

Kentucky American Water Company  
Revisions to the original filing

	Revenue Requirement	Variance	
original filing	25,848,286		
slippage	26,102,407	254,121	
reduced pensions	\$25,843,738	(\$258,669)	PSC DR2 # 36
reduced OPEB's	\$25,790,186	(\$53,552)	PSC DR 2 #23
reduced mgmt fees	\$25,654,053	(\$136,133)	PSC DR 2 # 20
adj rate case exp-2 mo amortization	\$25,679,517	\$25,464	AG DR2 # 69
adj lead lag study for AIP days error on f/c totals sch B-5.2 pg 5 of 6	\$25,648,252	(\$31,265)	AG DR 2#118
adj other rate base - deferred compen. eliminate UPAA on RB - Boonesboro	\$25,610,496	(\$37,756)	AG DR1#25
Revise IOTG for 2010 premiums	\$25,610,217	(\$279)	PSC DR2#41
Move Donna Braxton & Michael Shryock & Peggy Slone to service company incl labor and related OH	\$25,560,752	(\$49,465)	PSC DR2 # 25
Tax exempt financing - adj bond rate from 5.625% to 5.375%	\$25,554,578	(\$6,174)	
Adj depreciation rates - incl KRS II	\$25,483,353	(\$71,225)	
	\$25,302,362	(\$180,991)	PSC DR3#6
decrease to revenue req.	<u>(545,924)</u>		

per PSC  
revised pension expense rec'd after initial filing  
revised OPEB expense rec'd after initial filing  
revised mgmt fee budget rec'd after initial filing  
omitted last 2 months of 2007 rate case amortization in original filing  
AIP was not included in original lead lag days for payroll

not deferred but accrued - should not be included in other rate base items  
duplicated - in deferred debits on RB schedule  
adjusted for 2010 actual premiums plus % increase for 2011  
Three employees moved to service company and eliminated from Kentucky labor and related overheads

Received more favorable bond rate on June's tax exempt financing than originally anticipated  
Adjusted depreciation rates to include KRS II costs

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

**Description of Filing Requirement:**

<u>Schedule</u>	<u>Description</u>
A	Overall Financial Summary
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	No update required for Schedule H
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	No update required for Schedule L
M	Revenue Summary for Base Period and Forecasted Period with Detailed Billing Analysis for all Customer Classes
N	No update required for Schedule N

**Response:**

Accounting Schedules provided under separate cover.

For electronic version, refer to KAW\_SAPP\_EX37\_071510.pdf

**FILING REQUIREMENTS**

STATEMENT AND NOTICE

TABLE OF CONTENTS

EXHIBIT NO.	Description	Base Period Update	Revision
	Accounting Schedules		
EXHIBIT NO. 37 (A)	Jurisdictional financial summary for the base and forecast period	N/A	X
EXHIBIT NO. 37 (B)	Jurisdictional rate base summary for base and forecast period		
37B-1	Rate base summary - page 1	X	
37B-1	Rate base summary - page 2		X
37B-2	Plant in service by major grouping - page 1	X	
37B-2	Plant in service by major grouping - page 2		N/A
37B-2.1	Plant in service by account and subaccounts - page 1 & 2	X	
37B-2.1	Plant in service by account and subaccounts - page 3 & 4		N/A
37B-2.2	Proposed adjustments to plant in service - page 1 & 2	N/A	N/A
37B-2.3	Gross additions, retirements, and transfers - page 1 & 2	X	
37B-2.3	Gross additions, retirements, and transfers - page 3 & 4		N/A
37B-2.4	Property merged or acquired - page 1 & 2	N/A	N/A
37B-2.5	Leased property - page 1 & 2	N/A	N/A
37B-2.6	Property held for future use	N/A	N/A
37B-2.7	Property excluded from rate base	N/A	N/A
37B-3	Accumulated Depreciation and Amortization-base period-pages 1 & 2	X	
37B-3	Accumulated Depreciation and Amortization-forecast period-pages 3 & 4		X
37B-3.1	Adjustments to Accumulated Depreciation and Amortization-pages 1 & 2	N/A	N/A
37B-3.2	Depreciation Accrual Rates & Accumulated Balances by Account-base period-pages 1 & 2	X	
37B-3.2	Depreciation Accrual Rates & Accumulated Balances by Account-forecast period-pages 1 & 2		X
37B-4	Construction Work in Progress - base period page 1 of 2	X	
37B-4	Construction Work in Progress - forecast period page 2 of 2		X
37B-4.1	Construction Work in Progress Percent Complete - base period page 1 of 2	X	
37B-4.1	Construction Work in Progress Percent Complete - forecast period page 2 of 2		X
37B-5	Allowance for Working Capital-base period page 1 of 2	X	
37B-5	Allowance for Working Capital-forecast period page 2 of 2		X
37B-5.1	Working Capital Components-base period page 1 of 2	X	
37B-5.1	Working Capital Components-forecast period page 2 of 2		X
37B-5.2	Working Capital Lead/Lag Study-base period -pages 1 thru 3 of 6	X	
37B-5.2	Working Capital Lead/Lag Study-forecast period -pages 4 thru 6 of 6		X
37B-6	Deferred Credits and Accumulated Deferred Income Taxes-base period page 1 of 2	X	
37B-6	Deferred Credits and Accumulated Deferred Income Taxes-forecast period page 2 of 2		X
37B-7	Jurisdictional Percentages	N/A	N/A
37B-7.1	Jurisdictional Statistics-Rate Base	N/A	N/A
37B-7.2	Explanation of change in jurisdictional procedures	N/A	N/A
37B-8	Comparative Balance Sheets	X	X
EXHIBIT NO. 37 (C)	Jurisdictional operating income summary for base and forecast period - page 1	X	X
37C-2	Overall financial summary - base and forecast period - page 1	X	X
37C-2.1	Overall financial summary - base period - page 1	X	
37C-2.2	Comparison of total company account balances	X	
EXHIBIT NO. 37 (D)	Jurisdictional adjustments to operating income - pages 1 to 19	X	X
37D-2.1	Detailed adjustments - billed revenues - pages 1 to 3	X	X
37D-2.2	Detailed adjustments - other revenues - page 1	X	X
37D-2.3	Detailed adjustments - expenses - pages 1 & 2	X	X
37D-2.4	Detailed adjustments - depreciation, amortization, and general taxes - page 1	X	X
37D-2.5	Summary of jurisdictional factors	N/A	N/A
37D-2.6	Jurisdictional statistics	N/A	N/A
37D-2.7	Explanation of change in jurisdictional procedures	N/A	N/A
EXHIBIT NO. 37 (E)	Jurisdictional federal and state income tax summary for base and forecast period	X	X
37E-1.1	Federal income tax calculation - base period - page 1 & 2	X	
37E-1.2	State income tax calculation - base period - page 1 & 2	X	
37E-1.3	Federal income tax calculation - forecast period - page 1 & 2		X
37E-1.4	State income tax calculation - forecast period - page 1 & 2		X
37E-1.5	Summary of income tax adjustments - base & forecast period	X	X
37E-2	Development of jurisdictional federal and state income taxes	N/A	N/A
EXHIBIT NO. 37 (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 gift expenses, and rate case expenses for the base and forecasted periods		
37F-1	Social and service club dues	X	
37F-2.1	Charitable Contributions	X	
37F-2.2	Initiation fees/country club expenses	N/A	N/A
37F-2.3	Employee party, outing and gift expenses	X	
37F-3	Customer service, sales promotion and miscellaneous advertising expense	X	
37F-4	Advertising	X	
37F-5	Professional service expenses	X	
37F-6	Rate case expense	X	
37F-7	Civic, political, and related expenses	X	
EXHIBIT NO. 37 (G)	Payroll cost analysis		
37G-1	Payroll costs	X	X
37G-2	Payroll analysis by employee classification - pages 1 to 6	X	X
37G-3	Executive compensation - page 1 to 3	X	X
EXHIBIT NO. 37 (H)	Computation of gross revenue conversion factor	N/A	N/A
EXHIBIT NO. 37 (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	X	X
37I-1	Comparative income statement	X	X
37I-2	Revenue statistics - total company	X	X
37I-3	Revenue statistics - jurisdictional	N/A	N/A
37I-4	Sales statistics - total company	X	X
EXHIBIT NO. 37 (J)	Cost of capital summary for base period and forecasted period	X	X
37J-1	Overall financial summary - page 1 of 2		X
37J-1	Overall financial summary - page 2 of 2	X	
37J-1.1/1.2	Cost of capital summary at current and proposed rates		X
37J-2	Embedded cost of short-term debt - page 1 of 2		X
37J-2	Embedded cost of short-term debt - page 2 of 2	X	
37J-3	Embedded cost of long-term debt - page 1 of 2		X
37J-3	Embedded cost of long-term debt - page 2 of 2	X	
37J-4	Embedded cost of preferred stock - page 1 of 2		X
37J-4	Embedded cost of preferred stock - page 2 of 2	X	
EXHIBIT NO. 37 (K)	Comparative financial data and earning measures for the ten most recent calendar years, base period and forecast period - pages 1 to 3	X	X
EXHIBIT NO. 37 (L)	Narrative description and explanation of all proposed tariff changes	N/A	N/A
EXHIBIT NO. 37 (M)	Revenue summary for base period and forecasted period with detailed billing analysis for all customer classes	X	X
37M-3	Revenues at present and proposed rates - page 1 of 2	X	
37M-3	Revenues at present and proposed rates - page 1 of 2		X
37M-3.1	Annualized class and schedule revenue summary - base period - pages 1 to 8	X	
37M-3.2	Annualized class and schedule revenue summary - forecast period - pages 1 to 8		X
EXHIBIT NO. 37 (N)	Typical bill comparison under present and proposed rates for all customer classes	N/A	N/A

**SCHEDULE A**  
**REVENUE REQUIREMENT**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

For electronic version, see KAW\_SAPP\_EX37A\_071510.pdf

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

SCHEDULE A  
Page 1 of 1  
Witness Responsible: M.A. Miller/S. A. Miller

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

Line No.	Description	Supporting Schedule Reference	Forecast Jurisdictional Rev Req	Base Period Jurisdictional Rev Req
2				
3				
4	RATE BASE	B-1	\$363,668,114	\$343,806,511
5				
6	FORECASTED OPERATING INCOME AT CURRENT RATES	C-1	15,707,304	13,732,435
7				
8	EARNED RATE OF RETURN		4.32%	3.99%
9				
10	RATE OF RETURN	J-1	8.53%	8.20%
11				
12	REQUIRED OPERATING INCOME		31,020,890	28,192,134
13				
14	OPERATING INCOME DEFICIENCY		15,313,586	14,459,699
15				
16	GROSS REVENUE CONVERSION FACTOR	H-1	1.6522819	1.6522819
17				
18	REVENUE DEFICIENCY (1)		25,302,362	23,891,499
19				
20	ADJUSTED OPERATING REVENUES	C-1	68,505,603	65,641,594
21				
22	REVENUE REQUIREMENT		\$93,807,965	\$89,533,093
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**SCHEDULE B**

**RATE BASE**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
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\_SAPP\_EX37B\_071510.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: ORIGINAL\_X\_UPDATED\_X\_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	\$ 385,472,678
3	Property Held for Future Use	B-2.6	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	0
5	Accumulated Depreciation	B-3	(103,629,607)
6			
7	Net Utility Plant In Service		281,843,071
8			
9			
10			
11			
12			
13			
14			
15	Construction Work in Progress		156,306,672
16	Working Capital Allowance	B-5	3,960,000
17	Other Working Capital Allowance	B-5	697,002
18	Contributions in Aid of Construction	B-6	(46,746,111)
19	Customer Advances	B-6	(14,876,886)
20	Deferred Income Taxes	B-6	(37,748,540)
21	Deferred Investment Tax Credits	B-6	(83,332)
22	Deferred Maintenance	W/P-1-10	1,989,536
23	Deferred Debits	W/P-1-11	1,757,661
24	Other Rate Base Elements	W/P-1-11	(3,292,561)
25			
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45	Jurisdictional Rate Base		
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			<u>\$343,806,511</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 X UPDATED X 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	\$579,433,396	\$569,054,823
3	Property Held for Future Use	B-2.6	0	0
4	Utility Plant Acquisition Adjustments	W/P-1-2	(0)	0
5	Accumulated Depreciation	B-3	(114,707,569)	(110,017,434)
6	Net Utility Plant In Service		464,725,827	459,037,389
7	Construction Work in Progress	B-4 / W/P-1-4	14,756,034	9,438,488
8	Working Capital Allowance	B-5 / W/P-1-12	2,141,000	2,141,000
9	Other Working Capital Allowance	B-5	642,421	642,421
10	Contributions in Aid of Construction	B-6	(50,361,516)	(49,781,990)
11	Customer Advances	B-6	(21,998,976)	(19,881,239)
12	Deferred Income Taxes	B-6	(41,467,444)	(40,098,238)
13	Deferred Investment Tax Credits	B-6	(73,124)	(76,952)
14	Deferred Maintenance	W/P-1-10	3,405,534	2,708,236
15	Deferred Debits	W/P-1-11	1,669,591	1,700,474
16	Other Rate Base Elements	W/P-1-11	(2,050,680)	(2,161,475)
17	Jurisdictional Rate Base		\$371,388,668	\$363,668,114

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: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ 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
1						
2						
3	Intangibles	\$ 594,034	100%	\$ 594,034	-	\$ 594,034
4						
5	Source of Supply and Pumping	34,686,602		34,686,602	-	34,686,602
6						
7	Water Treatment	40,740,199		40,740,199	-	40,740,199
8						
9	Transmission and Distribution	280,484,770		280,484,770	-	280,484,770
10						
11	General	28,967,073		28,967,073	-	28,967,073
12						
13	Completed Construction not Classified	-		-	-	-
14						
15	Other	-		-	-	-
16						
17	Total	\$ 385,472,678		\$ 385,472,678	\$ -	\$ 385,472,678
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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: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ 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	\$ 792,247	100%	\$ 792,247	-	\$ 792,247	\$ 774,922
2							
3	Source of Supply and Pumping	73,293,875		73,293,875	-	73,293,875	72,606,464
4							
5	Water Treatment	94,840,730		94,840,730	-	94,840,730	94,081,176
6							
7	Transmission and Distribution	377,838,358		377,838,358	-	377,838,358	370,328,002
8							
9	General	32,668,186		32,668,186	-	32,668,186	31,264,259
10							
11	Completed Construction not Classified	-		-	-	-	-
12							
13	Other	-		-	-	-	-
14							
15		\$ 579,433,396		\$ 579,433,396	-	\$ 579,433,396	\$ 569,054,823
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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: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ 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		Organization	\$ 37,450		\$ 37,450	-	\$ 37,450
4	301	Franchise/Consents	70,261	100%	70,261	-	70,261
5	302	Other P/E Intangibles	8,375		8,375	-	8,375
6	3031	Other P/E Comprehensive Studies	477,948		477,948	-	477,948
7	3036	Total Intangibles	\$ 594,034		\$ 594,034		\$ 594,034
8							
9		<u>Source of Supply and Pumping Plant</u>					
10		Land and Land Rights - SS	\$ 335,512		\$ 335,512	-	\$ 335,512
11	310	Structures and Improvements	2,673,341		2,673,341	-	2,673,341
12	311	Collecting and Impounding Reservoirs	1,005,086		1,005,086	-	1,005,086
13	312	Lake, River and Other Intakes	537,098		537,098	-	537,098
14	313	Wells and Springs	-		-	-	-
15	314	Supply Mains	5,141,563		5,141,563	-	5,141,563
16	316	Land and Land Rights - Pumping	91,827		91,827	-	91,827
17	320	Structures and Improvements	5,215,324		5,215,324	-	5,215,324
18	321	Other Power Production Equipment	935,700		935,700	-	935,700
19	323	Electric Pumping Equipment	9,385,971		9,385,971	-	9,385,971
20	325	Diesel Pumping Equipment	718,476		718,476	-	718,476
21	326	Other Pumping Equipment	8,646,704		8,646,704	-	8,646,704
22	328	Total Source of Supply & Pumping	\$ 34,886,602		\$ 34,886,602		\$ 34,886,602
23							
24							
25							
26		<u>Water Treatment Plant</u>					
27		Land and Land Rights	\$ 68,164		68,164	-	68,164
28		Structures and Improvements	9,908,282		9,908,282	-	9,908,282
29	330	Water Treatment Equipment	30,423,517		30,423,517	-	30,423,517
30	331	Water Treatment - GAC	340,236		340,236	-	340,236
31	332	Total Water Treatment	\$ 40,740,199		\$ 40,740,199		\$ 40,740,199
32	334						
33							
34							
35		<u>Transmission and Distribution Plant</u>					
36		Land and Land Rights	\$ 4,019,854		\$ 4,019,854	-	\$ 4,019,854
37	340	T & D Structures and Improvements,	904,113		904,113	-	904,113
38	341	Distribution Reservoirs and Standpipes	12,067,117		12,067,117	-	12,067,117
39	342	Transmission and Distribution Mains	176,517,189		176,517,189	-	176,517,189
40	343	Services	43,187,011		43,187,011	-	43,187,011
41	345	Meters	14,824,669		14,824,669	-	14,824,669
42	346	Meter Installations	16,824,809		16,824,809	-	16,824,809
43	347	Hydrants	12,140,008		12,140,008	-	12,140,008
44	348	Total Transmission and Distribution	\$ 280,484,770		\$ 280,484,770		\$ 280,484,770
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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: \_\_\_ ORIGINAL\_X\_ UPDATED\_X\_ 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	9,908,022	100%	9,908,022		9,908,022
6	391	Office Furniture and Equipment	7,375,439		7,375,439		7,375,439
7	392	Transportation Equipment	3,791,337		3,791,337		3,791,337
8	393	Stores Equipment	33,927		33,927		33,927
9	394	Tools, Shop and Garage Equipment	1,918,148		1,918,148		1,918,148
10	395	Laboratory Equipment	852,219		852,219		852,219
11	396	Power Operated Equipment	1,525,426		1,525,426		1,525,426
12	397	Communication Equipment	2,185,685		2,185,685		2,185,685
13	398	Miscellaneous Equipment	1,238,385		1,238,385		1,238,385
14	399	Other Tangible Property	138,485		138,485		138,485
15		Total General	\$ 28,967,073		\$ 28,967,073		\$ 28,967,073
16							
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20		Total Utility Plant in Service	\$ 385,472,678		\$ 385,472,678		\$ 385,472,678
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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

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

SCHEDULE B-2.6  
PAGE 1 OF 2  
Witness Responsible: S.A. Miller

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	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	
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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
							Amount	Acct No. Description	
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NONE





KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

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

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

Line No.	Acct No.	Account Title	Forecasted Period Total Company	Accumulated Reserve Balances			13 Month Average
				Total Company	Jurisdictional Percent	Jurisdictional Total	
1							
2							
3							
4							
5	301	Intangible Plant	\$ 37,450	\$ -	100%	\$ -	\$ -
6	302/303	Organization	70,261	-	-	-	-
7	3031	Franchise/Consents/Plant Studies	8,375	3,013	-	3,013	2,203
8	3036	Other P/E Intangibles	676,161	162,625	-	162,625	125,983
9		Other P/E Comprehensive Studies	792,247	165,638	-	165,638	128,186
10		Total Intangibles					
11		Source of Supply and Pumping Plant					
12	310	Land and Land Rights - SS	\$ 955,736	\$ -	-	\$ -	\$ -
13	311	Structures and Improvements	16,491,911	729,385	-	729,385	476,335
14	312	Collecting and Impounding Reservoirs	377,683	377,683	-	377,683	370,999
15	313	Lake, River and Other Intakes	6,185,848	199,031	-	199,031	135,655
16	314	Wells and Springs	-	-	-	-	-
17	316	Supply Mains	5,798,582	1,359,360	-	1,359,360	1,295,553
18	320	Land and Land Rights - Pumping	195,726	-	-	-	-
19	321	Structures and Improvements	10,372,595	1,893,911	-	1,893,911	1,746,129
20	323	Other Power Production Equipment	3,045,643	391,802	-	391,802	347,200
21	325	Electric Pumping Equipment	19,877,568	5,201,874	-	5,201,874	5,181,648
22	326	Diesel Pumping Equipment	7,18,476	380,465	-	380,465	372,347
23	328	Hydraulic Pumping Equipment	7,728	483	-	483	387
24	3282	SS Pumping Equipment	8,462,635	494,589	-	494,589	392,697
25	3283	T&D Pumping Equipment	176,341	16,894,39	-	16,894,00	14,752
26		Total Source of Supply & Pumping	73,293,875	11,045,476	-	11,045,477	10,333,702
27		Water Treatment Plant					
28		Land and Land Rights	\$ 563,223	\$ -	-	\$ -	\$ -
29	330	Structures and Improvements	44,530,899	2,811,930	-	2,811,930	2,155,306
30	331	Water Treatment Equipment	49,406,372	16,205,653	-	16,205,653	15,632,075
31	332	Water Treatment - GAC	340,236	46,249	-	46,249	25,783
32	334						
33		Total Water Treatment	94,840,730	19,063,833	-	19,063,832	17,813,164
34		Transmission and Distribution Plant					
35		Land and Land Rights	\$ 8,061,270	\$ -	-	\$ -	\$ -
36	340	T & D Structures and Improvements	904,113	563,204	-	563,204	549,688
37	341	Distribution Reservoirs and Standpipes	15,921,745	3,935,954	-	3,935,954	3,784,953
38	342	Transmission and Distribution Mains	255,798,516	33,360,582	-	33,360,582	31,845,193
39	343	Services	46,697,380	17,732,000	-	17,732,000	17,374,949
40	345	Meeters	19,647,325	1,799,917	-	1,799,917	1,643,602
41	346	Meiter Installations	17,280,465	5,507,039	-	5,507,039	5,270,371
42	347	Hydrants	13,527,555	3,392,428	-	3,392,428	3,319,088
43	348						
44		Total Transmission and Distribution	377,838,359	66,291,124	-	66,291,124	63,787,824
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KENTUCKY-AMERICAN WATER COMPANY  
 CASE NO: 2010-00036  
 ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
 AS OF MAY 31, 2010

SCHEDULE B-3.1  
 PAGE 1 OF 2  
 Witness Responsible: S.A. Miller

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

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

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

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

Line No.	Acct No.	Account Title	Adjusted Jurisdiction Plant Investment	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1								
2								
3								
4	390	Office Structures and Improvements	3,036,320	2.01%	61,030	-5%	39.2	55-R2.5
5	3,901	Office Structures and Improvements-other	3,166,549	2.01%	63,648	-5%	39.2	55-R2.5
6	3,902	Stores, Shop & Garage Structures	1,781,786	2.33%	41,516	0%	32.6	45-R3
7	3,903	Misc Structures	1,923,367	4.19%	80,589	0%	21.2	25-R1.5
8	3,911	Office Furniture	181,701	0.00%	0	0%	4.8	20-SQ
9	3,911	Office Furniture-amortized	552,269	7.48%	41,310	0%	4.5	5-SQ
10	3,912	Mainframe Comp & Periph Eqpt	27,412	0.00%	0	0%	4.5	5-SQ
11	3,912	Mainframe Comp & Periph Eqpt-amortized	211,239	8.04%	16,984	0%	2.1	5-SQ
12	3,912	Personal Comp & Periph Eqpt	263,086	0.00%	0	0%	2.1	5-SQ
13	3,912	Personal Comp & Periph Eqpt-amortized	599,853	9.52%	57,106	0%	1.2	5-SQ
14	3,912	Computers & Periph Other	88,201	0.00%	0	0%	1.2	5-SQ
15	3,912	Computers & Periph Other-amortized	183,036	17.49%	32,013	0%	2.5	5-SQ
16	3,912	Mainframe Software	3,976,525	0.00%	0	0%	2.5	5-SQ
17	3,912	Mainframe Software-amortized	574,485	6.87%	39,467	0%	0.0	5-SQ
18	3,912	Personal Comp Software	400	0.00%	0	0%	0.0	5-SQ
19	3,912	Personal Comp Software-amortized	100,330	0.00%	0	0%	0.0	5-SQ
20	3,912	Other Software	527,874	0.00%	0	0%	1.0	5-SQ
21	3,912	Other Software-amortized	4,470	18.00%	805	0%	5.1	15-SQ
22	3,913	Other Office Equipment	15,005	0.00%	0	0%	5.1	15-SQ
23	3,913	Other Office Equipment-amortized	69,553	7.17%	4,987	0%	7.1	13-S2.5
24	3,921	Trans Equip-Light Trucks	1,865,782	0.00%	0	20%	7.1	13-S2.5
25	3,921	Trans Equip-Light Trucks-amortized	140,432	0.00%	0	15%	8.1	15-S2.5
26	3,921	Trans Equip-Heavy Trucks	1,160,937	6.48%	75,229	15%	8.1	15-S2.5
27	3,922	Trans Equip-Cars	207,857	0.00%	0	0%	3.2	10-R4
28	3,922	Trans Equip-Cars-amortized	0	0.00%	0	0%	3.2	10-R4
29	3,923	Other Trans Equip	416,326	6.39%	26,603	0%	13.7	16-L2.5
30	3,93	Stores Equipment	2,268	0.00%	0	0%	5.6	25-SQ
31	3,93	Stores Equipment-amortized	31,659	5.18%	1,640	0%	12.2	20-SQ
32	3,94	Tools, Shop, & Garage Equip	142,246	0.00%	0	0%	12.2	20-SQ
33	3,94	Tools, Shop, & Garage Equip-amortized	1,775,902	5.67%	100,894	0%	7.4	15-SQ
34	3,95	Laboratory Equipment	150,397	0.00%	0	0%	7.4	15-SQ
35	3,95	Laboratory Equipment-amortized	701,822	7.10%	49,829	25%	12.5	18-L2.5
36	3,96	Power Operated Equipment	1,525,426	4.45%	67,881	0%	7.7	15-SQ
37	3,97	Communication Equipment-nontelephone	213,513	0.00%	0	0%	7.7	15-SQ
38	3,97	Communication Equipment-amortized	1,692,239	6.12%	103,565	0%	14.8	20-SQ
39	3,971	Communication Equipment-remote control	39,245	6.12%	2,402	0%	14.8	20-SQ
40	3,972	Communication Equipment-telephone	240,688	6.12%	14,730	0%	10.8	20-SQ
41	3,98	Misc Equipment	100,850	0.00%	0	0%	10.8	20-SQ
42	3,98	Misc Equipment	1,137,535	5.23%	59,493	0%	10.8	20-SQ
43	3,99	Other Tangible Property	138,485	5.55%	7,686	0%	10.8	20-SQ
44								
45			319,621,923		7,052,962			
46			103,629,605					
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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



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

SCHEDULE B-3.2  
PAGE 4 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	554,991	2.96%	89,493	-5%	29.1	55-R2.5
5	3,901	Office Structures and Improvements-amortized	3,173,635	582,568	2.01%	63,790	-5%	45.4	55-R2.5
6	3,902	Stores, Shop & Garage Structures	3,545,152	650,766	2.03%	71,997	0%	41.4	55-R2.5
7	3,903	Misc Structures	1,923,367	353,063	4.98%	95,784	-10%	18.9	25-R2
8	3,911	Office Furniture	195,029	226,431	0.00%	0	0%	9.0	20-SQ
9	3,911	Office Furniture-amortized	538,324	625,000	5.00%	26,916	0%		
10	3,912	Mainframe Comp & Periph Eqpt	27,295	31,690	0.00%	0	0%	2.4	5-SQ
11	3,912	Mainframe Comp & Periph Eqpt-amortized	394,791	458,356	20.00%	78,958	0%		
12	3,912	Personal Comp & Periph Eqpt	245,890	285,481	0.00%	0	0%	2.3	5-SQ
13	3,912	Personal Comp & Periph Eqpt-amortized	400,086	464,504	20.00%	80,017	0%		
14	3,912	Computers & Periph Other	101,976	118,395	0.00%	0	0%	3.4	5-SQ
15	3,912	Computers & Periph Other-amortized	176,607	205,043	20.00%	35,321	0%		
16	3,912	Mainframe Software	3,976,525	4,616,787	0.00%	0	0%	1.0	5-SQ
17	3,912	Mainframe Software-amortized	570,993	662,929	20.00%	114,199	0%		
18	3,912	Personal Comp Software	400	484	0.00%	0	0%	2.7	5-SQ
19	3,912	Personal Comp Software-amortized	100,330	116,484	20.00%	20,066	0%		
20	3,912	Other Software	527,874	612,867	0.00%	0	0%	2.6	5-SQ
21	3,912	Other Software-amortized	4,470	5,190	20.00%	894	0%		
22	3,913	Other Office Equipment	18,816	21,846	0.00%	0	0%	5.8	15-SQ
23	3,913	Other Office Equipment-amortized	69,553	80,752	6.67%	4,639	0%		
24	3,921	Trans Equip-Light Trucks	1,646,367	862,956	0.00%	0	20%	0.0	13-S2.5
25	3,921	Trans Equip-Light Trucks-new additions	1,641,920	860,625	1.53%	25,121	20%	13.2	13-S2.5
26	3,922	Trans Equip-Heavy Trucks	1,172,528	614,589	2.34%	27,437	15%	12.0	14-S2
27	3,922	Trans Equip-Cars	191,583	100,420	0.00%	0	15%	0.0	10-S3
28	3,922	Trans Equip-Cars-new additions	160,133	83,935	8.50%	13,611	15%	10.3	10-S3
29	3,923	Other Trans Equip	416,327	218,221	5.51%	22,940	0%	13.5	16-L3
30	393	Stores Equipment	2,268	2,337	0.00%	0	0%		
31	393	Stores Equipment-amortized	31,659	32,621	4.00%	1,266	0%	3.6	25-SQ
32	394	Tools, Shop, & Garage Equip	138,230	62,388	0.00%	0	0%		
33	394	Tools, Shop, & Garage Equip-amortized	2,092,767	944,546	5.00%	104,638	0%	13.7	20-SQ
34	395	Laboratory Equipment	150,397	142,145	0.00%	0	0%		
35	395	Laboratory Equipment-amortized	677,631	640,453	6.67%	45,198	0%	6.2	15-SQ
36	396	Power Operated Equipment	1,526,035	951,608	2.14%	32,657	15%	13.7	18-L4
37	397	Communication Equipment-nontelephone	118,585	62,140	0.00%	0	0%		
38	397	Communication Equipment-amortized	1,692,239	886,750	6.67%	112,872	0%	4.9	15-SQ
39	397	Communication Equipment-remote control	22,311	11,691	1.48%	1,488	0%	13.6	15-SQ
40	397	Communication Equipment-telephone	240,800	126,182	6.67%	16,061	0%	13.6	15-SQ
41	398	Misc Equipment	115,963	46,196	0.00%	0	0%		
42	398	Misc Equipment-amortized	1,304,209	519,552	5.00%	65,210	0%	13.6	20-SQ
43	399	Other Tangible Property	138,465	298,539	5.00%	6,524	0%	8.7	20-SQ
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			503,617,234	114,707,571		11,456,446			

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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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						\$666,160	100%	\$666,160	NA
2	DV	Mains	663,472	2,689	-	\$666,160			NA
3	DV	Services	-	-	-	-			NA
4	DV	Meter Installations	-	-	-	-			NA
5	DV	Hydrants	-	-	-	-			NA
6	A	Mains - New	1,395	14	-	1,409			NA
7	B	Mains - Planned Replacement / Restored	69,327	87	-	69,413			NA
8	C	Mains - Unschedule Replacements	887	-	-	887			NA
9	D	Mains - Relocation	121,337	23,182	-	144,519			NA
10	E	Hydrants, Valves, and Manholes - New	21,472	334	-	21,806			NA
11	F	Hydrants, Valves, and Manholes - Replaced	4,939	16	-	4,955			NA
12	G	Services and Laterals - New	8,247	-	-	8,247			NA
13	H	Services and Laterals - Replaced	45,694	-	-	45,694			NA
14	I	Meters New	81,153	-	-	81,153			NA
15	J	Meter - Replaced	56,207	-	-	56,207			NA
16	K	ITS Equipment and Systems	-	-	-	-			NA
17	L	SCADA Equipment and Systems	-	-	-	-			NA
18	M	Security Equipment and System	-	-	-	-			NA
19	N	Offices and Operations Centers	-	-	-	-			NA
20	O	Vehicles	-	-	-	-			NA
21	P	Tools and Equipment	29,296	-	-	29,296			NA
22	Q	Process Plant Facilities and Equipment	53,743	31	-	53,773			NA
23	R	Capitalized Tank Rehabilitation / Painting	(963)	36	-	(927)			NA
24	S	Engineering Studies	34,646	906	-	35,551			NA
25	12020204	Source of Supply Project Dev	2,132,998	-	-	2,132,998			96.95%
26	IP-1202-5	North Broadway Main Replacement	1,695,896	87,942	-	1,783,838			64.40%
27	IP-1202-6	Install 34,000 of 16" along Carrick Pike	89,350	215	-	89,565			3.32%
28	IP-1202-17	South Limestone Replacement	-	-	-	-			0.00%
29	IP-1202-18	US 25 Relocation	-	-	-	-			0.00%
30	IP-1202-19	Leestown Road	150,955	-	-	150,955			10.06%
31	12020607	Pool 3 - Lakes, Rivers & Other Inakes	147,261,283	2,771,481	-	150,032,764			92.79%
32	IP-1202-32	Lexington Operations Center	110,000	-	-	110,000			5.50%
33	IP-1232-3	Northern Division Connection	83,705	-	-	83,705			1.20%
34	CS-1201-3	Business Transformation 2010 - 2014	577,350	814	-	578,164			4.53%
35	12020402	Major Highway Relocations	36,977	-	-	36,977			100.00%
36	12020702	Ky Major Highway	86,273	3,287	-	89,560			100.00%
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						\$153,415,639	\$2,891,033	\$156,306,672	
						\$666,160	100%	\$666,160	
						\$156,306,672		\$156,306,672	

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 X FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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			\$641,776	\$0		\$641,776	100%	\$641,776	N/A
2	DV	Mains	-	-	-	-	-	-	N/A
3	DV	Services	-	-	-	-	-	-	N/A
4	DV	Meter Installations	71,307	-	-	71,307	-	71,307	N/A
5	DV	Hydrants	140,373	-	-	140,373	-	140,373	N/A
6	A	Mains - New	82,736	4,662	-	87,398	-	87,398	N/A
7	B	Mains - Planned Replacement / Restored	19,672	7,914	-	27,586	-	27,586	N/A
8	C	Mains - Unschedule Replacements	82,221	2,086	-	84,307	-	84,307	N/A
9	D	Mains - Relocation	3,133	8,425	-	11,558	-	11,558	N/A
10	E	Hydrants, Valves, and Manholes - New	26,095	1,707	-	27,802	-	27,802	N/A
11	F	Hydrants, Valves, and Manholes - Replaced	145,187	1,700	-	146,887	-	146,887	N/A
12	G	Services and Laterals - New	204,594	-	-	204,594	-	204,594	N/A
13	H	Services and Laterals - Replaced	143,018	-	-	143,018	-	143,018	N/A
14	I	Meters New	282,339	-	-	282,339	-	282,339	N/A
15	J	Meter - Replaced	18,131	-	-	18,131	-	18,131	N/A
16	K	ITS Equipment and Systems	(1,058)	1,058	-	-	-	-	N/A
17	L	SCADA Equipment and Systems	12,000	86	-	12,086	-	12,086	N/A
18	M	Security Equipment and System	24,174	-	-	24,174	-	24,174	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	109,120	8,115	-	117,235	-	117,235	N/A
23	R	Capitalized Tank Rehabilitation / Painting	-	-	-	-	-	-	N/A
24	S	Engineering Studies	11,161	926	-	12,087	-	12,087	N/A
25		Install 34,000 of 16" along Carrick Pike	612,687	12,054	-	624,741	-	624,741	23.14%
26	IP-1202-6	US 25 Relocation	(40,295)	40,295	-	-	-	-	100.00%
27	IP-1202-18	Leestown Road	1,372,628	35,639	-	1,408,267	-	1,408,267	100.00%
28	IP-1202-22	KRS Raw Water Transfer	237,033	4,691	-	241,724	-	241,724	100.00%
29	IP-1202-31	KRS Raw Water Access	889,159	18,841	-	908,000	-	908,000	100.00%
30	IP-1202-32	Lexington Operations Center	(22,575)	22,575	-	-	-	-	100.00%
31	IP-1232-3	Northern Division Connection	3,424,156	102,248	-	3,526,404	-	3,526,404	50.38%
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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\$14,127,877      \$628,157      \$0      \$14,756,034

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: ORIGINAL\_X UPDATED\_X REVISED  
WORKPAPER REFERENCE NO(S): W/P-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	666,160	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	-	NA
6	A	NA	NA	NA	NA	NA	1,409	NA
7	B	NA	NA	NA	NA	NA	69,413	NA
8	C	NA	NA	NA	NA	NA	887	NA
9	D	NA	NA	NA	NA	NA	144,519	NA
10	E	NA	NA	NA	NA	NA	21,806	NA
11	F	NA	NA	NA	NA	NA	4,955	NA
12	G	NA	NA	NA	NA	NA	8,247	NA
13	H	NA	NA	NA	NA	NA	45,694	NA
14	I	NA	NA	NA	NA	NA	81,153	NA
15	J	NA	NA	NA	NA	NA	56,207	NA
16	K	NA	NA	NA	NA	NA	-	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	-	NA
19	N	NA	NA	NA	NA	NA	-	NA
20	O	NA	NA	NA	NA	NA	-	NA
21	P	NA	NA	NA	NA	NA	-	NA
22	Q	NA	NA	NA	NA	NA	29,296	NA
23	R	NA	NA	NA	NA	NA	53,773	NA
24	S	NA	NA	NA	NA	NA	(927)	NA
25	12020204	Apr-02	Nov-10	94.23%	1,346,992	2,200,060	2,132,998	96.95%
26	IP-1202-5	Apr-08	Sep-10	86.67%	2,850,037	2,770,076	1,783,838	64.40%
27	IP-1202-6	May-08	Dec-12	44.64%	2,700,001	2,700,269	89,565	3.32%
28	IP-1202-17	May-10	Aug-10	25.00%	1,125,000	523,854	-	0.00%
29	IP-1202-18	Feb-10	Dec-10	36.36%	3,200,000	3,200,000	-	0.00%
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	150,032,764	92.79%
32	IP-1202-32	Mar-10	Dec-10	15.00%	2,000,000	2,000,000	110,000	5.50%
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	578,164	4.53%
35	12020402	NA	NA	100.00%	NA	NA	36,977	NA
36	12020702	NA	NA	100.00%	NA	NA	89,560	NA
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					<u>\$174,022,373</u>	<u>\$196,357,671</u>	<u>156,306,672</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: ORIGINAL X UPDATED X 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	\$641,776	NA
3	DV	NA	NA	NA	NA	NA	-	NA
4	DV	NA	NA	NA	NA	NA	-	NA
5	DV	NA	NA	NA	NA	NA	71,307	NA
6	A	NA	NA	NA	NA	NA	145,035	NA
7	B	NA	NA	NA	NA	NA	90,650	NA
8	C	NA	NA	NA	NA	NA	21,758	NA
9	D	NA	NA	NA	NA	NA	90,646	NA
10	E	NA	NA	NA	NA	NA	4,840	NA
11	F	NA	NA	NA	NA	NA	27,795	NA
12	G	NA	NA	NA	NA	NA	145,187	NA
13	H	NA	NA	NA	NA	NA	204,594	NA
14	I	NA	NA	NA	NA	NA	143,018	NA
15	J	NA	NA	NA	NA	NA	282,339	NA
16	K	NA	NA	NA	NA	NA	18,131	NA
17	L	NA	NA	NA	NA	NA	-	NA
18	M	NA	NA	NA	NA	NA	12,086	NA
19	N	NA	NA	NA	NA	NA	24,174	NA
20	O	NA	NA	NA	NA	NA	-	NA
21	P	NA	NA	NA	NA	NA	-	NA
22	Q	NA	NA	NA	NA	NA	117,235	NA
23	R	NA	NA	NA	NA	NA	-	NA
24	S	NA	NA	NA	NA	NA	12,087	NA
25	IP-1202-6	May-08	Dec-12	94.23%	2,700,001	2,700,269	624,741	23.14%
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	1,408,267	100.00%
28	IP-1202-22	Jun-11	Dec-11	57.14%	200,000	200,000	241,724	100.00%
29	IP-1202-31	Nov-10	Dec-11	78.57%	1,000,000	1,000,000	908,000	90.80%
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	3,526,404	50.38%
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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\$14,756,034

\$30,371,813 \$30,372,081

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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	\$3,960,000	100.00%	\$3,960,000
4						
5						
6						
7	Materials and Supplies	13 Month Average Balance	B-5.1	\$697,002	100.00%	\$697,002
8						
9						
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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: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ 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	\$2,141,000	100.00%	\$2,141,000
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

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

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	Plant Materials	\$492,908	100.00%	\$492,908	\$492,908	100.00%	\$492,908
7							
8	Chemicals	204,094		204,094	204,094		204,094
9							
10		\$697,002		\$697,002	\$697,002		\$697,002
11							
12							
13							
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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	Materials and Supplies						
11	Plant Materials	\$428,668	100.00%	\$428,668	\$428,668	100.00%	\$428,668
12	Chemicals	213,753		213,753	213,753		213,753
13		\$642,421		\$642,421	\$642,421		\$642,421
14							
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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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): Sch 5.2

Line No.	Description	Days	Amount
1			
2			
3	Total Operating Funds		<u>\$76,084,586</u>
4			
5	Average Daily Operating Funds		208,451
6			
7	Composite Average Days Interval Between:		
8			
9	(A) Date Service Furnished and Date Collections Deposited	36.90	
10			
11	(B) Date Expenses Incurred and Date of Payment	<u>17.90</u>	18.82
12			
13	(C) Net Interval	<u>19.00</u>	
14			
15	Total Working Capital		<u>\$3,960,152</u>
16			
17			
18	Use		<u>\$3,960,000</u>
19			
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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 2 OF 6  
Witness Responsible: M.A. Miller

DATA: X BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_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	\$3,728,630	20.80	\$77,555,504
4	Payrolls Charged to Expense - Salaried	3,255,452	20.80	67,713,402
5	Fuel, Power and Electric	3,100,205	30.44	94,370,240
6	Chemicals	1,981,267	27.38	54,247,090
7	Purchased Water	118,103	46.34	5,472,893
8	Waste Disposal	264,013	20.73	5,472,899
9	Service Company Charges	8,564,322	(10.81)	(92,580,321)
10	Group Insurance	1,211,902	(13.57)	(16,445,510)
11	Opelb	983,465	(1.39)	(1,367,016)
12	Pensions	1,266,973	(1.39)	(1,761,092)
13	Insurance Other than Group	555,349	(34.38)	(19,092,899)
14	Rents	30,977	(29.37)	(909,794)
15	Regulatory Expense	303,936	16.63	5,054,456
16	Maintenance Expense	1,053,943	30.51	32,155,816
17	Amortization	303,392	0.00	0
18	Uncollectibles	478,393	0.00	0
19	Other Operating Expenses	4,863,234	42.29	205,666,166
20				
21	Total O & M Expenses	32,063,556		415,551,924
22				
23	Depreciation and Amortization	8,027,002	0.00	0
24	Taxes, Other than Income			
25	Payroll - FUTA	7,267	49.80	361,897
26	Payroll - SUTA	14,462	47.17	682,173
27	Payroll - FICA	513,547	11.54	5,926,332
28	Property Tax	3,123,081	165.85	517,962,984
29	Utility Tax	234,310	(182.00)	(42,644,420)
30	Income Taxes - Current - SIT	164,502	29.64	4,875,839
31	Income Taxes - Current - FIT	(603,646)	0.00	(17,892,067)
32	Deferred Income Taxes	8,365,078	0.00	0
33	Interest Expense - Long - Term Debt	5,010,605	90.55	453,710,283
34	Interest Expense - Short - Term Debt	174,894	14.31	2,502,733
35	Preferred Dividends	459,072	45.88	21,062,223
36	Net Income	18,530,856	0.00	0
37				
38	Net Operating Funds	\$76,084,586		\$1,362,099,901
39				
40				
41	Average Days Interval between Date Expenses are Incurred and Date of Payment			17.90
42				
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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: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5	\$88,685,579	15.21	\$892,607,659
6	2,970,518	34.54	102,601,692
7	4,413,773	(41.19)	(181,803,310)
8			
9	<u>66,069,870</u>		<u>\$813,406,041</u>
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Monthly - Arrears Full Bills			
Other Revenues			
Fire Service			
Total			
Average Median Service Days		12.31	
Number of Days between the Reading Date and the Billing Date		4.66	
Number of Days between the Billing Date and the Date the Bills are Paid		19.93	
Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received		36.90	

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 \_\_\_ X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ X\_ UPDATED \_\_\_ X\_ 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>\$93,568,757</u>
4			
5	Average Daily Operating Funds		256,353
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>27.48</u>	
12			
13	(C) Net Interval	<u>8.35</u>	
14			
15	Total Working Capital		<u>\$2,141,335</u>
16			
17			
18	Use		<u>\$2,141,000</u>
19			
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SCHEDULE B-5.2  
PAGE 5 OF 6  
Witness Responsible: M.A. Miller

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: \_\_\_ ORIGINAL\_X\_ UPDATED\_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	DESCRIPTION	Amount	Post Payment or (Lead) Days	Dollar Days
1	Payrolls Charged to Expense - Union/ATS Group	\$4,156,144	20.80	86,447,795
2	Payrolls Charged to Expense - Salaried	3,628,712	20.80	75,477,210
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	9,265,936	(10.81)	(100,164,770)
8	Group Insurance	1,360,800	(13.57)	(18,466,056)
9	Opex	831,572	(1.39)	(1,155,885)
10	Pensions	983,008	(1.39)	(1,366,381)
11	Insurance Other than Group	693,527	(34.38)	(23,843,452)
12	Regulatory Exp	391,328	16.63	6,507,791
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	522,887	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	5,264,527	42.29	222,636,855
20				
21	Total O & M Expenses	35,007,632		467,270,394
22				
23	Depreciation and Amortization	11,118,204	0.00	0
24	Taxes, Other than Income			
25	Payroll - FUTA	8,373	49.80	416,975
26	Payroll - SUTA	7,021	47.17	331,181
27	Payroll - FICA	585,680	11.54	6,758,747
28	Property Tax	4,444,750	165.85	737,161,788
29	Utility Tax	109,826	(182.00)	(19,988,332)
30	Income Taxes - Current - SIT	1,378,568	29.64	40,860,756
31	Income Taxes - Current - FIT	7,559,147	29.64	224,053,117
32	Deferred Income Taxes	2,328,665	0.00	0
33	Interest Expense - Long - Term Debt	12,037,415	90.55	1,089,987,928
34	Interest Expense - Short - Term Debt	181,834	14.31	2,602,045
35	Preferred Dividends	472,769	45.88	21,690,642
36	Net Income	18,328,873	0.00	0
37				
38	Net Operating Funds	\$93,568,757		\$2,571,145,241
39				
40				
41				
42				
43	Average Days Interval between Date Expenses are Incurred and Date of Payment			27.48
44				
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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: \_\_\_ ORIGINAL\_X\_ UPDATED\_X\_ 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			
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11			
12			
13			
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Monthly - Arrears Full Bills \$60,289,591 15.21 \$917,004,675

Fire Service 4,463,897 (41.19) (183,867,917)

Total \$64,753,488 \$733,136,758

Average Median Service Days 11.32

Number of Days between the Reading Date and the Billing Date 4.66

Number of Days between the Billing Date and the Date the Bills are Paid 19.93

Total 64,753,488 35.91 2,325,168,238

Other Revenues 3,752,114 34.54 129,598,018

Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received 35.83 2,454,766,256

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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): W/P-1

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

Line No.	Acct No.	Description	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
2						
3	252	Customer Advances	W/P-1-7	\$ 14,876,886		\$14,876,886
4					100.00%	
5	271	Contributions in Aid of Constr	W/P-1-7	\$ 46,746,111		\$46,746,111
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						
13						
14						
15						
16	282	Deferred Taxes:	W/P-1-8	\$36,290,880		\$36,290,880
17		Utility Plant in Service	W/P-1-8	773,930		773,930
18		Deferred Maintenance	W/P-1-8	683,730		683,730
19		Deferred Debits				
20						
21						
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				<u>37,748,639</u>		<u>\$37,748,540</u>

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 \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ 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	\$21,998,976	100.00%	\$21,998,976	\$19,881,239
4							
5	271	Contributions in Aid of Constr	W/P-1-7	\$50,361,516		\$50,361,516	\$49,781,990
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	\$39,493,220		\$39,493,220	\$38,383,250
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							
21			3,324,188				
22							
23							
24							
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48							
49							
50				\$41,467,444		\$41,467,444	\$40,098,238

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				
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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
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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
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 2004 - 2008 AND BASE AND FORECASTED PERIODS

SCHEDULE B-8  
PAGE 2 OF 2  
Witness Responsible: M.A. Miller

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

Line No.	Description	Forecasted Period	% Change	Base Period	2008	% Change	2007	% Change	2006	% Change	2005	% Change	2004
2	<b>Common Equity</b>												
3	Common Stock Issued	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%
4	Paid-In-Capital	89,669,750	36.55%	65,669,750	172.19%	24,126,505	199.47%	8,056,319	0.00%	8,056,319	14250.66%	56,139	76.65%
5	Retained Earnings	31,808,522	-16.68%	38,176,137	16.35%	32,812,189	8.79%	30,159,867	5.44%	28,603,877	5.62%	27,082,028	23,687,241
7	Total Common Equity	158,047,049	12.56%	140,414,664	50.16%	93,507,471	25.04%	74,784,963	2.12%	73,228,973	14.95%	63,706,944	60,267,797
8	Preferred Stock Issued	5,935,810	0.01%	5,935,170	307.75%	1,455,600	-0.76%	1,466,700	0.04%	1,466,100	-0.18%	1,468,700	6,048,500
9	Long-Term Debt	187,066,176	33.35%	140,281,562	72.76%	81,200,000	-3.68%	84,300,000	54.96%	64,400,000	-33.25%	81,500,000	82,500,000
10	Current Portion - LTD		0.00%		-100.00%	3,100,000	0.00%	3,100,000	-88.56%	27,100,000	0.00%		0.00%
11	Total Capitalization	351,049,035	22.47%	286,631,396	59.89%	179,263,071	9.54%	163,651,663	4.77%	156,195,073	6.49%	146,675,644	148,816,297
13	<b>Current and Accrued Liabilities</b>												
14	Notes Payable	\$ 9,315,624	-74.42%	\$ 36,423,788	-29.72%	51,825,821	186.08%	18,115,917	449.46%	3,297,056	-58.75%	7,992,103	1,090,837
15	Accounts Payable	5,337,000	-45.89%	9,864,090	16.80%	8,445,101	29.78%	6,507,358	-10.82%	7,296,805	36.39%	5,350,141	5,295,185
16	Accrued Taxes	2,073,000	-30.78%	2,994,673	-866.45%	(930,722)	-108.04%	4,862,016	8,362,122	227.97%	2,549,648	78,235	
17	Accrued Interest	1,683,000	-44.33%	3,023,142	162.96%	1,149,643	0.56%	1,143,224	611,746	86.88%	1,365,851	1,458,572	
18	Customer Deposits		0.00%		0.00%		0.00%			0.00%	65,560	899.39%	
19	Dividends Declared		0.00%		0.00%		0.00%			0.00%		6,560	
20	Other	3,290,959	-48.56%	6,397,612	11.26%	5,750,304	75.98%	3,267,524	5,699,322	-42.67%	6,026,034	122.35%	2,710,112
21	Total Current and Accrued Liabilities	21,699,583	-63.04%	58,703,305	-12.09%	66,780,147	97.01%	33,896,039	25,267,051	34.15%	23,349,337	119.46%	10,639,501
23	<b>Deferred Credits</b>												
24	Customer Advances	19,881,239	33.64%	14,876,886	24.85%	11,916,027	-18.68%	14,653,091	16,492,638	-11.15%	16,448,419	4.25%	15,777,400
25	Deferred Income Taxes	40,098,238	6.22%	37,748,540	-0.54%	37,953,254	14.76%	33,072,254	35,167,944	-3.10%	36,293,243	4.45%	34,747,208
26	Accumulated Deferred ITC	942,228	-6.98%	1,012,888	-10.60%	1,133,014	-6.96%	1,217,811	1,302,648	-6.51%	1,365,134	-6.54%	1,460,729
27	Other	3,425,000	-51.74%	7,097,327	-54.34%	15,544,878	-2.40%	15,927,116	13,468,782	18.25%	12,705,279	113.60%	5,948,288
28	Total Deferred Credits	64,346,705	5.95%	60,735,641	-8.73%	66,547,173	2.59%	64,870,272	66,432,012	-2.35%	66,812,075	15.33%	57,933,605
30	Contributions in Aid of Construction	49,781,990	6.49%	46,746,111	-0.15%	46,815,475	7.41%	43,585,315	39,835,232	9.41%	35,681,810	10.73%	32,223,395
31	Total Liabilities	\$486,877,314	7.52%	\$452,816,453	25.99%	\$359,405,866	17.45%	\$306,003,289	\$287,729,368	6.35%	\$272,518,866	9.18%	\$249,612,798

**SCHEDULE C**  
**OPERATING INCOME SUMMARY**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

Schedule	Description
C-2	Adjusted Operating Income Statement
C-2.1	Operating Revenues and Expenses by Account - Jurisdictional
C-2.2(a)	Comparison of Total Company Account Balances-Base Period
C-2.2(b)	Comparison of Total Company Account Balances-Forecasted Period

For electronic version, see KAW\_SAPP\_EX37C\_071510.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: \_\_\_ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	\$68,505,603	\$25,302,362	\$93,807,965
4	Operating Expenses			
7	Operation and Maintenance	35,007,632	198,267	35,205,899
8	Depreciation and Amortization	11,118,204	0	11,118,204
11	Taxes Other Than Income	5,155,650	40,939	5,196,589
13	State Income Taxes	216,539	1,503,789	1,720,328
15	Federal Income Taxes	1,300,274	8,245,778	9,546,052
17	Total Operating Expenses	52,798,299	9,988,773	62,787,072
19	Utility Operating Income	\$15,707,304	\$15,313,589	\$31,020,893
22	Rate Base	\$363,668,114		\$363,668,114
25	Rate of Return	4.32%		8.53%

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: ORIGINAL X UPDATED X 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
1	<b>Operating Revenues</b>				
2	Water Sales	\$62,671,076	\$2,082,412	Sch D-1	\$ 64,753,488
3	Other Operating Revenues	2,970,518	781,597	Sch D-1	3,752,115
4		<u>65,641,594</u>	<u>2,864,009</u>		<u>68,505,603</u>
5					
6	<b>Operating Expenses</b>				
7	Labor	6,984,082	800,774	Sch D-1	7,784,856
8	Purchased Water	118,103	2,552	Sch D-1	120,655
9	Fuel and Power	3,100,205	1,275,379	Sch D-1	4,375,584
10	Chemicals	1,981,267	(208,537)	Sch D-1	1,772,730
11	Waste Disposal	264,013	76,213	Sch D-1	340,226
12	Management Fees	8,564,322	701,614	Sch D-1	9,265,936
13	Group Insurance	2,195,367	(2,995)	Sch D-1	2,192,372
14	Pensions	1,266,973	(283,965)	Sch D-1	983,008
15	Regulatory Expense	303,936	87,392	Sch D-1	391,328
16	Insurance Other than Group	555,349	138,178	Sch D-1	693,527
17	Customer Accounting	1,725,382	(12,529)	Sch D-1	1,712,853
18	Rents	30,977	(3,323)	Sch D-1	27,654
19	General Office Expense	574,101	65,677	Sch D-1	639,778
20	Miscellaneous	3,042,144	392,640	Sch D-1	3,434,784
21	Maintenance - Other	1,357,335	(84,994)	Sch D-1	1,272,341
22					
23	Total O & M Expenses	<u>32,063,556</u>	<u>2,944,076</u>		<u>35,007,632</u>
24					
25	Depreciation	7,508,542	3,375,941	Sch D-1	10,884,483
26	Amortization	518,460	(284,739)	Sch D-1	233,721
27	General Taxes				
28	Property and Capital Stock	3,123,081	1,321,669	Sch D-1	4,444,750
29	Gross Receipts and Sales	234,310	(124,484)	Sch D-1	109,826
30	Payroll	535,276	65,798	Sch D-1	601,074
31	Miscellaneous	0	0	Sch D-1	0
32	State Income Taxes				
33	Current	164,502	(289,723)	Sch E-1.5	(125,221)
34	Deferred	1,072,111	(730,351)	Sch E-1.5	341,760
35					
36					
37	Federal Income Taxes				
38	Current	(603,646)	(82,985)	Sch E-1.5	(686,631)
39	Deferred	7,377,765	(5,306,063)	Sch E-1.5	2,071,702
40	Deferred - ITC	(84,798)	1	Sch E-1.5	(84,797)
41					
42					
43					
44	Total Operating Expenses	<u>51,909,159</u>	<u>889,140</u>		<u>52,798,299</u>
45					
46	Utility Operating Income	<u>\$13,732,435</u>	<u>\$1,974,969</u>		<u>\$15,707,304</u>
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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: \_\_\_\_ ORIGINAL\_X\_UPDATED\_X\_REVISED  
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
1	<b>Operating Revenues</b>				
2	Water Sales	\$62,671,076		\$62,671,076	
3	Other Operating Revenues	2,970,518	100.00%	2,970,518	Not Applicable to Kentucky-American Water Company
4					
5		<u>65,641,594</u>		<u>65,641,594</u>	
6	<b>Operating Expenses</b>				
7	Labor	6,984,082		6,984,082	
8	Purchased Water	118,103		118,103	
9	Fuel and Power	3,100,205		3,100,205	
10	Chemicals	1,981,267		1,981,267	
11	Waste Disposal	264,013		264,013	
12	Management Fees	8,564,322		8,564,322	
13	Group Insurance	2,195,367		2,195,367	
14	Pensions	1,266,973		1,266,973	
15	Regulatory Expense	303,936		303,936	
16	Insurance Other than Group	555,349		555,349	
17	Customer Accounting	1,725,382		1,725,382	
18	Rents	30,977		30,977	
19	General Office Expense	574,101		574,101	
20	Miscellaneous	3,042,144		3,042,144	
21	Maintenance - Other	1,357,335		1,357,335	
22					
23	<u>Total O &amp; M Expenses</u>	<u>32,063,556</u>		<u>32,063,556</u>	
24					
25	Depreciation	7,508,542		7,508,542	
26	Amortization	518,460		518,460	
27	General Taxes				
28	Property and Capital Stock	3,123,081		3,123,081	
29	Gross Receipts and Sales	234,310		234,310	
30	Payroll	535,276		535,276	
31	Miscellaneous	0		0	
32	State Income Taxes				
33	Current	164,502		164,502	
34	Deferred	1,072,111		1,072,111	
35					
36					
37	Federal Income Taxes				
38	Current	(603,646)		(603,646)	
39	Deferred	7,377,765		7,377,765	
40	Deferred - ITC	(84,798)		(84,798)	
41					
42					
43					
44	<u>Total Operating Expenses</u>	<u>51,909,159</u>		<u>51,909,159</u>	
45					
46	<u>Utility Operating Income</u>	<u>\$13,732,435</u>		<u>\$13,732,435</u>	
47					
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
ACCOUNT	408140 FUTA Oper AG												
BASE PERIOD	83	123	121	112	16	0	28	5,058	1,772	(370)	126	199	7,267
FORECAST	0	0	0	4,929	2,091	64	0	0	0	0	0	0	7,084
DIFFERENCE	83	123	121	(4,817)	(2,075)	(64)	28	5,058	1,772	(370)	126	199	183
										PERCENT CHANGE			2.58%
ACCOUNT	408160 FICA Oper AG												
BASE PERIOD	42,681	46,041	40,944	42,160	41,156	38,520	44,433	53,729	39,129	39,296	42,509	42,950	513,547
FORECAST	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)	(3,914)	2,329	(11,308)	(11,845)	(11,046)	(8,303)	(86,290)
										PERCENT CHANGE			-14.39%
ACCOUNT	408180 SUTA Oper AG												
BASE PERIOD	148	236	229	228	65	0	48	9,159	4,389	(684)	246	398	14,463
FORECAST	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)	48	9,159	4,389	(684)	246	398	5,358
										PERCENT CHANGE			58.85%
ACCOUNT	409100 SIT-Current												
BASE PERIOD	69,235	49,121	45,701	200,880	68,261	50,325	114,185	77,595	41,728	(431,314)	73,119	85,698	444,535
FORECAST	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)	48,404	(6,228)	(56,698)	(562,090)	(79,193)	(67,624)	(790,711)
										PERCENT CHANGE			-64.01%
ACCOUNT	409111 SIT-Prior Year Adj												
BASE PERIOD	40,334	0	0	(984,658)	0	378,393	546,269	0	(60,000)	(257,971)	0	0	(337,633)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	40,334	0	0	(984,658)	0	378,393	546,269	0	(60,000)	(257,971)	0	0	(337,633)
										PERCENT CHANGE			100.00%
ACCOUNT	409150 FIT-Current												
BASE PERIOD	263,819	(42,571)	22,241	1,109,907	179,136	(9,519)	564,670	425,480	287,142	(2,431,066)	605,100	499,075	1,473,416
FORECAST	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)	104,205	(161,278)	(401,843)	(3,346,495)	(461,083)	(574,178)	(7,206,302)
										PERCENT CHANGE			-83.02%
ACCOUNT	409160 FIT-Prior Year Adj												
BASE PERIOD	40,678	0	0	(3,046,369)	0	(132,437)	(1,299,387)	0	0	1,846,951	0	0	(2,590,564)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	40,678	0	0	(3,046,369)	0	(132,437)	(1,299,387)	0	0	1,846,951	0	0	(2,590,564)
										PERCENT CHANGE			100.00%
ACCOUNT	409210 SIT-Other Inc & Ded-curr												
BASE PERIOD	(1,469)	(240)	(121)	(2,509)	476	(8,094)	(15,354)	(6,249)	(403)	(5,085)	(1,898)	(1,435)	(42,380)
FORECAST	(1,469)	(240)	(121)	(2,509)	476	(8,094)	(15,354)	(6,249)	(403)	(5,085)	(1,898)	(1,435)	(42,380)
DIFFERENCE	(1,469)	(240)	(121)	(2,509)	476	(8,094)	(15,354)	(6,249)	(403)	(5,085)	(1,898)	(1,435)	(42,380)
										PERCENT CHANGE			100.00%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
ACCOUNT	409220 FIT-Oth Inc & Ded-curr												
BASE PERIOD	(5,848)	(176)	(89)	(15,653)	1,322	(61,373)	(84,192)	(34,265)	(2,208)	(27,882)	(10,408)	(7,868)	(248,640)
FORECAST													
DIFFERENCE	(5,848)	(176)	(89)	(15,653)	1,322	(61,373)	(84,192)	(34,265)	(2,208)	(27,882)	(10,408)	(7,868)	(248,640)
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	410400 Def SIT-Reg Asset/Liab												
BASE PERIOD	380	380	380	380	380	380	380	733	733	733	733	733	6325
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	380	380	380	380	380	380	380	733	733	733	733	733	6325
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	410600 Def SIT-Prior Year Adjust												
BASE PERIOD	50,989	86,280	74,901	904,497	53,149	-344,899	-511,717	-4,902	27,053	832,003	-14,291	21,839	1,174,901
FORECAST	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	-511,717	-4,902	27,053	832,003	-14,291	21,839	1,174,901
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	410700 Def FIT-Reg Asset/Liab												
BASE PERIOD	18,564	18,564	18,564	18,564	18,564	18,564	18,564	20,499	20,499	20,499	20,499	20,499	232,443
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	18,564	18,564	18,564	18,564	18,564	18,564	18,564	20,499	20,499	20,499	20,499	20,499	232,443
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	410900 Def FIT-PY Adj Liab												
BASE PERIOD	394,621	786,793	640,062	2,432,711	489,944	623,272	1,172,185	-26,880	148,339	1,142,053	-78,362	119,748	7,844,487
FORECAST	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	1,172,185	-26,880	148,339	1,142,053	-78,362	119,748	7,844,487
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	412210 ITC Restored- 3%												
BASE PERIOD	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(7,652)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(7,652)
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	412220 ITC Restored- 4%												
BASE PERIOD	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(6,305)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(525)	(6,305)
										PERCENT CHANGE	PERCENT CHANGE		100.00%
ACCOUNT	412230 ITC Restored-10%												
BASE PERIOD	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(70,840)
FORECAST	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)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(5,903)	(70,840)
										PERCENT CHANGE	PERCENT CHANGE		100.00%

**KENTUCKY-AMERICAN WATER COMPANY**  
CASE NO. 2008.00427  
**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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
ACCOUNT	415100 M&J Revenues-Outside												
BASE PERIOD	(4,747)	(4,621)	8,536	(13,858)	(19,339)	(4,674)	(8,425)	(31,268)	(15,522)	(23,780)	(42,210)	(8,672)	(168,582)
FORECAST	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)	(8,425)	(31,268)	(15,522)	(23,780)	(42,210)	(8,672)	(168,582)
											PERCENT CHANGE		100.00%
ACCOUNT	416100 M&J Expenses-Outside												
BASE PERIOD	3,171	13,941	-12,118	11,171	1,000	20,550	30,589	10,504	-3,726	13,488	41,496	6,654	136,721
FORECAST	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	30,589	10,504	-3,726	13,488	41,496	6,654	136,721
											PERCENT CHANGE		100.00%
ACCOUNT	416110 M&J Expenses-Inside												
BASE PERIOD	0	113	0	456	0	0	0	957	412	0	40	547	2,525
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	113	0	456	0	0	0	957	412	0	40	547	2,525
											PERCENT CHANGE		100.00%
ACCOUNT	419300 Int Inc - Outside												
BASE PERIOD	0	0	0	0	0	0	0	0	0	-2,241	0	0	-2,241
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	-2,241	0	0	-2,241
											PERCENT CHANGE		100.00%
ACCOUNT	420100 AFUDC - Equity												
BASE PERIOD	(352,260)	(123,729)	(171,770)	(173,271)	(163,520)	(181,414)	(198,971)	(210,006)	(239,526)	(263,044)	(275,366)	(291,847)	(2,644,723)
FORECAST	(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)	(184,479)	(195,514)	(225,034)	(248,552)	(260,874)	(277,355)	(2,304,337)
											PERCENT CHANGE		676.98%
ACCOUNT	420210 AFUDC Debt												
BASE PERIOD	(175,989)	(61,812)	(85,813)	(86,064)	(81,691)	(91,386)	(99,402)	(104,159)	(119,662)	(131,411)	(137,578)	(145,841)	(1,320,806)
FORECAST	(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)	(87,551)	(92,308)	(107,811)	(119,560)	(125,727)	(133,990)	(1,061,063)
											PERCENT CHANGE		408.50%
ACCOUNT	425300 Amtz UPAA												
BASE PERIOD	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(425)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(425)
											PERCENT CHANGE		100.00%
ACCOUNT	426100 Donations Deduct												
BASE PERIOD	11,550	1,583	2,848	11,312	1,300	1,359	44,725	5,975	20,293	2,943	6,000	19,327	129,215
FORECAST	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)	(16,308)	(22,442)	(8,124)	(25,474)	(22,417)	(9,090)	(211,039)
											PERCENT CHANGE		-62.02%

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2008.00427**  
**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 ORIGINAL X UPDATED REVISED  
 WORKPAPER REFERENCE NO(s):  
 WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
 SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 11	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
426160 Other Lobbying Expenses													
BASE PERIOD	4,006	4,720	4,682	4,918	4,533	4,560	4,872	4,509	10,046	7,634	(940)	5,550	59,091
FORECAST	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	4,872	4,509	10,046	7,634	(940)	5,550	59,091
											PERCENT CHANGE		100.00%
ACCOUNT													
426200 Other Income Deductions													
BASE PERIOD	30,390	390	660	4,463	2,750	37,279	189,817	113,159	2,490	88,920	28,638	923	499,878
FORECAST	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	183,918	111,176	(2,085)	87,213	26,332	(2,567)	470,875
											PERCENT CHANGE		1623.54%
ACCOUNT													
426410 Non-Op Empl Exp Deduct													
BASE PERIOD	0	0	0	790	0	0	0	0	0	0	0	127	917
FORECAST	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	127	917
											PERCENT CHANGE		100.00%
ACCOUNT													
427100 Int Ltd-Out-Reg													
BASE PERIOD	475,719	365,396	420,558	420,558	420,558	420,558	420,558	420,558	420,558	419,966	402,810	402,810	5,010,604
FORECAST	998,741	998,741	998,741	923,132	923,132	922,540	905,384	905,384	905,384	905,384	905,384	905,384	11,197,331
DIFFERENCE	(523,022)	(633,345)	(578,183)	(502,574)	(502,574)	(501,982)	(484,826)	(484,826)	(484,826)	(485,418)	(502,574)	(502,574)	(6,186,727)
											PERCENT CHANGE		-55.25%
ACCOUNT													
428000 Amort Debt Discount & Ex													
BASE PERIOD	7,332	15,484	8,952	8,883	14,905	10,718	10,444	10,108	10,108	2,092	10,115	10,115	119,257
FORECAST	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)	67	(6,465)	(6,534)	(512)	(4,699)	(4,973)	(5,309)	(5,309)	(13,325)	(5,302)	(5,302)	(65,747)
											PERCENT CHANGE		-35.54%
ACCOUNT													
431100 Interest on Short Term Debt													
BASE PERIOD	40,565	22,937	16,459	13,935	11,276	9,735	8,406	7,411	7,440	9,439	12,307	14,985	174,895
FORECAST	47,165	16,368	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)	(19,074)	(22,286)	(32,730)	(49,478)	(47,164)	(49,945)	(293,600)
											PERCENT CHANGE		-62.67%
ACCOUNT													
431200 Other Interest Expense													
BASE PERIOD	0	8,152	0	3	0	765	0	0	0	(8,153)	0	0	768
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	8,152	0	3	0	765	0	0	0	(8,153)	0	0	768
											PERCENT CHANGE		100.00%
ACCOUNT													
437100 Div Dec PS Out s/man													
BASE PERIOD	38,273	38,273	38,273	38,273	38,273	38,273	38,273	38,273	38,190	38,231	38,231	38,231	459,068
FORECAST	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	26,422	26,422	26,339	26,380	26,380	26,380	199,325
											PERCENT CHANGE		76.74%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
438200 Div Dec Common Stk - In	0	0	0	2,006,260	0	0	2,899,673	0	0	1,473,348	0	0	7,868,303
BASE PERIOD	1,489,021	0	0	2,006,260	0	0	2,899,673	0	0	1,473,348	0	0	8,095,924
FORECAST	0	0	285,653	0	0	1,483,036	0	0	1,845,474	0	0	4,481,761	(227,621)
DIFFERENCE	1,489,021	0	(285,653)	2,006,260	0	(1,483,036)	2,899,673	0	(1,845,474)	1,473,348	0	(4,481,761)	-2.81%
										PERCENT CHANGE			
461100 Res Sales Billed													
BASE PERIOD	(2,709,556)	(3,213,004)	(3,106,357)	(3,033,825)	(2,866,905)	(2,641,359)	(2,712,837)	(2,836,646)	(2,527,499)	(2,566,056)	(2,833,605)	(2,679,152)	(33,726,803)
FORECAST	(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)	(34,978,000)
DIFFERENCE	610,344	(363,804)	(406,057)	(353,625)	(335,905)	38,841	(153,737)	(112,546)	412,301	661,244	557,295	696,848	1,251,197
										PERCENT CHANGE			-3.58%
461110 Res Sales Unbilled													
BASE PERIOD	(227,699)	(163,312)	53,035	23,650	(61,734)	155,000	170,101	101,485	(48,146)	(144,146)	309,383	(234,402)	(66,784)
FORECAST	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	170,101	101,485	(48,146)	(144,146)	309,383	(234,402)	(66,784)
										PERCENT CHANGE			100.00%
461200 Com Sales Billed													
BASE PERIOD	(1,238,179)	(1,545,734)	(1,547,093)	(1,471,477)	(1,429,022)	(1,242,648)	(1,216,787)	(1,260,984)	(1,140,515)	(1,160,150)	(1,375,759)	(1,299,848)	(15,928,195)
FORECAST	(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)	(17,788,600)
DIFFERENCE	465,421	(68,034)	(207,993)	(159,377)	(161,822)	132,252	83,113	159,916	320,485	460,750	377,241	458,452	1,860,405
										PERCENT CHANGE			-10.46%
461210 Com Sales Unbilled													
BASE PERIOD	(159,612)	(67,752)	(13,711)	34,678	(15,283)	(46,209)	114,497	159,217	77,018	(99,595)	69,592	(38,104)	14,735
FORECAST	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)	114,497	159,217	77,018	(99,595)	69,592	(38,104)	14,735
										PERCENT CHANGE			100.00%
461300 Ind Sales Billed													
BASE PERIOD	(92,949)	(158,227)	(149,829)	(155,839)	(161,376)	(123,682)	(127,785)	(130,630)	(124,283)	(115,277)	(137,267)	(121,727)	(1,598,870)
FORECAST	(148,200)	(135,200)	(114,200)	(113,400)	(125,000)	(143,100)	(137,400)	(162,000)	(111,800)	(158,200)	(156,200)	(163,400)	(1,668,100)
DIFFERENCE	55,251	(23,027)	(35,629)	(42,439)	(36,376)	19,418	9,615	31,370	(12,483)	42,923	18,933	41,673	69,230
										PERCENT CHANGE			-4.15%
461310 Ind Sales Unbilled													
BASE PERIOD	(40,809)	10,629	(10,987)	(11,382)	6,910	10,381	2,926	41,688	(10,169)	(13,437)	14,960	(22,921)	(22,212)
FORECAST	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	2,926	41,688	(10,169)	(13,437)	14,960	(22,921)	(22,212)
										PERCENT CHANGE			100.00%
461400 Misc Sales Billed													
BASE PERIOD	(2,123)	(2,403)	(2,228)	(329)	(552)	53	(1,827)	(657)	(142)	(2)	(49,651)	(2,537)	(62,398)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(2,123)	(2,403)	(2,228)	(329)	(552)	53	(1,827)	(657)	(142)	(2)	(49,651)	(2,537)	(62,398)
										PERCENT CHANGE			100.00%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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	(269,412)	(12,359)	(118,950)	(138,673)	(138,866)	(137,792)	(136,690)	(139,470)	(141,467)	(166,897)	(152,125)	(140,863)	(1,693,564)
FORECAST	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(1,694,400)
DIFFERENCE	(130,712)	126,341	19,750	27	(166)	908	2,010	(770)	(2,767)	(28,197)	(13,425)	(2,163)	(29,164)
										PERCENT CHANGE			1.75%
463000 Pub Fire Prot Ser Billed													
BASE PERIOD	(225,483)	(226,072)	(226,072)	(226,072)	(226,072)	(226,063)	(226,134)	(226,134)	(227,126)	(233,725)	(227,631)	(227,807)	(2,724,391)
FORECAST	(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	(34)	(34)	(1,026)	(7,625)	(1,531)	(1,707)	(11,191)
										PERCENT CHANGE			0.41%
464200 Pub Auth Billed													
BASE PERIOD	(368,672)	(498,395)	(547,683)	(519,977)	(500,476)	(403,334)	(371,871)	(400,158)	(394,512)	(402,989)	(401,369)	(444,030)	(5,253,467)
FORECAST	(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)	(14,771)	25,442	78,288	98,111	159,731	180,170	72,533
										PERCENT CHANGE			-1.36%
464210 Pub Auth Unbilled													
BASE PERIOD	(117,770)	(10,450)	17,124	(38,303)	10,906	67,867	2,880	59,849	(23,590)	(9,447)	20,250	13,602	(7,084)
FORECAST	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	2,880	59,849	(23,590)	(9,447)	20,250	13,602	(7,084)
										PERCENT CHANGE			100.00%
466000 Sales for Resale-Billed													
BASE PERIOD	(116,689)	(186,377)	(160,714)	(139,063)	(141,046)	(118,457)	(121,817)	(137,407)	(117,719)	(112,897)	(120,760)	(115,102)	(1,588,048)
FORECAST	(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	741	(68,947)	(43,284)	(21,633)	(23,616)	(1,027)	(4,387)	(19,977)	(289)	4,533	(3,330)	2,328	(178,888)
										PERCENT CHANGE			12.69%
466100 Sales for Resale-Unbilled													
BASE PERIOD	(66,588)	32,525	(4,972)	(32,623)	25,295	(29,838)	53,420	9,725	(7,148)	(3,269)	10,912	(1,442)	(14,003)
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	(66,588)	32,525	(4,972)	(32,623)	25,295	(29,838)	53,420	9,725	(7,148)	(3,269)	10,912	(1,442)	(14,003)
										PERCENT CHANGE			100.00%
470000 Oth Rev - Forfeited Discount													
BASE PERIOD	0	0	0	0	35	0	0	0	0	(35)	0	0	0
FORECAST	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	35	0	0	0	0	(35)	0	0	0
										PERCENT CHANGE			100.00%
471100 Reconnection/Activation Charges													
BASE PERIOD	(133,384)	(124,796)	(126,390)	(139,724)	(114,036)	(103,584)	(91,832)	(85,715)	(104,156)	(102,572)	(115,628)	(113,126)	(1,354,943)
FORECAST	(105,820)	(109,460)	(98,514)	(102,934)	(114,478)	(119,210)	(113,360)	(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	21,528	34,509	1,976	5,432	(14,462)	(13,130)	(55,645)
										PERCENT CHANGE			4.28%









KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
677200 Labor Mtn TD Hydrants	18,143	14,375	18,782	13,933	16,700	22,598	7,969	8,470	11,991	9,395	12,040	13,686	168,083
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	18,143	14,375	18,782	13,933	16,700	22,598	7,969	8,470	11,991	9,395	12,040	13,686	168,083
DIFFERENCE										PERCENT CHANGE			100.00%
678100 M&S Maint TD	73,929	44,433	46,087	57,105	21,788	30,434	36,975	36,446	41,987	57,249	38,354	37,993	522,780
BASE PERIOD	39,974	40,455	41,455	29,298	29,298	29,298	41,949	43,989	40,937	41,439	41,439	46,539	466,070
FORECAST	33,955	3,978	4,632	27,807	(7,510)	1,136	(4,974)	(7,543)	1,050	15,810	(3,085)	(8,546)	56,710
DIFFERENCE										PERCENT CHANGE			12.17%
903100 Misc Oper CA	1,109	(326)	(539)	54	2,086	316	(2,291)	1,647	(1,099)	(383)	(402)	15	189
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	1,109	(326)	(539)	54	2,086	316	(2,291)	1,647	(1,099)	(383)	(402)	15	189
DIFFERENCE										PERCENT CHANGE			100.00%
903200 Labor Oper CA	110,709	76,610	73,754	70,456	72,936	95,219	73,346	70,399	72,122	74,568	66,380	73,434	929,933
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	110,709	76,610	73,754	70,456	72,936	95,219	73,346	70,399	72,122	74,568	66,380	73,434	929,933
DIFFERENCE										PERCENT CHANGE			100.00%
903300 Bank Service Charges CA	23,136	26,264	24,170	26,795	21,649	28,578	25,045	23,208	25,617	33,644	28,540	20,581	307,227
BASE PERIOD	24,103	25,133	33,167	25,446	24,916	25,977	34,252	25,446	24,916	25,977	34,252	25,446	329,031
FORECAST	(967)	1,131	(8,997)	1,349	(3,267)	2,601	(9,207)	(2,238)	701	7,667	(5,712)	(4,865)	(21,804)
DIFFERENCE										PERCENT CHANGE			-6.63%
903520 Billing & Accounting Other Exp	77,978	73,452	78,699	76,392	79,432	76,543	72,447	75,010	74,519	85,658	85,256	80,246	935,632
BASE PERIOD	76,241	74,641	74,641	78,528	76,880	76,880	78,528	76,880	76,880	78,528	76,880	76,880	922,387
FORECAST	1,737	(1,189)	4,058	(2,136)	2,552	(337)	(6,081)	(1,870)	(2,361)	7,130	8,376	3,366	13,245
DIFFERENCE										PERCENT CHANGE			1.44%
904000 Uncollectible Accounts	69,313	71,363	40,524	20,928	77,566	28,594	1,839	44,631	(1,042)	(3,658)	48,354	79,982	478,393
BASE PERIOD	78,904	72,159	68,364	61,934	60,271	64,172	60,971	64,881	67,813	74,053	78,201	78,555	830,278
FORECAST	(9,591)	(796)	(27,840)	(41,006)	17,295	(35,578)	(59,132)	(20,250)	(68,855)	(77,711)	(29,847)	1,427	(351,885)
DIFFERENCE										PERCENT CHANGE			-42.38%
905100 M&S Oper CA	438	1,017	(608)	(152)	290	(150)	1,114	330	718	1,026	(188)	110	3,945
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	438	1,017	(608)	(152)	290	(150)	1,114	330	718	1,026	(188)	110	3,945
DIFFERENCE										PERCENT CHANGE			100.00%



**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2008.00427**  
**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 ORIGINAL X UPDATED REVISED  
 WORKPAPER REFERENCE NO(s):

WITNESS RESPONSIBLE: M.MILLER / S. MILLER

SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
923500 Contr Svc-Eng Oper AG													
BASE PERIOD	91,068	45,555	65,979	100,652	53,866	20,406	48,664	35,945	12,259	48,317	62,540	61,191	646,442
FORECAST	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)	(2,344)	(30,451)	(59,983)	(8,396)	14,754	658	(25,459)
											PERCENT CHANGE		-3.79%
924000 Insur Other Oper AG													
BASE PERIOD	13,353	13,384	13,348	13,348	13,348	13,348	13,348	10,904	11,293	10,807	11,676	10,906	149,065
FORECAST	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	13,348	10,904	11,293	10,807	11,676	10,906	149,065
											PERCENT CHANGE		100.00%
925110 Ins Work Comp Cap Credi													
BASE PERIOD	11,290	12,663	12,554	12,464	12,621	10,284	12,532	10,633	10,837	10,797	10,593	10,646	137,913
FORECAST	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	12,532	10,633	10,837	10,797	10,593	10,646	137,913
											PERCENT CHANGE		100.00%
925300 Injuries and Damages													
BASE PERIOD	175	(175)	(1,984)	0	0	0	0	0	0	0	0	0	(1,984)
FORECAST	0	0	1,000	0	0	0	0	0	1,030	0	0	0	2,030
DIFFERENCE	175	(175)	(2,984)	0	0	0	0	0	(1,030)	0	0	0	(4,014)
											PERCENT CHANGE		-197.72%
925400 Insur Gen Liab Oper AG													
BASE PERIOD	34,979	29,384	29,022	(15,131)	29,384	29,384	34,351	31,214	31,888	(29,263)	31,537	31,622	288,372
FORECAST	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)	(41,630)	(44,767)	(44,093)	(105,244)	(44,444)	(44,359)	(620,390)
											PERCENT CHANGE		-69.80%
926100 PBOP Exp													
BASE PERIOD	80,700	89,058	85,254	83,939	86,210	59,842	87,446	82,746	82,930	81,837	81,775	81,727	983,465
FORECAST	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)	10,196	5,496	5,680	4,587	4,525	4,477	63,215
											PERCENT CHANGE		6.87%
926110 Group Ins Oper AG													
BASE PERIOD	78,094	101,118	105,165	108,102	107,777	95,115	109,652	102,433	102,937	99,509	100,655	101,345	1,211,902
FORECAST	110,083	110,083	110,083	110,083	110,083	110,083	110,083	129,218	129,227	129,227	129,227	129,929	1,417,409
DIFFERENCE	(31,989)	(8,965)	(4,918)	(1,981)	(2,306)	(14,968)	(431)	(26,785)	(26,290)	(29,718)	(28,572)	(28,584)	(205,507)
											PERCENT CHANGE		-14.50%
926200 Other Welf Oper CA													
BASE PERIOD	4,576	7,679	6,545	6,484	4,653	5,145	4,489	12,934	3,110	11,811	(3,971)	7,943	71,398
FORECAST	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)	(693)	9,039	(70)	4,620	(12,707)	1,782	(17,594)
											PERCENT CHANGE		-19.77%

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2008.00427  
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 ORIGINAL X UPDATED REVISED  
WORKPAPER REFERENCE NO(s):  
WITNESS RESPONSIBLE: M.MILLER / S. MILLER  
SCHEDULE C-2.2

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
BASE PERIOD	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	
ACCOUNT 926220 ESPP Oper AG	577	577	577	319	319	319	482	482	123	333	333	333	4,774
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	577	577	577	319	319	319	482	482	123	333	333	333	4,774
DIFFERENCE													100.00%
ACCOUNT 926250 401k Oper AG	8,588	10,508	8,747	9,324	9,088	7,651	7,196	9,771	9,089	15,125	9,185	9,533	113,803
BASE PERIOD	11,099	12,249	12,717	11,612	10,488	12,394	11,345	12,067	11,826	12,013	12,607	12,227	142,644
FORECAST	(2,511)	(1,741)	(3,970)	(2,288)	(1,400)	(4,743)	(4,149)	(2,296)	(2,737)	3,112	(3,422)	(2,694)	(28,841)
DIFFERENCE										PERCENT CHANGE			-20.22%
ACCOUNT 926400 Pension Current Expense	139,476	139,486	139,477	139,476	139,476	139,232	139,477	109,281	109,281	109,281	109,281	109,281	1,522,505
BASE PERIOD	50,479	50,479	50,479	50,479	50,479	50,479	50,479	109,317	109,317	104,498	104,498	104,498	885,481
FORECAST	88,997	89,007	88,998	88,997	88,997	88,753	88,998	(36)	4,783	4,783	4,783	(776,200)	(139,140)
DIFFERENCE										PERCENT CHANGE			-15.71%
ACCOUNT 926600 DCP	8,754	9,293	9,080	10,441	9,689	8,982	9,218	8,947	8,665	10,724	10,534	10,579	114,906
BASE PERIOD	10,621	11,315	11,825	10,651	10,314	11,860	10,808	11,351	11,345	10,824	11,815	11,344	134,073
FORECAST	(1,867)	(2,022)	(2,745)	(210)	(625)	(2,878)	(1,590)	(2,404)	(2,680)	(100)	(1,282)	(765)	(19,167)
DIFFERENCE										PERCENT CHANGE			-14.30%
ACCOUNT 926800 Pension capitalized credits	(27,086)	(15,740)	(22,340)	(24,248)	(20,950)	(60,895)	(18,282)	(14,273)	(12,798)	(12,907)	(12,980)	(13,036)	(255,535)
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
FORECAST	(27,086)	(15,740)	(22,340)	(24,248)	(20,950)	(60,895)	(18,282)	(14,273)	(12,798)	(12,907)	(12,980)	(13,036)	(255,535)
DIFFERENCE										PERCENT CHANGE			100.00%
ACCOUNT 928100 Reg Comm Rate Case Amort	23,605	23,803	24,621	24,010	24,010	24,010	24,146	24,029	24,029	24,029	24,029	24,029	288,351
BASE PERIOD	23,777	23,777	33,556	33,556	33,556	33,556	33,556	33,556	33,556	33,556	33,556	33,556	383,114
FORECAST	(172)	26	(8,935)	(9,546)	(9,546)	(9,546)	(9,410)	(9,527)	(9,527)	(9,527)	(9,527)	(9,527)	(94,763)
DIFFERENCE										PERCENT CHANGE			-24.73%
ACCOUNT 928300 Reg Comm Depr Study Amort	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	15,583
BASE PERIOD	500	500	500	500	500	500	500	500	500	500	500	500	6,000
FORECAST	799	799	799	799	799	799	799	799	799	799	799	799	9,583
DIFFERENCE										PERCENT CHANGE			159.72%
ACCOUNT 928400 Reg Comm Other Oper AG	0	0	0	0	0	0	0	0	0	0	0	0	0
BASE PERIOD	277	277	833	833	833	833	833	833	833	833	833	833	8,884
FORECAST	(277)	(277)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(8,884)
DIFFERENCE										PERCENT CHANGE			-100.00%





**SCHEDULE D**

**SUMMARY OF ADJUSTMENTS TO OPERATING INCOME**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
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\_SAPP\_EX37D\_071510.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: \_ORIGINAL\_X\_ UPDATED\_X\_ REVISEE  
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	\$ 33,726,801	\$ 1,395,779	\$ 0	\$ 0	\$ 1,395,779
3	461110	Residential - Unbilled	66,784	(66,784)	0	0	(66,784)
4	461200	Commercial - Billed	15,928,195	460,915	0	0	460,915
5	461210	Commercial - Unbilled	(14,735)	14,735	0	0	14,735
6	461300	Industrial - Billed	1,598,871	(65,466)	0	0	(65,466)
7	461310	Industrial - Unbilled	22,211	(22,211)	0	0	(22,211)
8	461400	Miscellaneous - Billed	62,598	(42,743)	0	0	(42,743)
9	461410	Miscellaneous - Water Sales Billed Unmetered	0	0	0	0	0
10	462000	Private Fire - Billed	1,693,563	23,330	0	0	23,330
11	462100	Private Fire - Unbilled	0	0	0	0	0
12	463000	Public Fire - Billed	2,724,392	22,612	0	0	22,612
13	463100	Public Fire - Unbilled	0	0	0	0	0
14	464200	OPA - Billed	5,253,467	382,643	0	0	382,643
15	464210	OPA - Unbilled	7,082	(7,082)	0	0	(7,082)
16	466000	Sales for Resale - Billed	1,588,045	686	0	0	686
17	466100	Sales for Resale - Unbilled	14,002	(14,002)	0	0	(14,002)
18		Total Water Revenues	62,671,076	2,082,412	0	0	2,082,412
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	1,354,963	0	(28,183)	0	(28,183)
32	471200	NSF Checks	28,936	0	(3,808)	0	(3,808)
33	472000	Rents from Water Property	283,299	0	(5,595)	0	(5,595)
34	474100	Billing & Collection Services	1,283,454	0	189,566	0	189,566
35	474300	Other Water Revenues	9,866	0	1,459	0	1,459
36		AFUDC	0	0	628,157	0	628,157
37		TOTAL OTHER OPERATING REVENUES	2,970,518	0	153,440	628,157	781,597
38							
39		TOTAL OPERATING REVENUES	\$85,641,594	\$2,082,412	\$153,440	\$628,157	\$2,864,009
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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: ORIGINAL X UPDATED X 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	288,350	0	0	0	0	0	0	0	71,987
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	15,686	0	0	0	0	0	0	0	(2,086)
5	928400	Other Regulatory Expenses - Current	0	0	0	0	0	0	0	0	17,491
6	930200	Amort Misc Charges	0	0	0	0	0	0	0	0	0
7	930210	Misc General Expenses Current	561,724	0	0	57,853	0	0	0	57,853	57,853
8	930220	Amort Orig Cost Study	0	0	0	0	0	0	0	0	0
9	930230	Amort Misc General Expenses	27,769	0	0	691	0	0	0	691	691
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	15,387	0	(436)	0	0	0	0	(436)	(436)
13	930270	Donations	20	0	0	(20)	0	0	0	(20)	(20)
14	930290	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	540,481	0	0	82,771	0	0	0	82,771	82,771
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	66,541	0	0	7,809	0	0	0	7,809	7,809
24	930980	Misc General Exp-Taxable Co Dues	27,258	0	0	(3,222)	0	0	0	(3,222)	(3,222)
25	931000	Rents	20,940	0	(1,212)	0	0	0	0	(1,212)	(1,212)
26	932100	Maint A&G Struc & Improv-Material Ord	113,190	0	0	0	30,520	0	0	30,520	30,520
27	932110	Maint A&G Struc & Improv-Material Prg	0	0	0	0	0	0	0	0	0
28	932120	Amort 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 Prg	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 Prg	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 Prg	0	0	0	0	0	0	0	0	0
35	932500	Maint A&G Communication Equip-Material Ord	0	0	0	0	0	0	0	0	0
36	932510	Maint A&G Com Equip-Labor Ord	0	0	0	0	0	0	0	0	0
37	932600	Maint A&G Com Equip-Labor Prg	0	0	0	0	0	0	0	0	0
38	932700	Maint A&G Misc Property-Material Ord	32,098	0	0	0	15,293	0	0	15,293	15,293
39	932710	Maint A&G Misc Property-Material Prg	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 Prg	0	0	0	0	0	0	0	0	0
42	932820	Total A & G Expenses	17,318,289	0	(1,212)	65,677	322,467	45,813	0	432,744	928,885
43		Total O & M Expenses	\$32,063,556	(\$12,529)	(\$3,323)	\$65,677	\$392,640	(\$84,994)	\$2,562	\$360,022	\$2,944,077



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: ORIGINAL X UPDATED X 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	\$8,903,780	\$1,980,703	\$0	\$0	\$1,980,703
2	403100	Depreciation - CIAC	(1,395,238)	1,395,238	\$0	\$0	1,395,238
3			\$7,508,542	\$3,375,941	\$0	\$0	\$3,375,941
4							
5							
6		State Income Tax Impact	6.00%	\$202,556	\$0	\$0	\$0
7		Federal Income Tax Impact	35.00%	\$1,110,685	\$0	\$0	\$0
8		Net Operating Income Impact		\$2,062,700	\$0	\$0	\$0
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	84,660	0	(4,416)	0	(4,416)
14	406000	Amortization Utility Plant Acquisition Adj	21,612	0	(13,998)	0	(13,998)
15	407000	Amortization Property Losses	412,188	0	(266,325)	0	(266,325)
16		TOTAL AMORTIZATION	\$518,460	\$0	(\$284,739)	\$0	(\$284,739)
17							
18		State Income Tax Impact	6.00%	\$0	(\$17,084)	\$0	\$0
19		Federal Income Tax Impact	35.00%	\$0	(\$93,679)	\$0	\$0
20							
21		Net Operating Income Impact		\$0	(\$173,976)	\$0	\$0
22							
23							
24		TAXES, OTHER THAN INCOME					
25	408100	Real & Personal Property Taxes	\$3,123,081	\$0	\$1,321,669	\$0	\$1,321,669
26	408110	Gross Income & Receipts Taxes	234,310	0	(124,484)	0	(124,484)
27	408120	Invested Capital Tax	0	0	0	0	0
28	408030	Other General Taxes	0	0	0	0	0
29	408140	FUTA	7,267	0	13,968	0	13,968
30	408150	FUTA Capitalized - (A Work Order)	0	0	0	0	0
31	408040	FUTA Capitalized - (H Work Order)	0	0	(12,862)	0	(12,862)
32	408050	FUTA Capitalized - (C & R Work Order)	0	0	0	0	0
33	408160	FICA	513,547	0	0	0	0
34	408170	FICA Capitalized - (A Work Order)	0	0	195,128	0	195,128
35	408060	FICA Capitalized - (H Work Order)	0	0	(122,995)	0	(122,995)
36	408070	FICA Capitalized - (C & R Work Order)	0	0	0	0	0
37	408180	SUTA	14,462	0	0	0	0
38	408190	SUTA Capitalized - (A Work Order)	0	0	601	0	601
39	408080	SUTA Capitalized - (H Work Order)	0	0	(8,042)	0	(8,042)
40	408090	SUTA Capitalized - (C & R Work Order)	0	0	0	0	0
41	408220	Environmental Tax	0	0	0	0	0
42			\$3,892,667	\$0	\$1,262,983	\$0	\$1,262,983
43							
44		State Income Tax Impact	6.00%	\$0	\$75,779	\$0	\$0
45		Federal Income Tax Impact	35.00%	\$0	\$415,521	\$0	\$0
46		Net Operating Income Impact		\$0	\$771,663	\$0	\$0
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: ORIGINAL X UPDATED X 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			33,726,801
5			\$1,395,779
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			15,928,195
9			\$460,915
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			1,598,871
15			(\$65,466)
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			5,253,467
20			\$382,643
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			1,588,045
25			\$686
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			2,724,392
30			\$22,612
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			1,693,563
35			\$23,330
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			62,398
40			(\$42,743)
41			
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			\$2,177,756
45			
46			
47			
48			
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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: ORIGINAL X UPDATED X REVISED

WORKPAPER REFERENCE NO(S): W/P-2 (TOTAL COMPANY)

SCHEDULE D-2.1

Page 2 of 3

Witness Responsible: S.A. Miller

Line No.	Purpose and Description of Adjustment	Workpaper 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			66,784
5			(\$66,784)
6	To eliminate the net change in Commercial water unbilled accrued utility revenues recorded during the base period.		
7		W/P-2	\$0
8			(14,735)
9			\$14,735
10			
11	To eliminate the net change in Industrial water unbilled accrued utility revenues recorded during the base period.		
12		W/P-2	\$0
13			22,211
14			(\$22,211)
15			
16	To eliminate the net change in Other Public Authority water unbilled accrued utility revenues recorded during the base period.		
17		W/P-2	\$0
18			7,082
19			(\$7,082)
20			
21	To eliminate the net change in Sales for Resale (OWU) water unbilled accrued utility revenues recorded during the base period.		
22		W/P-2	\$0
23			14,002
24			(\$14,002)
25			
26			
27		W/P-2	\$0
28			0
29			\$0
30			
31		W/P-2	\$0
32			0
33			\$0
34			
35		W/P-2	\$0
36			0
37			\$0
38			
39		W/P-2	\$0
40			0
41			\$0
42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
44			(\$85,344)
45			
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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: ORIGINAL X UPDATED X REVISED  
 WORKPAPER REFERENCE NO(S): W/P-2 (TOTAL COMPANY)

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

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			
8			
9			
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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			\$2,082,412

The purpose of each adjustment is to eliminate the sewer revenue 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-2.2  
Page 1 of 1  
Witness Responsible: S.A. Miller

DATA: X BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL X UPDATED X 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	
4		W/P-2-3	
5		Forecasted Amount	\$1,326,780
6		Base Period Amount	1,354,963
7		Pro Forma Adjustment	(\$28,183)
8	To adjust Returned Check Charges for the forecasted test period level of bad checks.		
9		OTHER MISC SERV REVENUES	
10		W/P-2-3	
11		Forecasted Amount	\$25,128
12		Base Period Amount	28,936
13		Pro Forma Adjustment	(\$3,808)
14	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		
15		OTHER REVENUES	
16		W/P-2-3	
17		Forecasted Amount	\$1,772,050
18		Base Period Amount	1,586,619
19		Pro Forma Adjustment	\$185,431
20		Total Other Revenue Adjustment	\$153,440
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	
25		AFUDC ABOVE THE LINE	
26		W/P-1-5	
27		Forecasted Amount	\$628,157
28		Base Period Amount	0
29		Pro Forma Adjustment	\$628,157
30			
31			
32			
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42			
43	The purpose of each adjustment is to reflect an appropriate level of revenue for the forecasted test period.		
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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: ORIGINAL X UPDATED X 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.	<u>Labor Adjustment D-4</u> W/P-3-1	\$7,784,856 Forecasted Amount 6,984,082 Base Period Amount \$800,774 Pro Forma Adjustment
7	Fuel and Power expense is being adjusted to reflect the forecasted sales.	<u>Fuel &amp; Power Adjustment D-5</u> W/P-3-2	\$4,375,584 Forecasted Amount 3,100,205 Base Period Amount \$1,275,379 Pro Forma Adjustment
11	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.	<u>Chemicals Adjustment D-6</u> W/P-3-3	\$1,772,730 Forecasted Amount 1,981,267 Base Period Amount (\$208,537) Pro Forma Adjustment
17	Waste Disposal expense reflects two year amortization of the lagoon cleaning along with other normal recurring waste disposal expenses.	<u>Waste Disposal Adjustment D-7</u> W/P-3-4	\$340,226 Forecasted Amount 284,013 Base Period Amount \$76,213 Pro Forma Adjustment
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.	<u>Management Fees Adjustment D-8</u> W/P-3-5	\$9,265,936 Forecasted Amount 8,564,322 Base Period Amount \$701,614 Pro Forma Adjustment
27	Group Insurance reflects the premium to be paid for insurance coverage for employees plus costs associated with FAS 106.	<u>Group Insurance Adjustment D-9</u> W/P-3-6	\$2,192,372 Forecasted Amount 2,195,367 Base Period Amount (\$2,995) Pro Forma Adjustment
32	Pension Expense reflects the forecasted level based on FAS 87 pension costs.	<u>Pensions Adjustment D-10</u> W/P-3-7	\$983,008 Forecasted Amount 1,266,973 Base Period Amount (\$283,965) Pro Forma Adjustment
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.	<u>Regulatory Expense Adjustment D-11</u> W/P-3-8	\$391,328 Forecasted Amount 303,936 Base Period Amount \$87,392 Pro Forma Adjustment
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.	<u>Insurance Other than Group Adjustment D-12</u> W/P-3-9	\$683,527 Forecasted Amount 555,349 Base Period Amount \$138,178 Pro Forma Adjustment
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

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

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

Line No.	Purpose and Description of Adjustment	Workpaper 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	\$1,712,853
3			1,725,382
4			<u>(\$12,529)</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			30,977
9			<u>(\$3,323)</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			574,101
14			<u>\$65,677</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	\$3,434,784
18			3,042,144
19			<u>\$392,640</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			1,357,335
24			<u>(\$84,994)</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			118,103
29			<u>\$2,552</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: ORIGINAL X UPDATED X 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.		
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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	\$10,884,483
Base Period Amount	7,508,542
Pro Forma Adjustment	<u>\$3,375,941</u>
<u>Amortization Expense Adjustment D-19</u>	
Forecasted Amount	\$233,721
Base Period Amount	518,460
Pro Forma Adjustment	<u>(\$284,739)</u>
<u>General Taxes Expense Adjustment D-20</u>	
Forecasted Amount	\$5,155,650
Base Period Amount	3,892,667
Pro Forma Adjustment	<u>\$1,262,983</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\_UPDATED\_REVIS  
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\_UPDATED\_REVIS  
WORKPAPER REFERENCE NO(S): (TOTAL COMPANY)

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Total Company	Statistic for Jurisdiction	Jurisdictional Ratio
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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\_REVISIED  
 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.

**SCHEDULE E**

**INCOME TAXES**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
E-1.1	Federal Income Tax Calculation
E-1.2	State Income Tax Calculation

For electronic version, see KAW\_SAPP\_EX37E\_071510.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: \_ORIGINAL\_X\_ UPDATED \_X\_ 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	\$65,641,594	\$0	\$65,641,594
3				
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	32,063,556	0	32,063,556
7	Depreciation & Amortization	8,027,002	0	8,027,002
8	Taxes other than Income	3,892,667	0	3,892,667
9	State Income Taxes - Current	730,433	0	730,433
10	Federal Income Taxes	0	0	0
11	Net below the line income (loss)	(3,367,517)	3,367,517	0
12	Total Operating Expenses before FIT	41,346,141	3,367,517	44,713,658
13				
14	Operating Income before Federal Income Taxes	24,295,453	(3,367,517)	20,927,936
15	Reconciling Items:			
16	Interest Charges	(5,305,525)	0	(5,305,525)
17	Permanent differences			
18	Taxable Meals/lobbying	88,787	0	88,787
19	Noneductible penalties & dividend mandatory red	-6,791	0	(6,791)
20	Medicare Subsidy	177,688	0	177,688
21		259,684	0	259,684
22	Book Depreciation	7,508,542	0	7,508,542
23	Tax Depreciation	(13,745,226)	0	(13,745,226)
24	Taxable Customer Adv and CIAC	(1,530,840)	0	(1,530,840)
25	Other Amortizations	0	0	0
26	Tax AFUDC	(4,356,690)	0	(4,356,690)
27	Deferred Maintenance	157,210	0	157,210
28	Abandonment losses	95,048	0	95,048
29	Misc Deferred Debits	(87,761)	0	(87,761)
30	Uncollectible	(59,470)	0	(59,470)
31	Vacation Pay	17,087	0	17,087
32	All other	(6,134)	0	(6,134)
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36				
37	Total Reconciling Items	(12,008,234)	0	(12,008,234)
38				
39	Federal Taxable Income	7,241,378	(3,367,517)	3,873,861
40				
41	Federal Income Tax Rate	35.00%		35.00%
42	Federal Income Tax Liability	2,534,482		1,355,851
43	Adjustment of Prior Year	(3,138,128)	3,138,128	0
44				
45	Federal Income Taxes - Current	(603,646)		1,355,851
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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: \_ORIGINAL\_X\_ UPDATED \_X\_ 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	4,202,882	0	4,202,882
6	Def FIT Prior Year	<u>3,007,752</u>	<u>(3,007,752)</u>	<u>0</u>
7		7,377,765	<u>(3,007,752)</u>	<u>4,370,013</u>
8	Amort Deferred ITC	<u>(84,798)</u>	<u>0</u>	<u>(84,798)</u>
9				
10	Total Deferred Federal Income Taxes	<u>\$7,292,967</u>	<u>(\$3,007,752)</u>	<u>\$4,285,215</u>
11				
12	Total Federal Income Taxes	<u>\$6,689,321</u>	<u>(\$3,007,752)</u>	<u>\$5,641,066</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: \_ORIGINAL\_X\_ UPDATED \_X\_ 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	\$65,641,594	\$0	\$65,641,594
3				
4				
5	Operating Expenses			
6	Operation & Maintenance Expenses	32,063,556	0	32,063,556
7	Depreciation & Amortization	8,027,002	0	8,027,002
8	Taxes other than Income	3,892,667	0	7,260,184
9	State Income Taxes - Current	0	0	3,367,517
10	Federal Income Taxes	0	0	0
11	Net below the line income (loss)	(3,367,517)	3,367,517	0
12	Total Operating Expenses before SIT	40,615,708	3,367,517	50,718,259
13				
14	Operating Income before State Income Taxes	25,025,886	0	14,923,335
15	Reconciling Items:			
16	Interest Charges	(5,305,525)	0	(5,305,525)
17	Permanent differences			
18	Taxable Meals/lobbying	88,787	0	88,787
19	Noneductible penalties & dividend mandatory red	(6,791)	0	(6,791)
20	Medicare Subsidy	177,688	0	177,688
21		259,684		259,684
22	Book Depreciation	7,508,542	0	7,508,542
23	Tax Depreciation	(9,543,160)	0	(9,543,160)
24	Taxable Customer Adv and CIAC	(1,530,840)	0	(1,530,840)
25	Other Amortizations	0	0	0
26	Tax AFUDC	(4,356,690)	0	(4,356,690)
27	Deferred Maintenance	157,210	0	157,210
28	Abandonment losses	95,048	0	95,048
29	Misc Deferred Debits	(87,761)	0	(87,761)
30	Uncollectible	(59,470)	0	(59,470)
31	Vacation Pay	17,087	0	17,087
32	All other	(6,134)	0	(6,134)
33	Reserved	0	0	0
34	Reserved	0	0	0
35	Reserved	0	0	0
36	Reserved	0	0	0
37	Total Reconciling Items	(7,806,168)		(7,806,168)
38	State Taxable Income	12,173,877	0	2,071,326
39				
40	State Income Tax Rate	6.00%	6.00%	6.00%
41	State Income Tax Liability	730,433	0	124,280
42				
43	State Income Taxes - Current	730,433		124,280
44	Less: Prior Year Adjustment	(565,931)	565,931	0
45		\$164,502	\$665,931	\$124,280
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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: \_ORIGINAL\_X\_ UPDATED\_X\_ 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	468,370	0	468,370
6	Def SIT Prior Year Adj	606,321	(606,321)	0
7		1,072,111	(606,321)	465,790
8	Amort Deferred ITC	0	0	0
9				
10	Total Deferred State Income Taxes	\$ 1,072,111	\$ (606,321)	\$ 465,790
11				
12	Total State Income Taxes	\$ 1,236,613	\$ (40,390)	\$ 590,070
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011  
TOTAL COMPANY

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ 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	\$68,505,603	\$0	\$68,505,603	\$25,302,362	\$93,807,965
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	35,007,632	0	35,007,632	198,267	35,205,899
6	Depreciation & Amortization	11,118,204	0	11,118,204	0	11,118,204
7	Taxes other than Income	5,155,650	0	5,155,650	40,939	5,196,589
8	State Income Taxes - Current	(125,221)	0	(125,221)	1,503,789	1,378,568
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	51,156,265	0	51,156,265	1,742,995	52,899,260
12						
13	Operating Income before Federal Income Taxes	17,349,338	0	17,349,338	23,559,367	40,908,705
14	Reconciling Items;					
15	Interest Charges	(12,219,249)	0	(12,219,249)	0	(12,219,249)
16						
17	Permanent Differences					
18	Taxable meals/lobbying	58,659	0	58,659	0	58,659
19	Nondeductible 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	10,884,483	0	10,884,483	0	10,884,483
24	Tax Depreciation	(18,384,835)	0	(18,384,835)	0	(18,384,835)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	(516,723)	0	(516,723)	0	(516,723)
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	1,527,485	0	1,527,485	0	1,527,485
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	(7,233,841)	0	(7,233,841)	0	(7,233,841)
39						
40	Federal Taxable Income	(1,961,804)	0	(1,961,804)	23,559,367	21,597,563
41						
42	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
43						
44	Federal Income Tax - Current	(686,631)	0	(686,631)	8,245,778	7,559,147
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011  
TOTAL COMPANY

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ 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		At Proposed Rates	
		Unadjusted	Adjusted	Adjustments	Adjusted
1					
2	Deferred Income Taxes:				
3	Def FIT Regulatory Asset/Liability	\$260,569	\$260,569	\$0	\$260,569
4	Def FIT UPIS	1,982,227	1,982,227	0	1,982,227
5	Def FIT Deferred Maintenance	(120,600)	(120,600)	0	(120,600)
6	Def FIT Deferred Debits	(50,494)	(50,494)	0	(50,494)
7	Def FIT Property Losses	0	0	0	0
8					
9					
10		2,071,702	2,071,702	0	2,071,702
11	Amort Deferred ITC	(84,797)	(84,797)	0	(84,797)
12					
13	Total Deferred Federal Income Taxes	1,986,905	1,986,905	0	1,986,905
14					
15	Total Federal Income Taxes	\$1,300,274	\$1,300,274	\$0	\$9,546,052
16				\$8,245,778	
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
STATE INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011  
TOTAL COMPANY

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ 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	\$ 68,505,603	\$ -	\$ 68,505,603	\$ 25,302,362	\$ 93,807,965
3						
4	Operating Expenses					
5	Operation & Maintenance Expenses	\$ 35,007,632	\$ -	\$ 35,007,632	\$ 198,267	\$ 35,205,899
6	Depreciation & Amortization	11,118,204	0	11,118,204	0	11,118,204
7	Taxes other than Income	5,155,650	0	5,155,650	40,939	5,196,589
8	State Income Taxes - Current					
9	Federal Income Taxes					
10						
11	Total Operating Expenses before FIT	\$ 51,281,486	\$ -	\$ 51,281,486	\$ 239,206	\$ 51,520,692
12						
13	Operating Income before Federal Income Taxes	\$ 17,224,117	\$ -	\$ 17,224,117	\$ 25,063,156	\$ 42,287,273
14	Reconciling Items;					
15	Interest Charges	(12,219,249)	0	(12,219,249)	0	(12,219,249)
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	10,884,483	0	10,884,483	0	10,884,483
24	Tax Depreciation	(18,384,835)	0	(18,384,835)	0	(18,384,835)
25	Non-Deductible Meals/lobbying	0	0	0	0	0
26	Additional Taxable AFUDC	(516,723)	0	(516,723)	0	(516,723)
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	1,527,485	0	1,527,485	0	1,527,485
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	\$ (7,233,841)	\$ -	\$ (7,233,841)	\$ -	\$ (7,233,841)
39						
40	State Taxable Income	\$ (2,087,025)	\$ -	\$ (2,087,025)	\$ 25,063,156	\$ 22,976,131
41						
42	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%
43						
44	State Income Tax Liability	\$ (125,221)	\$ -	\$ (125,221)	\$ 1,503,789	\$ 1,378,568
45						
46						
47	State Income Taxes - Current	\$ (125,221)	\$ -	\$ (125,221)	\$ 1,503,789	\$ 1,378,568
48						
49						
50						

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2010-00036  
STATE INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011  
TOTAL COMPANY

DATA: \_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ 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		At Proposed Rates	
		Unadjusted	Adjustments	Adjustments	Adjusted
1					
2	Deferred Income Taxes:				
3	Def SIT Regulatory Asset/Liability	\$11,460	\$0	\$11,460	\$11,460
4	Def SIT UPIS	361,499	0	361,499	361,499
5	Def SIT Deferred Maintenance	(21,992)	0	(21,992)	(21,992)
6	Def SIT Deferred Debits	(9,207)	0	(9,207)	(9,207)
7	Def SIT Property Losses	0	0	0	0
8					0
9					
10		341,760	0	341,760	341,760
11	Amort Deferred ITC	0	0	0	0
12					
13	Total Deferred State Income Taxes	341,760	0	341,760	341,760
14					
15	Total State Income Taxes	\$216,539	\$0	\$216,539	\$1,503,789
16					
17					
18					
19					
20					
21					
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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: ORIGINAL X\_UPDATED X\_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	\$124,280	\$ (125,221)	(\$249,501)
5	Sch E-1.2	Deferred	Sch E-1.4	465,790	341,760	(124,030)
6		Reserved		0	0	0
7		Reserved		0	0	0
9		Total State Income Taxes		\$ 590,070	\$ 216,539	\$ (373,531)
13	Sch E-1.1	Federal Income Taxes				
14	Sch E-1.1	Current	Sch E-1.3	1,355,851	\$ (686,631)	(\$2,042,482)
15	Sch E-1.1	Deferred - ITC	Sch E-1.3	4,370,013	2,071,702	(2,298,311)
16	Sch E-1.1	Reserved	Sch E-1.3	(84,798)	(84,797)	1
17		Reserved		0	0	0
18		Reserved		0	0	0
19		Total Federal Income Taxes		\$ 5,641,066	\$ 1,300,274	\$ (4,340,792)
21		Total Income Taxes		\$ 6,231,136	\$ 1,516,813	\$ (4,714,323)

KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES  
FOR THE TWELVE MONTHS ENDED: SEPTEMBER 2011  
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					
4					
5					
6					
7					
8					
9					
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11					
12					
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NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.  
100% JURISDICTIONAL FOR KENTUCKY-AMERICAN WATER COMPANY.

**SCHEDULE F**

**SOCIAL, SERVICE CLUB, CHARITABLE, RATE CASE, ADVERTISING  
AND OTHER PROFESSIONAL EXPENSES**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
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\_SAPP\_EX37F\_071510.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

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: \_ORIGINAL\_X\_UPDATED\_X\_REVISIED  
WORKPAPER REFERENCE NO(S): SCH C-2.2

SCHEDULE F - 1  
PAGE 1 OF 1  
Witness Responsible: N Rowe

Line No.	Account No.	Social Organization / Service Club	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1	921130	Kentucky Chamber of Commerce	5,500	100.00%	5,500	100.00%
2	921130	Rotary Club	465		465	
3	921130	Scott County Chamber	500		500	
4	921130	Home Builders Association of Lexington	450		450	
5	921130	Jessamine Co Chamber of Commerce	430		430	
6	921130	Kentucky Bar Association	315		315	
7	921130	Scott County Home Builders Association	260		260	
8	921130	Lexington Forum Inc	400		400	
9	921130	Ky Academy of Science	250		250	
10	921130	Calence	2,049		2,049	
11	921130	Commerce Lexington	5,000		5,000	
12	921130	Better Business Bureau	715		715	
13	921130	International Association of Administrators	96		96	
14	921130	AWWA Partnership for Safe Water	1,675		1,675	
15	921130	Woodford Co. Chamber	1,100		1,100	
16	921130	Bourbon Co. Chamber	500		500	
17	921130	Harrison Co. Chamber	350		350	
18	921130	Clark Co. Chamber	500		500	
19	921130	Owen Co. Chamber	500		500	
20	921130	Bluegrass Tomorrow	1,000		1,000	
21	921130	Kentucky World Trade Center	675		675	
22	921130	Lexington Apartment Assn	325		325	
23	921130	Lexington-Bluegrass Assn of Realtors	300		300	
24	921130	Blue Grass Trust	1,000		1,000	
25	921130	Downtown Lexington Corporation	750		750	
26	921130	Kentucky Historical Society	0		0	
27	921130	American Society of Civil Engineers	450		450	
28	921130	National Society of Professional Engineers	247		247	
29	921130	NSPE Webpage	0		0	
30	921130	Kentucky Board of Engineers	300		300	
31	921130	Society for Human Resources	0		0	
32	921130	Bluegrass Cross Connection	0		0	
33	921130	American Water Works Association	664		664	
34	921130	AICPA	0		0	
35	921130	Kentucky Board of Accountancy	100		100	
36	921130	Kentucky League of Cities	5,000		5,000	
37	921130	Professional Womens' Association	95		95	
38	921130	PRSA	275		275	
39	921130	ADDA	0		0	
40	921130	Kentucky County Judge Executive Association	200		200	
41	921130	Winchester Clark County	500		500	
42	921130	Paris Bourbon County	495		495	
43	921130	Ky Rural Water	350		350	
44			<u>33,781</u>		<u>33,781</u>	
45						<u>27,703</u>
46						
47						
48						
49						
50						

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 1 OF 3  
Witness Responsible: N Rowe

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: \_ 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	A Helping Hand Adoption Agency	300	100.00%	300	0	100.00%	0
2	4261	African American Ball (table) (Pd in 2007)	0		0	1,278		1,278
3	4261	African-American Forum Inc	1,750		1,750	0		0
4	4262	Alcom Printing Group Inc	2,088		2,088	0		0
5	4261	Alpha Beta Lambda Chapter Educ	1,000		1,000	0		0
6	4261	Am Cancer Society Relay - Owen	0		0	773		773
7	4261	American Cancer Society	1,600		1,600	1,339		1,339
8	4261	American Diabetes Association	1,250		1,250	0		0
9	4261	American Red Cross	2,000		2,000	0		0
10	4261	Audubon Society	0		0	1,545		1,545
11	4261	BCTSC Env. & Science Tech Scholar	0		0	2,575		2,575
12	4261	Beaumont Presbyterian Church	500		500	0		0
13	4261	BG Dental Society(Dental Health WK)	0		0	1,545		1,545
14	4261	BG Partnership for Green Community	0		0	2,060		2,060
15	4261	BG Rape Crisis Cntr Silver Sponsor	0		0	1,030		1,030
16	4261	Big Brothers Big Sisters Bowl for Kid	0		0	0		0
17	4261	Big Brothers/Big Sisters(Bluegrass)	0		0	0		0
18	4261	Black Church Coalition of the BG	2,500		2,500	1,030		1,030
19	4261	Bluegrass Community Foundation	0		0	500		500
20	4262	Bluegrass Community Foundation	2,500		2,500	0		0
21	4261	Bluegrass Dental Society	500		500	0		0
22	4262	Bluegrass Inst for Pub Policy	2,500		2,500	0		0
23	4261	Bluegrass PRIDE	0		0	2,575		2,575
24	4261	Bluegrass PRIDE soiree	0		0	1,030		1,030
25	4261	Bluegrass Tomorrow	0		0	0		0
26	4261	Boy Scouts of America - KY	2,000		2,000	0		0
27	4261	Buckley Wildlife Sanctuary - P	10,000		10,000	5,150		5,150
28	4261	Center for Women & Children	300		300	0		0
29	4262	Citizen Police Academy Alumni	200		200	0		0
30	4261	Citizens Fire Academy Alumni Association	310		310	0		0
31	4261	Clark County Projects	0		0	206		206
32	4261	Commerce Lex Annual Dinner	0		0	618		618
33	4261	Commerce Lexington	28,000		28,000	0		0
34	4262	Community Action Council	100,000		100,000	0		0
35	4261	Downtown Lexington Corp	250		250	0		0
36	4262	Dry Stone Conservancy	1,500		1,500	0		0
37	4261	Dunbar High School Cheerleader	280		280	0		0
38	4262	Elk Creek Hunt Club	140		140	0		0
39	4261	Environmental Grant Program	0		0	20,600		20,600
40	4261	Explorium Museum Go Round	0		0	2,575		2,575
41	4261	Explorium of Lexington	5,000		5,000	0		0
42	4261	Fayette Co. schools - gardening projects	0		0	1,030		1,030
43	4261	Fayette Co. schools - watershed project	0		0	515		515
44	4262	Fayette County Public Schools	1,500		1,500	1,545		1,545
45	4261	Fire Prevention Week (Owen Co.)	0		0	515		515
46	4261	Fire Prevention Week (Scott Co.)	0		0	515		515
47	4261	Floracraft Nature Sanctuary	0		0	1,545		1,545
48	4261	Fraternal Order of Firefighter	400		400	0		0
49	4261	Friends of McConnell Springs	7,000		7,000	5,150		5,150

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

DATA: X\_BASE PERIOD X\_FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL\_X\_UPDATED\_X\_REVISIED  
WORKPAPER REFERENCE NO(S): SCH C-2.2

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

Line No.	Account No.	Charitable Organization	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1	4262	Friends of Raven Run Inc	10,000	100.00%	1,545	100.00%
2	4261	Friends of the Arboretum Arbor Day	4,000		2,575	
3	4262	Friends of Wolf Run Inc	8,850		0	
4	4261	Georgetown Community Hospital	500		0	
5	4261	Georgetown-Scott County	1,750		0	
6	4261	H2OKITS.COM	399		0	
7	4261	Habitat For Humanity - Lexington	1,000		0	
8	4261	Healthway Bike Trail	0		2,575	
9	4261	Hope Center Inc	500		824	
10	4261	Hopes Hands Inc	200		0	
11	4261	Junior Achievement	500		0	
12	4261	KAW H2O Help to Others	0		0	
13	4261	KAW Ripple Effect Scholarship	0		61,800	
14	4261	Kentucky Chamber Water Feature (3 of 5)	10,000		10,300	
15	4262	Kentucky City Judge Exec Assoc-	500		10,300	
16	4262	Kentucky Lions Eye Foundation	350		0	
17	4261	Kentucky River Clean Sweep	0		0	
18	4261	Kentucky River Watershed Watch	0		5,150	
19	4261	Kentucky Science Olympiad	1,500		515	
20	4261	KET DragonFly science program	0		1,030	
21	4261	Kings Daughters Health Foundation	1,000		5,150	
22	4262	KY Institute of Economic Development	300		0	
23	4261	KY Recreation & Park Society	1,000		0	
24	4261	Leadership Scott County	0		0	
25	4261	Lex. Fire Department Golf Classic	0		515	
26	4261	LexArts	1,000		185	
27	4261	Lexington Arts and Cultural Council	0		0	
28	4261	Lexington Bluegrass Area Minor	1,000		2,575	
29	4261	Lexington Forum	0		0	
30	4261	Lexington Habitat For Humanity	1,000		2,575	
31	4261	Lexington Legends billboards	0		0	
32	4262	Lexington Legends tickets	0		9,785	
33	4261	Lexington NAACP/KY Conference	0		5,321	
34	4261	Lexington Partnership for Work	2,500		618	
35	4261	Lexington Pepsi Cola	320		0	
36	4262	Lexington Strides Ahead	30,000		0	
37	4261	LFUCG Festival Latina	0		0	
38	4261	LFUCG Fire Prevention Week	0		1,030	
39	4261	LFUCG Partnership for Youth	0		1,030	
40	4261	LFUCG-Police Memorial Golf	0		258	
41	4261	Living Arts and Science Center	0		1,545	
42	4262	Mannon, Catherine E	3,000		0	
43	4261	Martin Luther King Jr Celebrat	1,000		1,030	
44	4261	Math Counts	500		0	
45	4261	Miscellaneous	0		6,469	
46	4261	Miscellaneous/Environmental	0		18,802	
47	4261	NACKES - Science Expo	0		1,030	
48						
49						
50						



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		None to report						
5								
6				100.00%			100.00%	
7								
8								
9								
10								
11								
12								
13								
14			\$0			\$0		\$0
15								
16								
17								
18								
19								
20								
21								
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46								
47								
48								
49								
50								
Totals			\$0			\$0		\$0





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: ORIGINAL X\_UPDATED X\_REVIS  
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	\$0	\$0	\$5,000	\$5,000
4							
5	Magazine and Other	0	0	35,099	0	17,372	52,471
6							
7	Television	0	0	7,755	0	0	7,755
8							
9	Radio	0	0	6,500	0	0	6,500
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	9,346	0	25,870	35,216
16							
17	Outdoor billboard	0	0	47,770	0	0	47,770
18							
19	Misc Bus Adv	0	0	8,510	0	0	8,510
20							
21	Totals	\$0	\$0	\$114,980	\$0	\$48,242	\$163,222
22							
23							
24	Amount Assigned to Kentucky Retail	\$0	\$0	\$114,980	\$0	\$5,000	\$163,222
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	\$0	\$0	\$186,684	\$0	\$6,180	\$192,864
47							
48							
49	Amount Assigned to Kentucky Retail	\$0	\$0	\$186,684	\$0	\$6,180	\$192,864
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: \_ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	\$89,581	\$0	\$115,001	\$204,582	100.00%	\$204,582	\$0	\$204,582
5									
6	Engineering	0	0	0	0		0	0	0
7									
8	Accounting	48,055	98,955	0	147,010		147,010	0	147,010
9									
10	Other	96,238	0	0	96,238		96,238	0	96,238
11									
12	Totals	\$233,874	\$98,955	\$115,001	\$447,830		\$447,830	\$0	\$447,830
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	136,876	0	0	136,876		136,876	0	136,876
29									
30	Totals	\$398,626	\$110,166	\$178,311	\$687,103		\$687,103	\$0	\$687,103
31									
32									
33									
34									
35									
36									
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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: \_ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): W/P-3

Line No.	Item of Expense	Current Case Estimate	Case No. 2008 Actual	Case No. 2008 Estimate	Case No. 2007 Actual	Case No. 2007 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	\$432,994	\$592,000	\$466,742	\$700,000
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25	Current Rate Case Estimate	632,500	2010-00036	N/A	3 Years	0
26	Case No. 2008-00427	432,994	2008-427	6/2009	3 Years	71,060
27						
28	Case No. 2007-143	466,742	2007-143	12/2007	3 years	311,161
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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
432,994	2008-427	6/2009	3 Years	71,060	142,123		142,123
466,742	2007-143	12/2007	3 years	311,161	25,930		155,581
					<u>\$378,886</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

DATA: X BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL X UPDATED X REVISED  
WORKPAPER REFERENCE NO(S): SCH C-2.2

SCHEDULE F - 7  
PAGE 1 OF 1  
Witness Responsible: N Rowe

Line No.	Item	Amount
1		
2		
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	<u>Base Period:</u>	
	Donations	341,340
	Civic Activities	33,781
	Political Activities	0
	Other	0
	Totals	<u>\$375,121</u>
	<u>Forecasted Period:</u>	
	Donations	266,142
	Civic Activities	27,703
	Political Activities	0
	Other	0
	Totals	<u>\$293,845</u>

**SCHEDULE G**  
**PAYROLL COST ANALYSES**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

Schedule	Description
G-1	Payroll Costs
G-2	Payroll Analyses by Employee Classification
G-3	Executive Compensation

For electronic version, see KAW\_SAPP\_EX37G\_071510.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

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

DATA: ..X.. BASE PERIOD ..X.. FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATE\_X\_REVIS  
WORKPAPER REFERENCE NO(S): N/A

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3						
4						
5			100.00%	\$8,030,290	\$0	\$8,030,290
6	<b>Base Period:</b>					
7	Total Salary	\$8,030,290		\$8,030,290		\$8,030,290
8	Other Allowances and Compensation	312,153		312,153		312,153
9	Sub-total	8,342,443		8,342,443		8,342,443
10	<b>Employee Benefits:</b>					
11	Pension	1,532,752		1,532,752		1,532,752
12	Group Insurance	2,655,900		2,655,900		2,655,900
13	Defined Contribution Plan	127,844		127,844		127,844
14	401-K Plan	137,677		137,677		137,677
15	Sub-total	4,454,173		4,454,173		4,454,173
16	<b>Payroll Taxes:</b>					
17	F.I.C.A.	621,276		621,276		621,276
18	Federal Unemployment	8,791		8,791		8,791
19	State Unemployment	17,496		17,496		17,496
20	Sub-total	647,563		647,563		647,563
21	Total Compensation	\$13,444,179		\$13,444,179	\$0	\$13,444,179
22						
23						
24						
25						
26	<b>Forecasted Period:</b>					
27	Total Salary	9,167,528	100.00%	9,167,528	0	9,167,528
28	Other Allowances and Compensation	361,991		361,991	0	361,991
29	Sub-total	9,529,519		9,529,519	0	9,529,519
30	<b>Employee Benefits:</b>					
31	Pension	1,525,135		1,525,135	0	1,525,135
32	Group Insurance	2,652,277		2,652,277	0	2,652,277
33	Defined Contribution Plan	182,430		182,430	0	182,430
34	401-K Plan	153,442		153,442	0	153,442
35	Sub-total	4,513,284		4,513,284	0	4,513,284
36	<b>Payroll Taxes:</b>					
37	F.I.C.A.	719,144		719,144	0	719,144
38	Federal Unemployment	21,544		21,544	0	21,544
39	State Unemployment	15,281		15,281	0	15,281
40	Sub-total	755,969		755,969	0	755,969
41	Total Compensation	\$14,798,772		\$14,798,772	\$0	\$14,798,772
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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 1 of 6  
Witness Responsible: S.A. Miller

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING \_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>Total Company</b>													
3	Employee Hours:													
4	Straight-Time Hours	251,771.00	-2.54%	245,318.00	8.41%	265,938.00	0.82%	268,131.76	4.71%	280,773.51	3.48%	290,552.00	7.79%	313,200.00
5	Overtime Hours	20,628.00	8.15%	22,309.00	5.19%	23,466.00	9.62%	25,722.38	7.62%	27,683.05	-21.35%	21,772.00	25.10%	27,235.80
6	Total Employee Hours	<u>272,399.00</u>	-1.73%	<u>267,627.00</u>		<u>289,404.00</u>		<u>293,854.14</u>		<u>308,456.56</u>		<u>312,324.00</u>		<u>340,435.80</u>
7	Ratio of Overtime Hours to Straight-Time Hours	<u>8.20%</u>		<u>9.09%</u>		<u>8.92%</u>		<u>9.59%</u>		<u>9.66%</u>		<u>7.49%</u>		<u>8.70%</u>
8	Labor Dollars:													
9	Straight-Time Dollars	5,314,870	4.47%	5,552,393	3.65%	5,755,307	11.43%	6,412,945	8.59%	6,963,667	4.54%	7,279,565	12.86%	8,215,908
10	Overtime Dollars	573,583	12.81%	647,055	9.11%	706,026	14.71%	809,884	18.35%	958,480	-21.68%	750,725	26.76%	951,620
11	Total Labor Dollars	<u>\$5,888,453</u>		<u>\$6,199,448</u>		<u>\$6,461,333</u>		<u>\$7,222,829</u>		<u>\$7,922,147</u>		<u>\$8,030,290</u>		<u>\$9,167,528</u>
12	Ratio of Overtime Dollars to Straight-Time Dollars	<u>10.79%</u>		<u>11.65%</u>		<u>12.27%</u>		<u>12.63%</u>		<u>13.76%</u>		<u>10.31%</u>		<u>11.58%</u>
13	O&M Labor Dollars	4,879,792	6.70%	5,206,961	1.04%	5,261,097	7.53%	5,657,504	6.83%	6,044,053	10.53%	6,680,632	13.11%	7,556,668
14	Ratio of Labor Dollars to Total Labor Dollars	<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>76.29%</u>		<u>83.19%</u>		<u>82.43%</u>
15	Total Employee Benefits	2,872,395	3.53%	2,973,767	2.07%	3,035,344	1.77%	3,069,203	6.00%	3,274,551	36.02%	4,464,173	1.33%	4,513,284
16	Employee Benefits Expensed	2,380,354	4.93%	2,497,667	-1.05%	2,471,377	-2.09%	2,419,773	3.24%	2,498,155	48.33%	3,705,427	0.40%	3,720,300
17	Ratio of Employee Benefits Expensed to Total Employee Benefits	<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>76.29%</u>		<u>83.19%</u>		<u>82.43%</u>
18	Total Payroll Taxes	466,357	-3.06%	452,069	9.71%	495,948	15.77%	574,181	17.72%	675,904	-4.19%	647,563	16.74%	755,969
19	Payroll Taxes Expensed	386,470	-1.75%	379,693	6.35%	403,801	11.38%	449,756	14.65%	515,647	4.47%	538,708	8.69%	585,498
20	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	<u>82.87%</u>		<u>83.99%</u>		<u>81.42%</u>		<u>78.33%</u>		<u>76.29%</u>		<u>83.19%</u>		<u>77.45%</u>
21	Average Employee Levels	<u>121</u>		<u>116</u>		<u>124</u>		<u>132</u>		<u>137</u>		<u>147</u>		<u>152</u>
22	Year-End Employee Levels	<u>112</u>		<u>119</u>		<u>127</u>		<u>134</u>		<u>140</u>		<u>153</u>		<u>150</u>

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 \_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
1	<b>Production</b>													
2	Employee Hours:													
3	Straight-Time Hours	61,820	-3.96%	59,374	15.02%	68,290	-4.37%	65,306	7.23%	70,025	0.58%	70,434	39.08%	97,943
4	Overtime Hours	4,896	-28.74%	3,489	24.82%	4,355	-0.79%	4,321	8.74%	4,699	0.86%	4,739	51.72%	7,190
5	Total Employee Hours	66,716	(0)	62,863	72,645	69,627	74,724	75,173	105,133					
6	Ratio of Overtime Hours to Straight-Time Hours	7.92%		5.88%	6.38%	6.62%	6.71%	6.73%	7.34%					
7	<b>Labor Dollars:</b>													
8	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	-3.35%	\$1,752,765	47.85%	\$2,591,384
9	Overtime Dollars	145,012	-24.90%	108,902	27.88%	139,262	3.19%	143,709	16.48%	167,392	5.88%	177,233	52.28%	268,882
10	Total Labor Dollars	\$1,574,665	-4.64%	\$1,501,593	\$1,714,975	\$1,731,313	\$1,980,982	\$1,929,998	\$2,861,266					
11	Ratio of Overtime Dollars to Straight-Time Dollars	10.14%		7.82%	8.84%	9.05%	9.23%	10.11%	10.41%					
12	<b>O&amp;M Labor Dollars</b>													
13	Total O&M Labor Dollars	1,574,665		1,501,593	1,714,975	1,731,313	1,980,982	1,929,998	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%					
15	<b>Total Employee Benefits</b>													
16	Total Employee Benefits Expensed	788,119	-6.23%	720,282	11.85%	805,602	-8.08%	740,501	10.57%	818,788	30.74%	1,070,477	31.58%	1,408,659
17	Ratio of Employee Benefits Expensed to Total Employee Benefits	100.00%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					
18	<b>Total Payroll Taxes</b>													
19	Total Payroll Taxes Expensed	124,710	-12.20%	109,497	20.21%	131,628	4.56%	137,635	22.79%	169,007	-7.92%	155,630	42.45%	221,694
20	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	100.00%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%					
21	<b>Average Employee Levels</b>													
22	Average Employee Levels	33	-3.03%	32	0.00%	32	3.13%	33	17.65%	34	12.50%	40	45	
23	<b>Year-End Employee Levels</b>													
24	Year-End Employee Levels	33	-6.06%	31	3.23%	32	3.13%	33	28.57%	35	0.00%	45	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

SCHEDULE G - 2  
PAGE 5 of 6  
Witness Responsible: S.A. Miller

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
TYPE OF FILING ORIGINAL X\_UPDATE X\_REVISSED  
WORKPAPER REFERENCE NO(S): N/A

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	23.28%	21,783	0.92%	27,510	26.29%	31,285
4	Overtime Hours	618	-91.26%	54	-27.78%	39	414.49%	201	414.49%	186	-7.43%	349	87.89%	275
5	Total Employee Hours	24,853.00		19,797.00		17,547.00		21,785.03		21,969.19		27,859.00		31,569.99
6	Ratio of Overtime Hours to Straight-Time Hours	2.55%		0.27%		0.22%		0.93%		0.85%		1.27%		0.88%
7	Labor Dollars:													
8	Straight-Time Dollars	\$696,352	30.54%	\$908,984	-49.70%	\$457,255	85.44%	\$847,954	85.44%	\$746,389	-11.98%	\$942,001	26.21%	\$1,148,346
9	Overtime Dollars	17,222	-91.21%	1,513	-30.34%	1,054	508.65%	6,415	508.65%	7,350	14.56%	13,647	85.69%	9,611
10	Total Labor Dollars	\$713,574		\$910,497		\$458,309		\$854,369		\$753,739		\$955,648		\$1,157,957
11	Ratio of Overtime Dollars to Straight-Time Dollars	2.47%		0.17%		0.23%		0.76%		0.98%		1.45%		0.84%
12	O&M Labor Dollars	713,574		910,497		458,309		854,369		753,739		955,648		1,157,957
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%	436,746	-50.71%	215,289	69.74%	365,423	69.74%	311,539	-14.75%	530,052	70.14%	570,086
15	Employee Benefits Expensed	348,080	25.47%	436,746	-50.71%	215,289	69.74%	365,423	69.74%	311,539	-14.75%	530,052	70.14%	570,086
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	93.09%	64,305	-5.32%	77,061	19.84%	89,720
18	Payroll Taxes Expensed	56,514	17.48%	66,394	-47.02%	35,176	93.09%	67,920	93.09%	64,305	-5.32%	77,061	19.84%	89,720
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	15.79%	24	9.09%	26	8.33%	26
21	Year-End Employee Levels	21	-14.29%	18	11.11%	20	15.00%	23	15.00%	25	8.70%	27	8.00%	24



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 ...ORIGINAL...X... UPDATE...X... 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		0	0	0
43	Sub-total	0		0	0	0
44	Total Compensation	\$0		\$0	\$0	\$0
45						
46						
47						
48						
49						
50						

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 ...ORIGINAL\_X...UPDATE\_X...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	27,000		27,000	0	27,000
12	Group Insurance	18,067		18,067	0	18,067
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	3,536		3,536	0	3,536
15	Sub-total	48,603		48,603	0	48,603
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	\$227,122		\$227,122	\$0	\$227,122
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	24,479		24,479	0	24,479
33	Group Insurance	17,449		17,449	0	17,449
34	Defined Contribution Plan	0		0	0	0
35	401-K Plan	3,679		3,679	0	3,679
36	Sub-total	45,607		45,607	0	45,607
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	\$231,159		\$231,159	\$0	\$231,159
44						
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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 \_ORIGINAL\_X UPDATE\_X 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 Treasurer and Comptroller					
6	<b>Base Period:</b>					
7	Total Salary	0	100.00%	\$0	\$0	\$0
8	Other Allowances and Compensation	0		0	0	0
9	Sub-total	0		0	0	0
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	<b>Payroll Taxes:</b>					
17	F.I.C.A.			0	0	0
18	Federal Unemployment			0	0	0
19	State Unemployment			0	0	0
20	Sub-total	0		0	0	0
21						
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	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	<b>Payroll Taxes:</b>					
38	F.I.C.A.			0	0	0
39	Federal Unemployment			0	0	0
40	State Unemployment			0	0	0
41	Sub-total	0		0	0	0
42						
43	Total Compensation	\$0		\$0	\$0	\$0
44						
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**SCHEDULE H**

**GROSS REVENUE CONVERSION FACTOR**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
H	No update required for Schedule H

For electronic version, see KAW\_SAPP\_EX37H\_071510.pdf

**SCHEDULE I**

**INCOME AND REVENUE INFORMATION**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
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\_SAPP\_EX37I\_071510.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: \_ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	3.41%	\$65,641,594	9.25%	\$ 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	35,007,632	9.18%	32,063,556	4.50%	30,683,867	8.67%	28,235,415	3.42%	27,300,483	3.42%	26,852,111	-3.27%	\$ 27,761,139
4	Depreciation	10,884,483	44.96%	7,508,542	27.90%	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	-54.92%	518,460	1.24%	512,126	1.59%	504,092	9.76%	459,264	-33.74%	693,166	-2.24%	709,015
6	Taxes Other	5,155,650	32.45%	3,892,667	22.53%	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	1,720,328	39.12%	1,236,613	44.96%	853,059	45.06%	588,068	29.27%	454,913	-57.05%	1,059,248	221.99%	328,969
8	Federal Income Taxes	9,546,052	42.71%	6,689,321	30.82%	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	62,547,866	20.49%	51,909,159	12.33%	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	5,329,580	-61.19%	13,732,435	-1.03%	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	628,157	-91.07%	7,034,062	266.53%	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	628,157	-91.07%	7,034,062	254.87%	1,982,126	27.82%	1,550,673	491.65%	262,095	-49.10%	514,949	60.87%	320,108
14	Income before Deductions	5,957,737	-71.31%	20,766,497	30.95%	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	11,603,813	28.30%	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	101,235	-15.11%	119,259	33.19%	89,540	19.28%	75,069	3.01%	72,873	-5.60%	77,198	-1.75%	78,573
18	Interest on Bank Debt	174,894	-3.82%	181,834	-76.13%	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	11,879,943	27.12%	9,345,618	36.97%	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	(\$5,922,206)	-151.85%	\$11,420,879	26.41%	\$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: 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	\$34,006,612	\$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	\$16,091,723	\$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	\$1,636,043	\$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	\$5,340,993	\$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	\$1,596,357	\$1,588,731	1,409,161	1,409,161			
6	Miscellaneous	9,780	5,768	19,513	18,789	26,577	\$13,850	\$19,655	0	0			
7	Fire Service	2,753,265	3,103,614	3,234,422	3,354,596	3,687,882	\$4,413,773	\$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	\$63,099,352	\$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	107,691	108,767	108,086	108,994			
18	Commercial	8,179	8,241	8,512	8,623	8,716	8,764	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	2,054	2,113	2,076	2,125			
24													
25	<b>Total</b>	108,605	111,136	114,959	116,584	117,882	119,061	120,230	119,501	120,473			
26													
27	<b>End of Period:</b>												
28	Residential	99,267	101,683	104,780	106,068	107,003	108,241	109,430	108,408	109,316			
29	Commercial	8,164	8,262	8,586	8,585	8,748	8,769	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	2,071	2,125	2,090	2,137			
35													
36	<b>Total</b>	110,706	112,227	115,785	117,088	118,246	119,633	120,956	119,825	120,795			
37													
38													
39	<b>Average Revenue per Customer:</b>												
40	Residential	\$224	\$263	\$262	\$261	\$269	\$316	\$323	\$325	\$325			
41	Commercial	1,281	1,480	1,427	1,437	1,667	1,836	1,863	1,864	1,863			
42	Industrial	75,515	74,724	62,806	70,485	69,664	77,907	73,019	73,019	73,019			
43	Other Public Authorities	6,539	7,808	7,351	8,001	9,788	10,291	10,860	10,262	10,262			
44	Other Water Utilities	82,459	100,028	100,854	88,547	127,857	133,030	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	2,149	2,113	2,109	2,060			
47													
48													
49													
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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\_X 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										
47										
48										
49										
50										

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: \_ 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			
<u>Sales by Customer Class:</u>													
1	Residential	7,638,396	8,837,505	8,587,371	8,890,472	8,578,232	7,920,041	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	5,059,284	5,159,571	5,154,593	5,163,392			
3	Industrial	1,007,927	1,077,592	998,637	1,023,987	825,840	732,244	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	1,944,178	2,064,372	2,064,372	2,064,372			
5	Other Water Utilities	531,179	592,584	518,505	817,456	697,644	629,719	626,591	626,589	626,589			
6	Miscellaneous	3,953	448	1,789	5,075	25,469	421,326	0	0	0			
7	Total	16,363,985	18,309,601	17,633,059	18,580,933	17,829,320	16,706,792	16,781,883	16,819,591	16,897,947			
<u>Number of Customers:</u>													
<u>12-Month Average:</u>													
8	Residential	98,567	100,729	104,104	105,572	106,694	107,691	108,767	108,086	108,994			
9	Commercial	8,179	8,241	8,512	8,623	8,716	8,764	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	Total	107,260	109,484	113,135	114,716	115,942	117,007	118,117	117,425	118,348			
<u>End of Period:</u>													
15	Residential	99,267	101,683	104,780	106,068	107,003	108,241	109,430	108,408	109,316			
16	Commercial	8,164	8,262	8,586	8,585	8,748	8,769	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	Total	107,945	110,460	113,886	115,175	116,289	117,562	118,831	117,735	118,658			
<u>Average Sales per Customer:</u>													
22	Residential	78	88	83	84	80	74	76	77	77			
23	Commercial	654	700	662	667	631	577	586	587	587			
24	Industrial	55,996	51,314	43,419	48,761	38,863	34,869	32,911	32,911	32,911			
25	Other Public Authorities	3,773	4,206	3,903	4,302	4,406	3,746	3,978	3,978	3,978			
26	Other Water Utilities	53,118	59,258	47,137	62,881	62,013	52,477	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 X UPDATED X 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									
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ALL COMPANY OPERATIONS ARE JURISDICTIONAL

Note: Sales are stated in 100 Cubic Feet

**SCHEDULE J**  
**COST OF CAPITAL SUMMARY**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

Schedule	Description
J-1	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\_SAPP\_EX37J\_071510.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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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	\$36,423,788	11.275%	\$ 104,806	\$36,528,594	2.085%	0.240%
3								
4	Long-Term Debt	J-3, Page 2	140,281,562	43.423%	403,645	140,685,207	6.490%	2.820%
5								
6	Preferred Stock	J-4, Page 2	5,935,170	1.837%	17,078	5,952,248	7.750%	0.140%
7								
8	Common Equity		140,414,664	43.465%	404,027	140,818,691	11.500%	5.000%
9								
10	Total Capital		<u>\$323,055,184</u>	100.000%	<u>\$ 929,556</u>	<u>\$323,984,740</u>		<u>8.200%</u>
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50								
	(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: \_ORIGINAL\_X\_ UPDATED \_X\_ 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	\$9,315,624	2.585%	\$ 22,367	\$9,337,991	2.085%	0.05%
3							
4	Long-Term Debt	187,066,176	51.910%	449,165	187,515,341	6.380%	3.31%
5							
6	Preferred Stock	5,935,810	1.647%	14,251	5,950,061	7.750%	0.13%
7							
8	Common Equity	158,047,049	43.858%	379,493	158,426,542	11.500%	5.04%
9							
10	Total Capital	\$360,364,660	100.000%	\$ 865,276	\$361,229,936		8.53%
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: \_ORIGINAL\_X\_ UPDATED \_X\_ 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%		
8				
9				
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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: \_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): WP-7

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	<u>\$36,423,788</u>	<u>2.085%</u>	<u>\$759,327</u>
5				
6				
7	Weighted Cost of Short-Term Debt	<u>2.085%</u>		
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KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF LONG-TERM DEBT  
September 30, 2011

SCHEDULE J-3  
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: ORIGINAL\_X\_UPDATED\_X\_REVISD  
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
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	27,908	0	6,972,092
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	37,252	0	7,462,748
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	54,360	0	8,945,640
8	Series 6.58%	6/12/2002	6/12/2037	47,000,000	6.580%	6.615%	N/A	3,109,050	47,000,000	16,574	0	432,297	0	46,567,703
9	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
10	Series 5.625%	09/10/09	09/01/39	26,000,000	5.625%	5.675%	N/A	1,475,500	26,000,000	13,008	0	363,145	0	25,636,855
11	Prop 5.375%(tax exempt)	06/01/10	06/01/40	26,000,000	5.375%	5.408%	N/A	1,406,080	26,000,000	8,667	0	248,444	0	25,751,556
12	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			\$12,181,931	\$ 192,890,000	\$100,299	\$0	\$1,969,896	\$0	\$190,920,104
29	Annualized Cost Rate													
30					6.380%									

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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
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)
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	30,966	0	6,969,034
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	40,484	0	7,459,516
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	58,712	0	8,941,288
7	Series 6.58%	06/12/02	06/12/37	47,000,000	6.580%	6.615%	N/A	3,109,050	47,000,000	16,574	0	454,395	0	46,545,605
8	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
9	Series 5.625%	09/10/09	09/01/39	26,000,000	5.625%	5.675%	N/A	1,475,500	26,000,000	13,008	0	380,489	0	25,619,511
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25	Total Long-Term Debt and Annualized Cost				\$141,890,000			\$9,102,351	\$141,890,000	\$120,450	\$0	\$1,608,438	\$0	\$140,281,562
26														
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Annualized Cost Rate  
6.490%



KENTUCKY-AMERICAN WATER COMPANY  
CASE NO: 2010-00036  
EMBEDDED COST OF PREFERRED STOCK  
AS OF MAY 31, 2010

SCHEDULE J-4  
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: ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): WP-7

Line No.	Dividend Rate, Type & Par Value	Date Issued	Amount Outstanding	Premium or Discount	Unamortized Issue Expense	Gain or Loss on Required Stock	Net Proceeds	Annual Amort. of Issue Expense	Cost Rate at Issue	Cost Rate at Maturity	Annualized Dividends
5	Series B, 5 3/4%, \$100 Par	11/21/57	388,800	0	0	0	388,800	0	5.750%	5.750%	22,356
7	Series C, 5 1/2%, \$100 Par	11/22/63	486,000	0	0	0	486,000	0	5.500%	5.500%	26,730
9	Series D, 5%, \$100 Par	05/10/63	580,800	0	0	0	580,800	0	5.000%	5.000%	29,040
13	8.47% Series, \$100 Par	01/24/92	4,500,000	0	20,430	0	4,479,570	768	8.470%	8.526%	381,928
18	TOTAL		\$5,955,600	\$0	\$20,430	\$0	\$5,935,170	\$768			\$460,054

Annualized Cost Rate 7.750%

**SCHEDULE K**  
**COMPARATIVE FINANCIAL DATA**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

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

For electronic version, see KAW\_SAPP\_EX37K\_071510.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: ORIGINAL X UPDATED X 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
2	Condensed Income Statement Data:			\$ 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
3	Operating Revenues	\$67,877,446	\$65,641,594	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
4	Operating Expenses			535,450	682,673	617,481	503,486	400,285	539,890	682,933	717,335	178,853	615,191
5	(Excluding Income Taxes)			0	0	0	0	0	0	0	0	0	0
6	State Income Taxes - Current			341,760	1,072,111	(94,605)	555,762	(71,316)	174,892	222,489	209,924	762,856	402,307
7	Deferred SIT - Accelerated Depreciation			7,559,147	(603,646)	3,119,331	4,426,454	(1,436,240)	1,971,557	1,676,515	2,852,920	784,743	2,535,247
8	Deferred SIT - Other			0	0	0	0	0	0	0	0	0	0
9	Federal Income Taxes - Current			2,071,702	7,377,765	2,078,935	(1,166,142)	(1,218,281)	629,311	1,676,242	688,814	2,820,169	1,368,381
10	Deferred FIT - Accelerated Depreciation			0	0	0	0	0	0	0	0	0	0
11	Deferred FIT - Other			(84,797)	(84,797)	(84,797)	(95,596)	(95,596)	(85,352)	(84,797)	(84,796)	(84,798)	(84,795)
12	Deferred FIT - ITC												
13	Amortization of ITC												
14													
15	Operating Income	5,329,580	13,732,435	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	628,157	7,034,062	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													
20	Income Available for Fixed Charges	5,957,737	20,766,497	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
21	Interest Charges	11,879,943	9,345,618	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
22													
23	Net Income	(5,922,206)	11,420,879	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
24	Preferred Dividends	472,769	459,072	78,307	78,773	78,706	79,874	448,208	513,293	533,615	536,778	540,118	543,637
25													
26	Net Income to Common Equity	(\$6,394,975)	\$10,961,807	\$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
27													
28													
29	AFUDC as a Percent of Net Income	-10.61%	61.59%	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 of Earnings Available for Common Equity	-9.82%	64.17%	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	6.38%	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	1.45	3.07	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)	1.40	2.32	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	0.50	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	0.48	2.12	2.35	1.97	1.62	1.90	0.84	1.83	1.98	2.09	1.82	2.13
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Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

**SCHEDULE K**  
**PAGE 3 OF 3**  
**Witness Responsible: M.A. Miller**

**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: ORIGINAL X UPDATED X REVISED**  
**WORKPAPER REFERENCE NO(S): N/A**

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	(\$4.08)	\$6.99	\$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	(\$3.06)	\$5.24	\$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	(\$3.06)	\$5.24	\$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)	75.00%	74.96%	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)	\$100.83	\$89.58	\$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)	-4.05%	8.72%	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)	1.52%	4.79%	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)	0.78%	3.59%	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)												
27	Mix of Fuel (Gas and Electric)												
28	Composite Depreciation Rate	2.27%	2.20%	2.32%	2.36%	2.50%	2.33%	2.75%	2.23%	2.27%	2.30%	2.31%	2.55%
29	Return on net plant calculated by dividing utility operating income by average net plant.												

**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**

**SCHEDULE L**  
**NARRATIVE RATIONALE FOR TARIFF CHANGES**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
L	No update required for Schedule L

For electronic version, see KAW\_SAPP\_EX37L\_071510.pdf

**SCHEDULE M**

**BILL ANALYSIS SUMMARY SCHEDULES**

**KENTUCKY-AMERICAN WATER COMPANY**

**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
M-3	Revenues at Present and Proposed Rates
M-3.1	Bill Analysis for the Base Period

For electronic version, see KAW\_SAPP\_EX37M\_071510.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: \_\_\_ ORIGINAL \_X\_ 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	7,920,041	\$34,006,612	\$46,510,178	\$12,503,566	36.768%
8	Commercial	5,059,284	16,091,723	22,954,174	6,862,451	42.646%
9	Industrial	732,244	1,636,043	2,439,196	803,153	49.091%
10	Other Public Authority	1,944,178	5,340,993	7,811,177	2,470,184	46.250%
11	Sales for Resale	629,719	1,596,357	2,378,629	782,272	49.004%
12	Miscellaneous	421,326	13,850	13,850	(0)	-0.002%
13	Private Fire Service	0	1,689,453	2,433,031	743,578	44.013%
14	Public Fire Service	0	2,724,320	3,589,740	865,420	31.766%
15						
16	Total	16,706,792	\$63,099,352	\$88,129,975	\$25,030,623	39.669%
17						
18	Proforma Other Operating Revenues					
19	Oth Rev-Rents Water Property		\$283,299	\$283,299	\$0	0.000%
20	Oth Rev-Collect for Others		1,293,454	1,293,454	0	0.000%
21	Oth Rev-NSF Check Charge		28,936	28,936	0	0.000%
22	Oth Rev-App/Initiate Serv Fee		1,354,963	1,354,963	0	0.000%
23	Oth Rev-Reconnection Charges		-	0	0	0.000%
24	Oth Rev-Misc Service Rev		-	0	0	0.000%
25	Oth Rev-Other Water Rev		9,866	9,866	0	0.000%
26	AFDUC					
27	Proforma Total Operating Revenues		\$66,069,870	\$91,100,493	\$25,030,623	37.885%
28						
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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						
4						
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		628,157	628,157	0	0.000%
26						
27	Proforma Total Operating Revenues		\$68,505,602	\$94,353,030	\$25,847,428	37.730%
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 #F-3.1  
PAGE 5 OF 8  
Witness Responsible: S. Miller

DATA: \_X\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ 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	0.092%	43.00	2,064	0.129%	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	6,163	0.259%	68.80	5,793	0.363%	370	6.39%
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	83		228.80	19,082	0.802%	215.00	17,931	1.123%	1,151	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	27,523	1.157%	430.00	25,869	1.621%	1,654	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		0.00	0	0.000%	0.00	0	0.000%	0	0.00%
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)		629,727	3.6900	2,323,693	97.690%	2,4530	1,544,720	96.765%	778,973	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		(8)		(30)	-0.001%		(20)	-0.001%	(10)	52.91%
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		\$2,378,629	100.00%		\$1,596,357	100.00%	\$782,272	49.00%



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: \_\_\_ ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-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		2" Connections	69		\$ 105.00	\$ 7,245	0.298%	\$ 72.91	\$ 5,031	0.298%	\$ 2,214	44.01%
7		4" Connections	385		\$ 422.58	162,683	6.687%	\$ 293.43	112,971	6.687%	49,722	44.01%
8		6" Connections	841		\$ 950.53	799,396	32.856%	\$ 660.03	555,085	32.856%	244,311	44.01%
9		8" Connections	267		\$ 1,689.92	451,209	18.545%	\$ 1,173.45	313,311	18.545%	137,898	44.01%
10		10" Connections	7		\$ 2,641.17	18,488	0.760%	\$ 1,833.98	12,838	0.760%	5,650	44.01%
11		12" Connections	4		\$ 3,804.28	15,217	0.625%	\$ 2,641.62	10,566	0.625%	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	0.278%	\$ 4,695.89	4,696	0.278%	2,067	44.02%
14		Private Fire Hydrants	1,035		\$ 939.15	972,020	39.951%	\$ 652.13	674,955	39.951%	297,065	44.01%
15		Total Private Fire Service	2,609			\$ 2,433,031	100.00%		\$ 1,689,453	100.00%	\$ 743,578	44.01%













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: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-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		<b>Miscellaneous:</b>										
4		Customer Charge	0		\$9.15	\$0	0.0000%	\$8.60	\$0	0.0000%	\$0	0.00%
5		5/8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
6		5/8" Quarterly	0		13.70	0	0.0000%	12.90	0	0.0000%	0	0.00%
7		3/4" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
8		3/4" Quarterly	0		22.90	0	0.0000%	21.50	0	0.0000%	0	0.00%
9		1" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
10		1" Quarterly	0		45.80	0	0.0000%	43.00	0	0.0000%	0	0.00%
11		1 1/2" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
12		1 1/2" Quarterly	0		73.20	0	0.0000%	68.80	0	0.0000%	0	0.00%
13		2" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
14		2" Quarterly	0		137.30	0	0.0000%	129.00	0	0.0000%	0	0.00%
15		3" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
16		3" Quarterly	0		228.80	0	0.0000%	215.00	0	0.0000%	0	0.00%
17		4" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
18		4" Quarterly	0		457.50	0	0.0000%	430.00	0	0.0000%	0	0.00%
19		6" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
20		6" Quarterly	0		732.00	0	0.0000%	688.00	0	0.0000%	0	0.00%
21		8" Monthly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
22		8" Quarterly	0		0.00	0	0.0000%	0.00	0	0.0000%	0	0.00%
23												
24		Block Consumption:										
25		Monthly Accounts:										
26		All Usage (CCF)	0		1.0803	19.655	100.0000%	0.0000	19.655	100.0000%	0	0.00%
27												
28												
29												
30												
31												
32		Quarterly Accounts:										
33		All Usage (CCF)	0		1.0803	0	0.0000%	0.0000	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												
				0		\$19.655	100.0000%		\$19.655	100.0000%	\$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  
AGDR2#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%



**SCHEDULE N**  
**TYPICAL BILL COMPARISON**  
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2010-00036**

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: SEPTEMBER 30, 2011

Base Period: FOR THE TWELVE MONTHS ENDED: MAY 31, 2010

<u>Schedule</u>	<u>Description</u>
N	No update required for Schedule N

For electronic version, see KAW\_SAPP\_EX37N\_071510.pdf