

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

---

**Witness: Michael A. Miller/Sheila Miller**

199. Customer Advances.

- a. What is the ratemaking treatment for customer advances proposed by the Company in its filing? Where is such proposal found in the filing?
- b. Provide the monthly level of customer advances for the period December 2007 thru March 2010 and also provide through May 2010 when available.
- c. Provide the monthly interest expense paid by the Company on customer advances for the same period.

**Response:**

- a. Customer advances are a reduction to rate base as shown on Schedule B-1.
- b. See attached schedule.
- c. Kentucky American Water does not pay interest on customer advances.

For the electronic version, refer to KAW\_R\_AGDR1#199\_042610.pdf.

**Supplemental Response:**

See attached revised schedule that includes information through May, 2010.

For the electronic version, refer to KAW\_R\_AGDR1#199\_supplemental\_071510.pdf.

**Kentucky American Water Company**  
**Customer advances - deposits**  
**AGDR1#199**

<u>Month/Yr</u>	<u>Deposits</u>
Jan 07	368,866.40
Feb 07	728,987.11
Mar 07	193,807.82
Apr 07	205,020.00
May 07	153,942.96
June 07	51,850.43
July 07	382,057.34
Aug 07	234,232.71
Sept 07	167,125.51
Oct 07	265,964.96
Nov 07	102,128.41
Dec 07	204,977.65
Jan 08	8,790.84
Feb 08	30,817.36
Mar 08	73,178.64
Apr 08	82,540.90
May 08	108,553.21
June 08	210,277.42
July 08	239,120.94
Aug 08	332,789.00
Sept 08	424,295.72
Oct 08	590,752.59
Nov 08	10,728.16
Dec 08	38,606.10
Jan 09	247,599.45
Feb 09	58,409.30
Mar 09	180,265.94
Apr 09	71,036.63
May 09	160,432.60
June 09	-
July 09	111,773.49
Aug 09	-
Sept 09	84,279.00
Oct 09	(29,468.35)
Nov 09	35,923.45
Dec 09	238,764.20
Jan 10	3,009.83
Feb 10	78,080.83
Mar 10	383,338.88
Apr 10	-
May 10	2,868.15