
5					
6	5.96 CCF-Monthly	\$25.46	\$34.90	\$9.44	37.08%
7					
8	<b>Commercial</b> (1" Meter)				
9	46.81 CCF-Monthly	143.91	207.24	63.33	44.01%
10					
11					
12					
13	<b>Industrial</b>				
14					
15	3,500 CCF-Monthly Small User (2-2"meters)	7,536.60	11,346.40	3,809.80	50.55%
16	50,000 CCF-Monthly (1-2", 3-6" meters)	107,068.80	161,445.70	54,386.90	50.80%
17					
18	<b>OPA</b> (2" Meter)				
19					
20	225.0 CCF-Month	624.78	911.33	286.55	45.86%
21					
22					
23	<b>OWU</b> (2" Meter)				
24					
25	7,900 CCF-Month	19,447.50	29,224.20	9,776.70	50.27%
26					
27					
28	<b>Private Fire Service</b> (Rate per Annum)				
29	<b>Private Fire Hydrant</b>	652.13	939.15	287.02	44.01%
30					
31	2"	72.91	105.00	32.09	44.01%
32	4"	293.43	422.58	129.15	44.01%
33	6"	660.03	950.53	290.50	44.01%
34	8"	1,173.45	1,689.92	516.47	44.01%
35	10"	1,833.98	2,641.17	807.19	44.01%
36	12"	2,641.62	3,804.28	1,162.66	44.01%
37	14"	3,596.08	5,178.83	1,582.75	44.01%
38	16"	4,695.89	6,762.70	2,066.81	44.01%
39					
40	<b>Public Fire Service</b>	371.87	490.00	118.13	31.77%
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					