

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

|   |   |                            |
|---|---|----------------------------|
| <b>IN THE MATTER OF:</b>                    | ) |                            |
|   | ) |                            |
| <b>THE APPLICATION OF KENTUCKY-AMERICAN</b> | ) | <b>CASE NO. 2010-00036</b> |
| <b>WATER COMPANY FOR AN ADJUSTMENT OF</b>   | ) |                            |
| <b>RATES ON AND AFTER MARCH 28, 2010</b>    | ) |                            |

**ORDERING PARAGRAPH 5 REPORT**

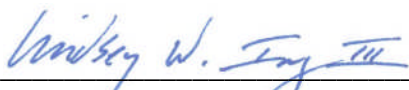
In accordance with Ordering Paragraph 5 of the Commission's December 14, 2010 Order in this matter, Kentucky-American Water Company, by counsel, provides the attached report describing its efforts to refund all monies collected in excess of the rates established in the Appendix to the December 14, 2010 Order.

The interest rate used by Kentucky-American Water Company was based upon the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on December 14, 2010.

Respectfully submitted,

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BY:   
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Attorneys for Kentucky-American Water Company

**CERTIFICATE**

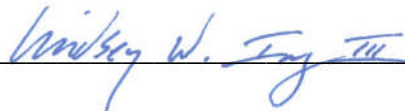
In accordance with Ordering Paragraph No. 6 of the Commission's February 16, 2010 Order, this is to certify that Kentucky-American Water Company's February 26, 2011 electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on February 26, 2011; that an original and one copy of the filing will be delivered to the Commission on February 28, 2011; and, that, on February 26, 2011, electronic mail notification of the electronic filing will be provided to the Commission and the following:

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STOLL KEENON OGDEN PLLC

By 

Attorneys for Kentucky-American Water Company

Kentucky-American Water Company  
Case No. 2010-00036-Rate Refund Report

|              | Refund Total          | #Accounts      | Active accounts<br>Amount refunded | Number of<br>Active accounts | Inactive accounts<br>Amount refunded | Number of<br>Inactive accounts | Interest Total  |
|--------------|-----------------------|----------------|------------------------------------|------------------------------|--------------------------------------|--------------------------------|-----------------|
| Residential  | (706,370.33)          | 115,950        | (681,033.98)                       | 109,079                      | (25,336.35)                          | 6,871                          | (41.21)         |
| Commercial   | (407,225.46)          | 9,093          | (401,812.99)                       | 8,694                        | (5,412.47)                           | 399                            | (141.92)        |
| Industrial   | (39,793.02)           | 26             | (39,739.41)                        | 22                           | (53.61)                              | 4                              | (14.67)         |
| OPA          | (233,627.06)          | 523            | (233,018.82)                       | 517                          | (608.24)                             | 6                              | (91.35)         |
| OWU          | (70,203.60)           | 12             | (70,203.60)                        | 12                           | 0.00                                 | 0                              | (27.12)         |
| Fire Service | (125,948.63)          | 2,048          | (125,948.63)                       | 2,048                        | 0.00                                 | 0                              | (56.17)         |
| <b>Total</b> | <b>(1,583,168.10)</b> | <b>127,652</b> | <b>(1,551,757.43)</b>              | <b>120,372</b>               | <b>(31,410.67)</b>                   | <b>7,280</b>                   | <b>(372.44)</b> |