

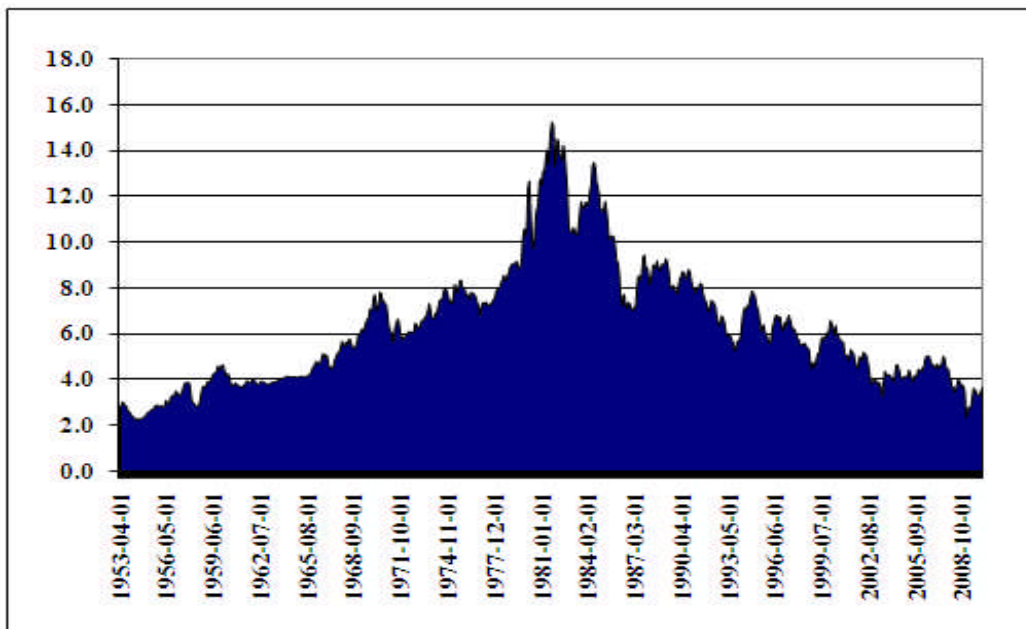
Exhibit JRW-1

**Kentucky-American Water Company
Cost of Capital**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Short-Term Debt	2.32%	0.63%	0.01%
Long-Term Debt	52.06%	6.32%	3.29%
Preferred Stock	1.65%	7.75%	0.13%
Common Equity	43.97%	9.25%	4.07%
Total Capital	100.00%		7.50%

Exhibit JRW-2

Panel A
Ten-Year Treasury Yields
1953-Present



Source: <http://research.stlouisfed.org/fred2/data/GS10.txt>

Panel B
Long-Term Moody's Baa Yields Minus Ten-Year Treasury Yields
2000-Present

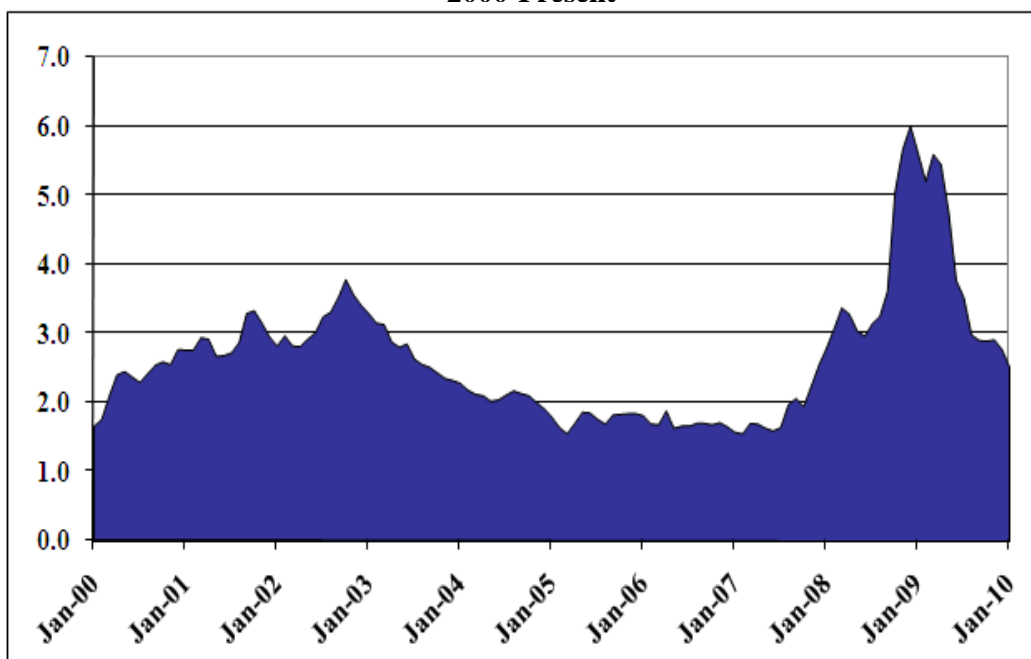
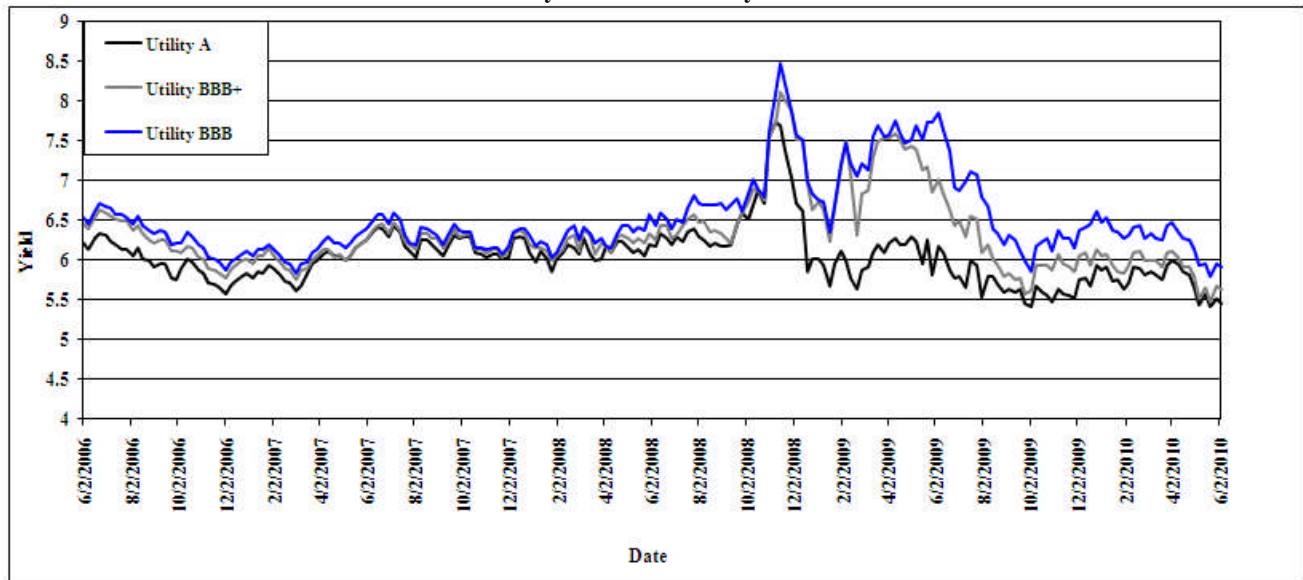


Exhibit JRW-3

Panel A

Thirty-Year Public Utility Yields



Panel B

Thirty-Year Public Utility Yield Spread Over Treasuries

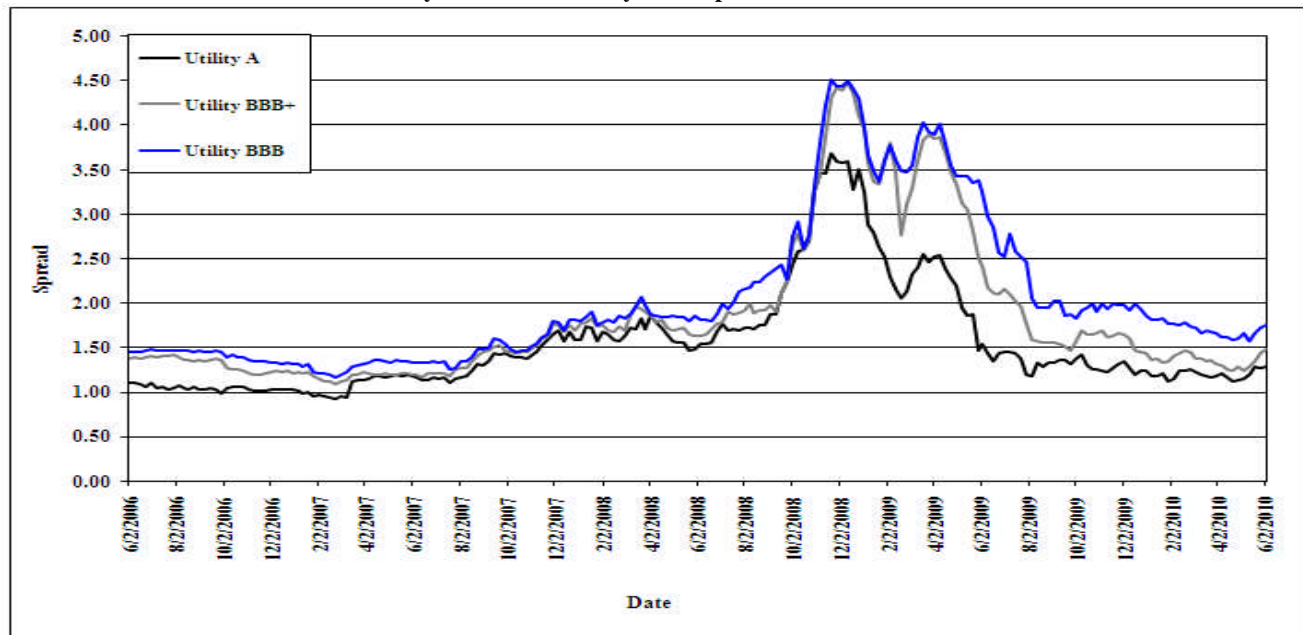


Exhibit JRW-4
Kentucky-American Water Company
Summary Financial Statistics for Proxy Groups

Panel A

Water Proxy Group

Company	Operating Revenue (\$mil)	Percent Water Revenue	Net Plant (\$mil)	S&P Bond Rating	Moody's Bond Rating	Pre-Tax Interest Coverage	Primary Service Area	Common Equity Ratio	Return on Equity	Market to Book Ratio
American States Water Co. (NYSE-AWR)	371.6	74	769.0	A	A2	3.5	CA, AZ	54.0	9.8%	1.95
Aqua America, Inc. (NYSE-WTR)	676.6	97	2813.6	AA-	NR	3.4	PA, OH, NJ, IL, ME, NC, TX, FL, KY	44.0	9.8%	2.19
Artesian Resources Corp. (NDQ-ARTNA)	62.0	87	255.3	NR	NR	1.8	DE	46.0	8.1%	1.52
California Water Service Group (NYSE-CWT)	453.0	98	1095.8	AA-	NR	6.6	CA, WA, NM	51.0	7.3%	1.94
Connecticut Water Service, Inc. (NDQ-CTWS)	68.0	90	274.7	A	NR	2.7	CT	49.0	9.7%	1.81
Middlesex Water Company (NDQ-MSEX)	92.3	88	332.7	A	NR	3.4	NJ, DE	44.0	7.2%	1.85
Pennichuck Corporation (NDQ-PNNW)	33.1	92	122.9	NR	NR	2.1	NH	48.0	6.3%	2.04
SJW Corporation (NYSE-SJW)	216.5	96	536.5	NR	NR	2.2	CA	50.0	6.4%	2.07
York Water Company (NDQ-YORW)	37.3	92	196.6	A-	NR	3.1	PA	54.0	9.9%	2.05
Mean	223.4	90	710.8	A		3.2		48.9	8.3%	1.94
Median	92.3	92	332.7	A		3.1		49.0	8.1%	1.95

Data Source: AUS *Utility Reports*, June, 2010; Pre-Tax Interest Coverage and Primary Service Territory are from *Value Line Investment Survey*, 2010.

Panel B
Gas Proxy Group

Company	Operating Revenue (\$mil)	Percent Gas Revenue	Net Plant (\$mil)	S&P Bond Rating	Moody's Bond Rating	Pre-Tax Interest Coverage	Primary Service Area	Common Equity Ratio	Return on Equity	Market to Book Ratio
AGL Resources Inc. (NYSE-ATG)	2,325.0	63	4,211.0	A-	A3	3.2	GA, TN, VA, NJ	48	13.3	1.62
Atmos Energy Corporation (NYSE-ATO)	4,664.5	61	4,590.5	BBB+	Baa2	2.8	LA, KY, TX, CO, KS	52	8.6	1.13
Laclede Group, Inc. (NYSE-LG)	1,688.4	54	865.8	A	A2	4.3	MO	52	9.8	1.41
NICOR Inc. (NYSE-GAS)	2,734.2	81	2,942.4	AA	A1	11.7	IL	68	13.7	1.82
Northwest Natural Gas Co. (NYSE-NWN)	861.9	97	1,707.2	AA-	A1	2.3	OR, WA	49	10.5	1.80
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	1,532.2	86	2,317.5	A	A3	3.5	NC, SC, TN	48	18.9	2.02
South Jersey Industries, Inc. (NYSE-SJI)	812.6	54	1,083.1	A	A2	5.9	NJ	53	10.6	2.39
Southwest Gas Corporation (NYSE-SWX)	1,872.7	85	3,082.9	BBB	Baa3	2.6	AZ, NV, CA	51	9.1	1.27
WGL Holdings, Inc. (NYSE-WGL)	2,623.9	50	2,296.4	AA-	A2	5.7	DC, MD, VA	62	10.0	1.53
Mean	2,123.9	70	2,566.3	A	A3	4.7		54	11.6	1.66
Median	1,872.7	63	2,317.5	A		3.5		52	10.5	1.62

Data Source: AUS *Utility Reports*, June, 2010; Pre-Tax Interest Coverage and Primary Service Territory are from *Value Line Investment Survey*, 2010.

Exhibit JRW-4
Kentucky-American Water Company
Value Line Risk Metrics

Panel A
Water Proxy Group

Company	Beta	Safety	Financial Strength	Stock Price Stability	Price Growth Persistence	Earnings Predict
American States Water Co. (NYSE-AWR)	0.80	3	B++	85	70	70
Aqua America, Inc. (NYSE-WTR)	0.65	3	B+	95	70	100
Artesian Resources Corp. (NDQ-ARTNA)						
California Water Service Group (NYSE-CWT)	0.75	3	B++	85	75	80
Connecticut Water Service, Inc. (NDQ-CTWS)	0.80	2	B+	95	30	85
Middlesex Water Company (NDQ-MSEX)	0.75	2	B+	95	40	90
Pennichuck Corporation (NDQ-PNNW)	0.50	3	B+	90	50	30
SJW Corporation (NYSE-SJW)	0.95	3	B+	65	75	85
York Water Company (NDQ-YORW)	0.65	3	B+	85	55	95
Mean	0.73	3	B+	87	58	79
Median	0.75	3	B+	88	63	85

Data Source: *Value Line Investment Survey*, 2010.

Panel B
Gas Proxy Group

Company	Beta	Safety	Financial Strength	Stock Price Stability	Price Growth Persistence	Earnings Predict
AGL Resources Inc. (NYSE-ATG)	0.75	2	B++	100	75	95
Atmos Energy Corporation (NYSE-ATO)	0.65	2	B+	100	50	90
Laclede Group, Inc. (NYSE-LG)	0.55	2	B+	100	60	85
NICOR Inc. (NYSE-GAS)	0.75	3	A	100	45	85
Northwest Natural Gas Co. (NYSE-NWN)	0.60	1	A	100	70	95
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	0.65	2	B++	100	60	95
South Jersey Industries, Inc. (NYSE-SJI)	0.60	2	B++	100	90	85
Southwest Gas Corporation (NYSE-SWX)	0.75	3	B	100	65	70
WGL Holdings, Inc. (NYSE-WGL)	0.65	1	A	100	50	95
Mean	0.66	2	B++	100	63	88
Median	0.65	2	B++	100	60	90

Data Source: *Value Line Investment Survey*, 2010.

Exhibit JRW-4
Kentucky-American Water Company
Value Line Risk Metrics

Beta - A relative measure of the historical sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Index. A Beta of 1.50 indicates a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Index. The "Beta coefficient" is derived from a regression analysis of the relationship between weekly percentage changes in the price of a stock and weekly percentage changes in the NYSE Index over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are adjusted for their long-term tendency to converge toward 1.00. Additionally, Value Line shows betas computed based on monthly total returns for the trailing three year, five-year and 10-year periods.

Safety Rank - A measurement of potential risk associated with individual common stocks. The Safety Rank is computed by averaging two other Value Line indexes - the Price Stability Index and the Financial strength Rating. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit their purchases to equities ranked 1 (Highest) and 2 (Above Average) for Safety.

Financial Strength Rating - A relative measure of financial strength of the companies reviewed by Value Line. The relative ratings range from A++ (strongest) down to C (weakest), in nine steps.

Price Stability Index - A measure of the stability of a stock's price. It includes sensitivity to the market (see Beta) as well as the stock's inherent volatility. Value Line Stability ratings range from 100 (highest) to 5 (lowest).

Price Growth Persistence - The historic tendency of a stock to show persistent growth compared with the average stock. Expressed as an index ranging from 100 (highest) to 5 (lowest) in increments of 5.

Earnings Predictability Index - A measure of the reliability of an earnings forecast. Predictability is based upon the stability of year-to-year comparisons, with recent years being weighted more heavily than earlier ones. The most reliable forecasts tend to be those with the highest rating (100); the least reliable, the lowest (5). The earnings stability is derived from the standard deviation of percentage changes in quarterly earnings over an eight-year period. Special adjustments are made for comparisons around zero and from plus to minus.

Exhibit JRW-5
Kentucky-American Water Company
Capital Structure Ratios

Panel A - Kentucky-American Water Company Recommended Capitalization Ratios and Debt Cost Rate

Capital	Capitalization Ratios	Cost Rate
Short-Term Debt	2.32%	2.08%
Long-Term Debt	52.06%	6.41%
Preferred Stock	1.65%	7.75%
Common Equity	43.97%	
Total Capital	100.00%	

Panel B - Water Proxy Group Average Quarterly Capital Structure Ratios

Capital	QTR1	QTR2	QTR3	QTR4	Average
Short-Term Debt	6.16%	5.52%	5.99%	6.29%	5.99%
Long-Term Debt	48.45%	49.49%	49.29%	48.08%	48.83%
Preferred Stock	0.16%	0.18%	0.18%	0.17%	0.17%
Common Equity	45.22%	44.81%	44.54%	45.46%	45.01%
Total Capital	100.00%	100.00%	100.00%	100.00%	100.00%

* See page 2 of Exhibit JRW-5.

Panel C - OAG Recommended Capital Structure

Capital	Capitalization Ratios	Cost Rate
Short-Term Debt	2.32%	0.63%
Long-Term Debt	52.06%	6.32%
Preferred Stock	1.65%	7.75%
Common Equity	43.97%	
Total Capital	100.00%	

Exhibit JRW-5
Kentucky-American Water Company
Capital Structure Ratios
Water Proxy Group

		QTR1	QTR2	QTR3	QTR4			QTR1	QTR2	QTR3	QTR4
AWR	Short Term Debt	21,198	15,914	55,010	75,336	AWR	Short Term Debt	2.75%	2.09%	8.17%	11.55%
	Long-Term Debt	390,917	391,957	306,469	266,536		Long-Term Debt	50.65%	51.45%	45.52%	40.86%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	359,747	353,979	311,857	310,503		Common Equity	46.61%	46.46%	46.32%	47.60%
	Total	771,862	761,850	673,336	652,375		Total	100.00%	100.00%	100.00%	100.00%
WTR	Short Term Debt	131,394	124,737	111,940	87,886	WTR	Short Term Debt	5.15%	4.98%	3.86%	3.56%
	Long-Term Debt	1,343,289	1,305,742	1,726,068	1,321,059		Long-Term Debt	52.64%	52.11%	59.50%	53.54%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	1,077,356	1,075,441	1,062,794	1,058,446		Common Equity	42.22%	42.92%	36.64%	42.90%
	Total	2,552,039	2,505,920	2,900,802	2,467,391		Total	100.00%	100.00%	100.00%	100.00%
ARTNA	Short Term Debt	27,694	24,114	21,606	21,802	ARTNA	Short Term Debt	11.33%	10.01%	9.94%	10.04%
	Long-Term Debt	126,020	127,365	107,277	107,555		Long-Term Debt	51.56%	52.88%	49.37%	49.53%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	90,688	89,390	88,400	87,794		Common Equity	37.11%	37.11%	40.68%	40.43%
	Total	244,402	240,869	217,283	217,151		Total	100.00%	100.00%	100.00%	100.00%
CWT	Short Term Debt	24,424	14,664	54,891	42,818	CWT	Short Term Debt	2.99%	1.85%	7.40%	5.84%
	Long-Term Debt	374,269	373,541	287,202	287,498		Long-Term Debt	45.74%	47.05%	38.72%	39.21%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	419,492	405,756	399,571	402,949		Common Equity	51.27%	51.11%	53.87%	54.95%
	Total	818,185	793,961	741,664	733,265		Total	100.00%	100.00%	100.00%	100.00%
CTWS	Short Term Debt	31,607	17,779	16,161	12,081	CTWS	Short Term Debt	13.57%	8.28%	7.61%	5.79%
	Long-Term Debt	92,020	92,094	92,216	92,227		Long-Term Debt	39.50%	42.88%	43.43%	44.22%
	Preferred Stock	772	772	772	772		Preferred Stock	0.33%	0.36%	0.36%	0.37%
	Common Equity	108,539	104,146	103,192	103,476		Common Equity	46.60%	48.49%	48.60%	49.62%
	Total	232,938	214,791	212,341	208,556		Total	100.00%	100.00%	100.00%	100.00%
MSEX	Short Term Debt	3,643	3,463	3,323	17,985	MSEX	Short Term Debt	1.24%	1.27%	1.24%	6.01%
	Long-Term Debt	148,052	128,845	124,351	140,306		Long-Term Debt	50.19%	47.09%	46.37%	46.85%
	Preferred Stock	3,373	3,373	3,375	3,375		Preferred Stock	1.14%	1.23%	1.26%	1.13%
	Common Equity	139,900	137,906	137,106	137,803		Common Equity	47.43%	50.41%	51.13%	46.02%
	Total	294,968	273,587	268,155	299,469		Total	100.00%	100.00%	100.00%	100.00%
PNNW	Short Term Debt	13,942	13,863	12,636	6,664	PNNW	Short Term Debt	12.01%	12.03%	11.07%	4.56%
	Long-Term Debt	54,235	54,314	54,534	91,701		Long-Term Debt	46.73%	47.11%	47.76%	62.75%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	47,877	47,107	47,012	47,780		Common Equity	41.25%	40.86%	41.17%	32.69%
	Total	116,054	115,284	114,182	146,145		Total	100.00%	100.00%	100.00%	100.00%
SJW	Short Term Debt	5,081	3,728	17,436	19,105	SJW	Short Term Debt	0.88%	0.65%	3.08%	3.90%
	Long-Term Debt	316,832	318,094	299,547	216,613		Long-Term Debt	54.98%	55.86%	52.90%	44.20%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	254,407	247,603	249,272	254,326		Common Equity	44.14%	43.48%	44.02%	51.90%
	Total	576,320	569,425	566,255	490,044		Total	100.00%	100.00%	100.00%	100.00%
YORW	Short Term Debt	9,341	14,341	2,741	8,741	YORW	Short Term Debt	5.56%	8.56%	1.50%	5.39%
	Long-Term Debt	74,008	82,154	109,745	83,612		Long-Term Debt	44.09%	49.02%	60.05%	51.57%
	Preferred Stock						Preferred Stock	0.00%	0.00%	0.00%	0.00%
	Common Equity	84,507	71,097	70,280	69,766		Common Equity	50.34%	42.42%	38.45%	43.03%
	Total	167,856	167,592	182,766	162,119		Total	100.00%	100.00%	100.00%	100.00%
Summary								QTR1	QTR2	QTR3	QTR4
						Short Term Debt	6.16%	5.52%	5.99%	6.29%	
						Long-Term Debt	48.45%	49.49%	49.29%	48.08%	
						Preferred Stock	0.16%	0.18%	0.18%	0.17%	
						Common Equity	45.22%	44.81%	44.54%	45.46%	
						Total	100.00%	100.00%	100.00%	100.00%	

Exhibit JRW-5
Kentucky-American Water Company
Short-Term Debt Cost Rate

Average Spread Paid by KAWC on Short-Term Debt*	0.3847%
Fed Funds Rate**	<u>0.2500%</u>
Short-Term Debt Cost Rate	<u>0.6347%</u>

Data Sources:

* KAWC Exhibit MAM-6

** www.bloomberg.com, May 25, 2010

Key Rates					
	CURRENT	1 MO PRIOR	3 MO PRIOR	6 MO PRIOR	1 YR PRIOR
Fed Funds Rate	.22	.21	.12	.13	.12
Fed Reserve Target Rate	.25	.25	.25	.25	.25

**Exhibit JRW-5
Kentucky-American Water Company
Long-Term Debt Cost Rate**

**Panel A
Yield on Proposed \$25M 30-Year Bond Issue - September 2010**

Recent Yields - BBB Utilities - 30-Year Treasuries

Date	Yield
05/07/10	5.92
05/14/10	5.94
05/21/10	5.79
05/28/10	5.95
<u>06/04/10</u>	<u>5.90</u>
Average	5.90

Source: Bloomberg

**Panel B
Long-Term Debt Cost Rate**

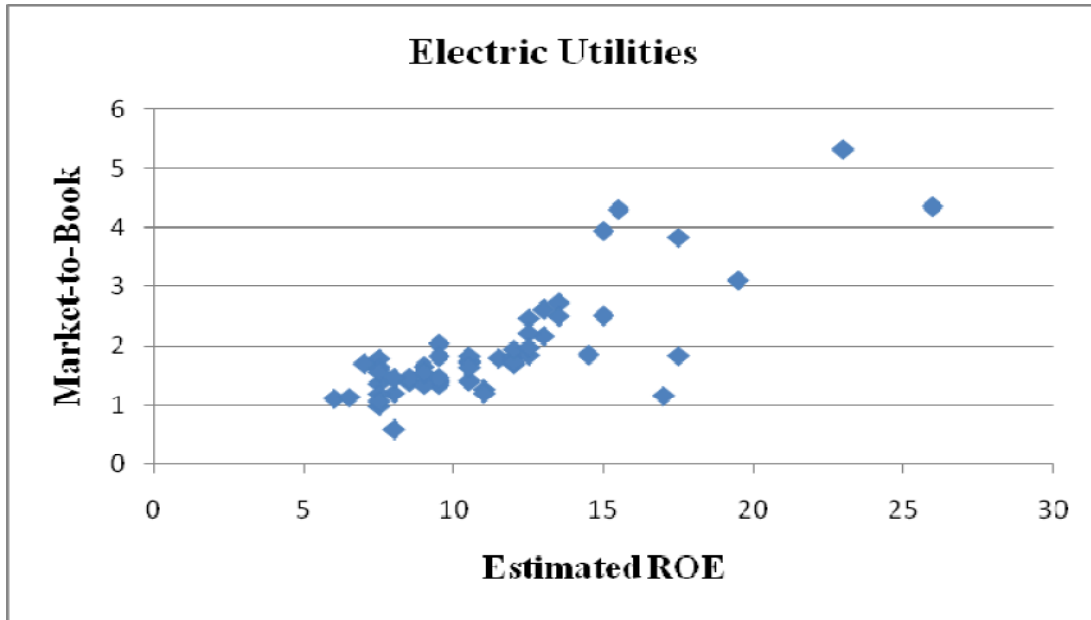
**KENTUCKY-AMERICAN WATER COMPANY
LONG-TERM DEBT AVERAGING FOR FORECASTED PERIOD
13 MONTH AVERAGE**

Debt Issue Type & Rate	13 Month Average	Cost Rate At Issue	Cost Rate @ Maturity	Forecasted Amort of Issuance Exp	Annualized Cost	Average Unamortized Issue Exp	Net Carrying Value
Series 6.87%	-	6.87%	-	26,040	-	8,812	-8812.36
Series 6.96%	7,000,000	6.96%	0	2,294	489,510	29,055	6970945.20
Series 7.15%	7,500,000	7.15%	0	2,424	538,650	38,464	7461535.54
Series 6.99%	9,000,000	6.99%	0	3,264	632,340	55,992	8944007.96
Series 6.58%	47,000,000	6.58%	0	15,962	3,108,580	440,525	46559475.34
Series 6.25%	45,390,000	6.25%	0	20,390	2,857,301	574,323	44815677.16
Series 5.625%	26,000,000	5.63%	0	11,064	1,473,680	362,216	25637783.88
Prop 5.625% (tax exempt)	26,000,000	5.63%	0	8,667	1,471,080	252,778	25747222.22
Proposed 5.90%	21,153,846	<u>5.90%</u>	0	7,639	1,255,692	208,013	<u>20945833.33</u>
TOTAL	189,043,846			97,743	11,826,833	1,970,178	187073668.27
13 MONTH AVERAGE COST RATE			6.32%				

Source: Work Papers of KAWC Witness Michael Miller

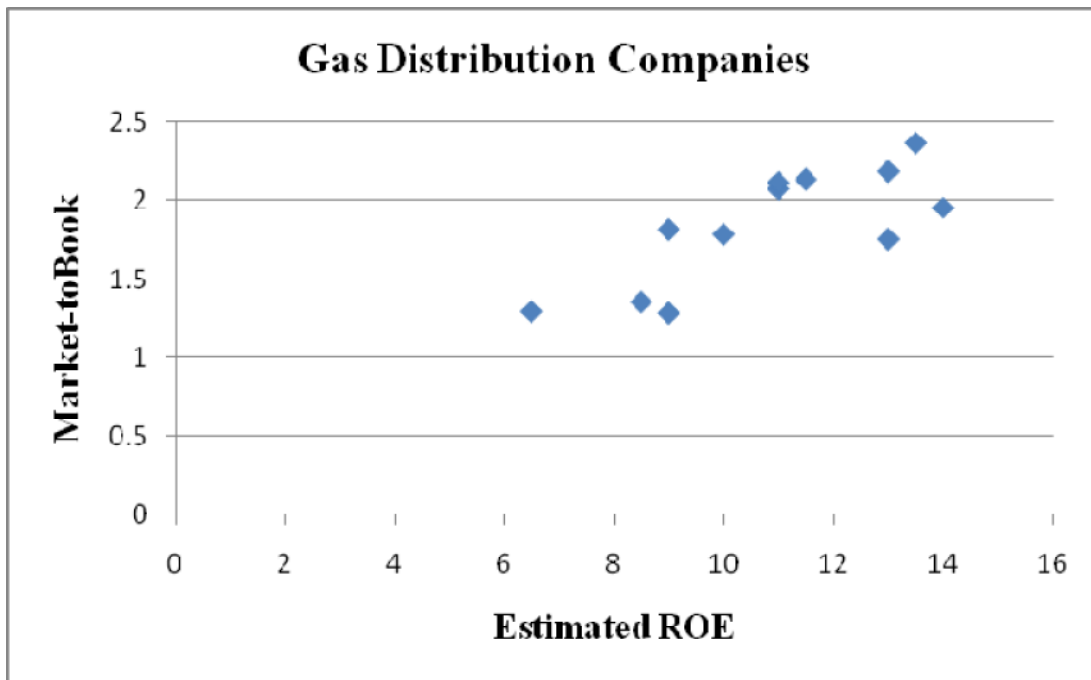
Exhibit JRW-6

Panel A



R-Square = .65, N=56.

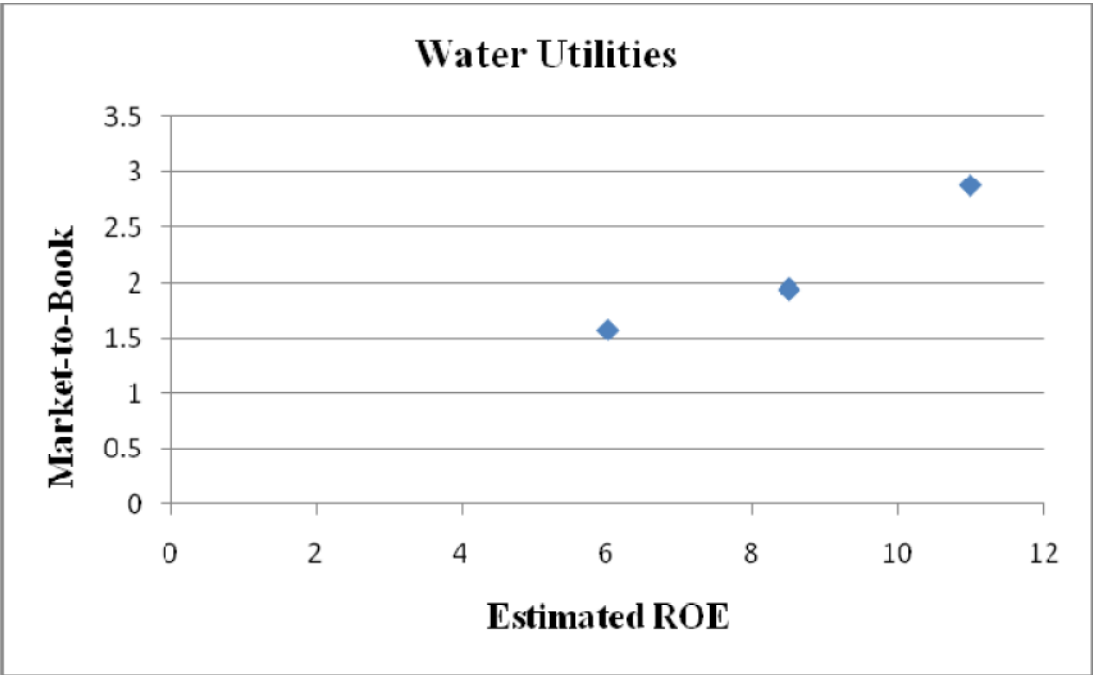
Panel B



R-Square = .60, N=12.

Exhibit JRW-6

Panel C



R-Square = .92, N=4.

Exhibit JRW-7
Long-Term A, BBB+, and BBB Rated Public Utility Bonds

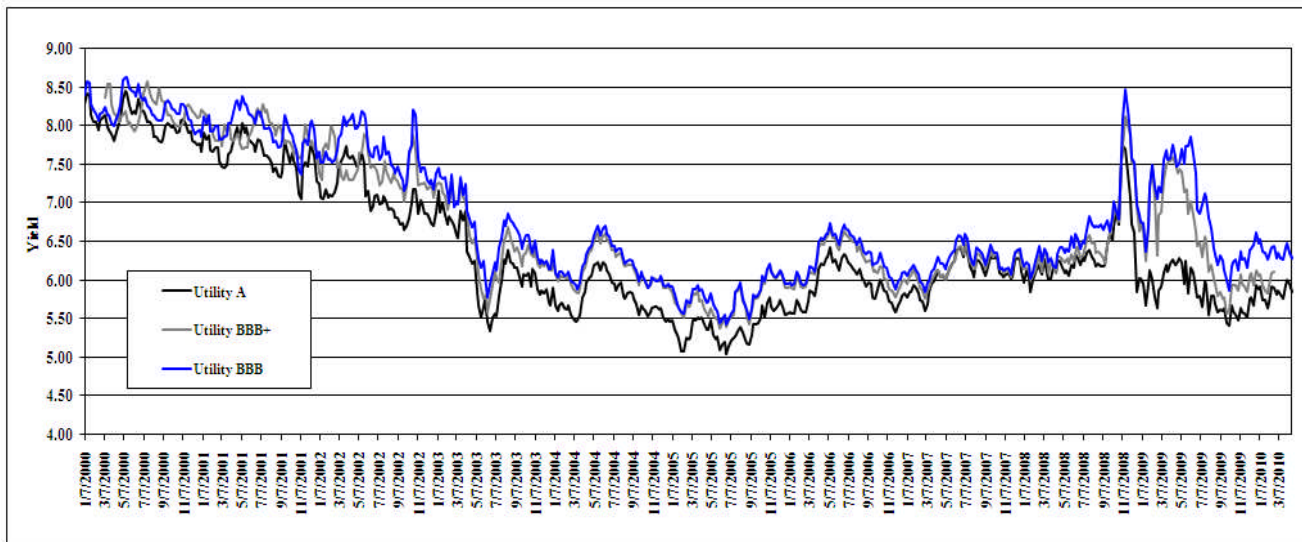
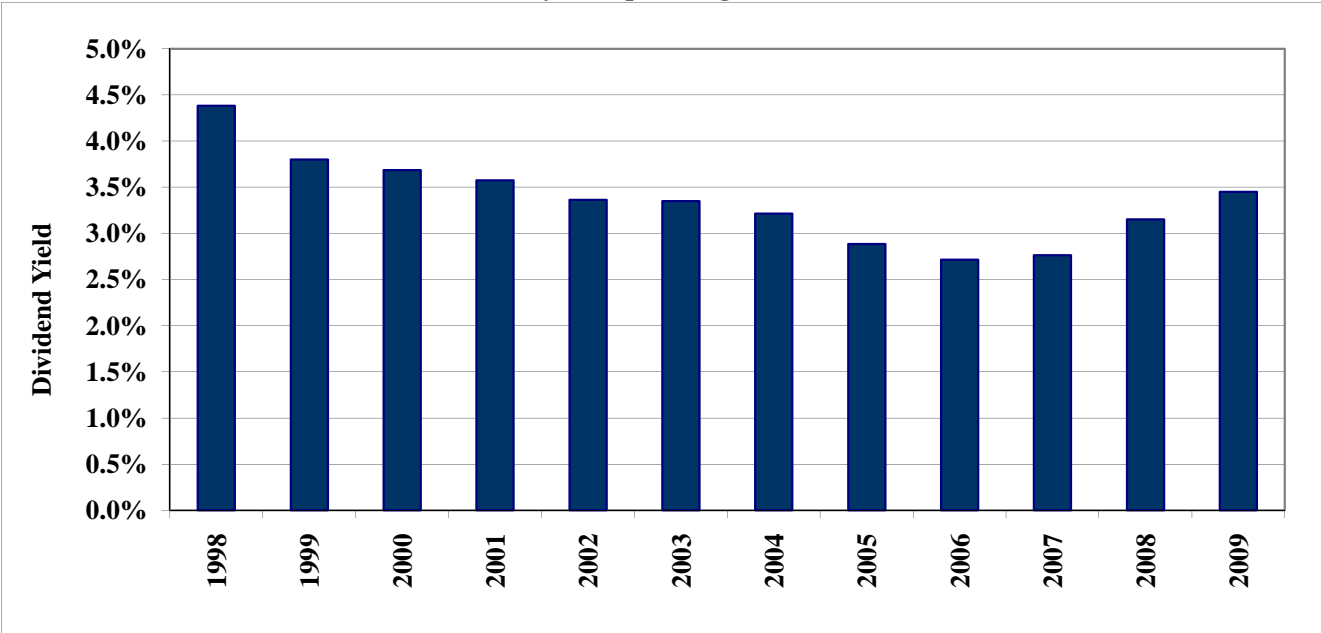
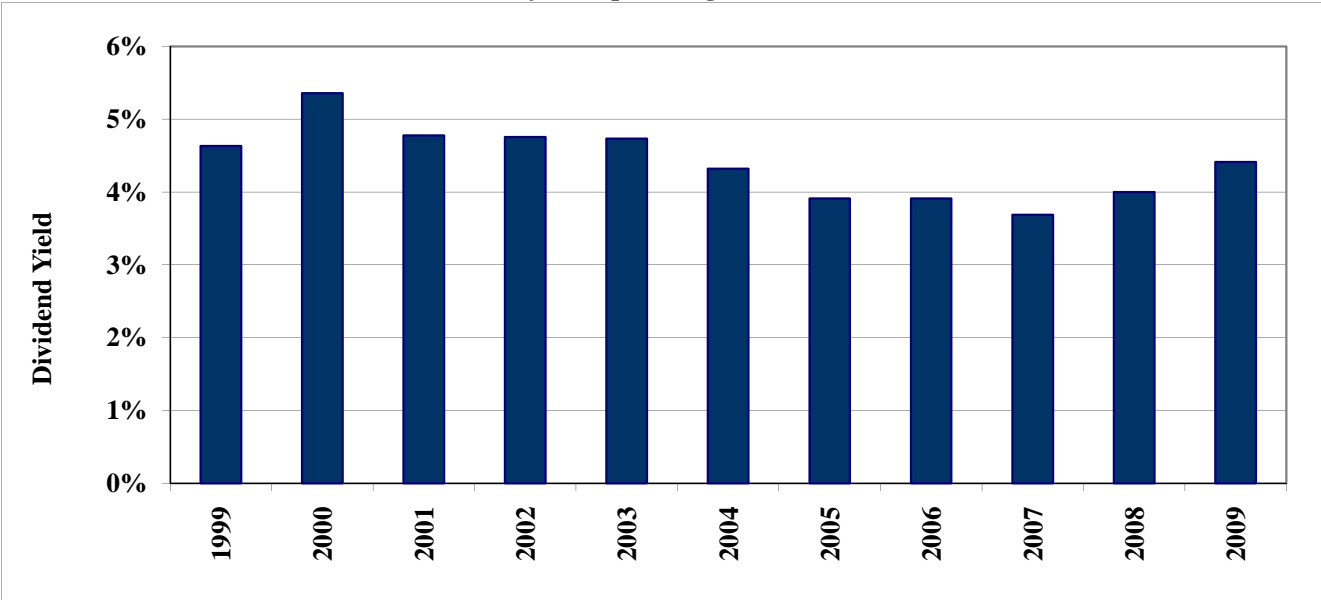


Exhibit JRW-7

Panel A
Water Proxy Group Average Dividend Yield



Panel B
Gas Proxy Group Average Dividend Yield

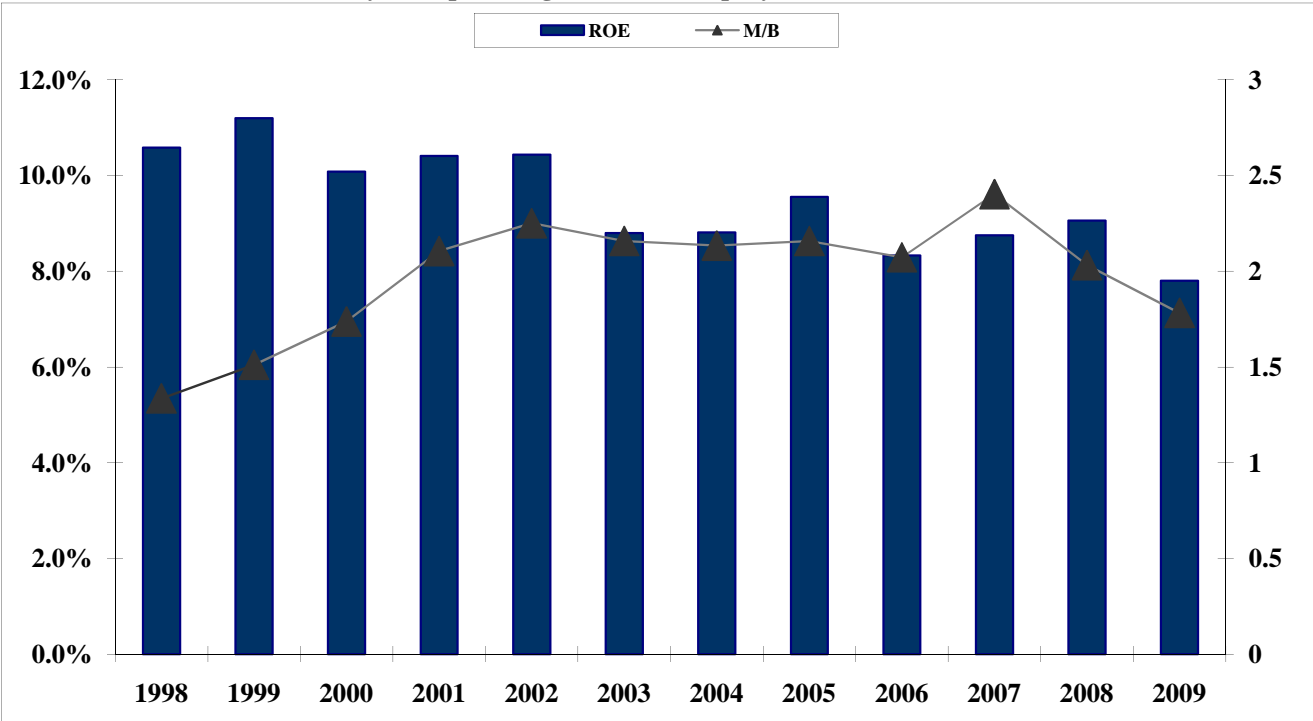


Data Source: Value Line Investment Survey.

Exhibit JRW-7

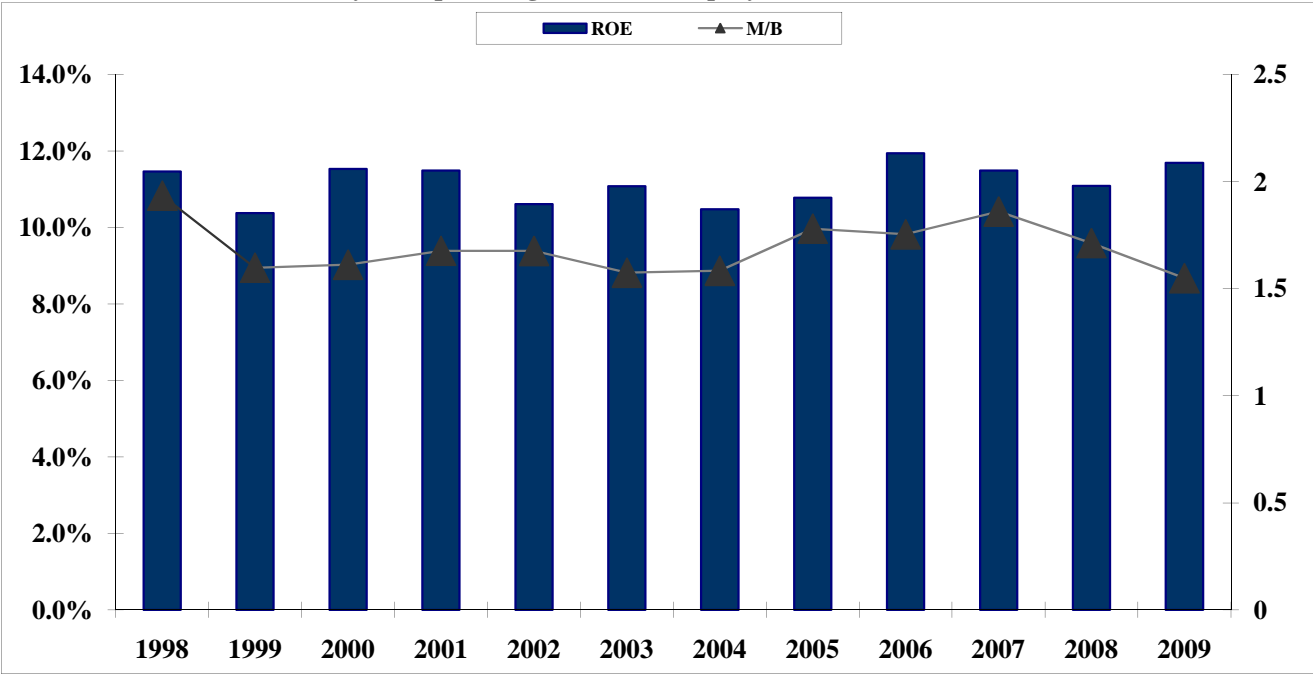
Panel A

Water Proxy Group Average Return on Equity and Market-to-Book Ratios



Panel B

Gas Proxy Group Average Return on Equity and Market-to-Book Ratios



Data Source: Value Line Investment Survey.

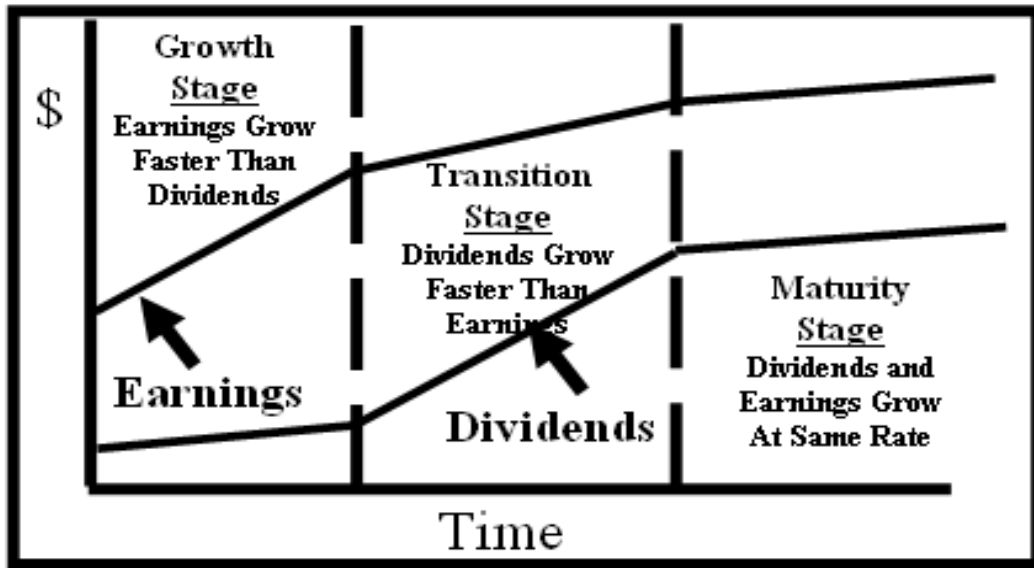
Exhibit JRW-8

Industry Average Betas

Industry Name	No.	Beta	Industry Name	No.	Beta	Industry Name	No.	Beta
Public/Private Equity	9	2.40	Retail Store	43	1.35	Telecom. Services	140	1.10
Newspaper	15	1.94	Restaurant	68	1.34	Biotechnology	121	1.10
Semiconductor Equip	14	1.93	Shoe	19	1.34	Industrial Services	168	1.07
Steel (Integrated)	15	1.85	Machinery	130	1.32	Reinsurance	8	1.07
Entertainment	95	1.81	Entertainment Tech	35	1.32	Utility (Foreign)	5	1.07
Auto Parts	54	1.75	Apparel	56	1.30	Air Transport	44	1.06
Hotel/Gaming	74	1.74	Trucking	33	1.30	Medical Supplies	264	1.04
Auto & Truck	22	1.72	Railroad	15	1.29	Internet	239	1.04
Cable TV	24	1.69	Natural Gas (Div.)	32	1.29	Beverage	41	1.04
Coal	21	1.67	Chemical (Specialty)	97	1.29	Computer Software/Svcs	333	1.02
Paper/Forest Products	39	1.63	Computers/Peripherals	129	1.29	Medical Services	162	0.97
Property Management	20	1.63	Information Services	29	1.28	Healthcare Information	33	0.97
Steel (General)	20	1.61	Chemical (Basic)	17	1.27	Environmental	91	0.97
Advertising	36	1.60	Petroleum (Integrated)	24	1.24	Bank (Midwest)	39	0.96
R.E.I.T.	143	1.60	Precision Instrument	98	1.24	Retail Building Supply	7	0.95
Semiconductor	125	1.56	Power	77	1.23	Insurance (Prop/Cas.)	85	0.92
Metal Fabricating	36	1.54	Toiletries/Cosmetics	19	1.23	Oil/Gas Distribution	19	0.89
Furn/Home Furnishings	35	1.52	Metals & Mining (Div.)	79	1.23	Pharmacy Services	21	0.88
Wireless Networking	60	1.50	Manuf. Housing/RV	15	1.21	Bank (Canadian)	7	0.86
Retail Automotive	15	1.46	Diversified Co.	121	1.20	Food Processing	121	0.86
Oilfield Svcs/Equip.	113	1.45	Packaging & Container	31	1.20	Water Utility	15	0.82
Homebuilding	28	1.45	Office Equip/Supplies	25	1.19	Electric Util. (Central)	23	0.79
Building Materials	53	1.45	Funeral Services	5	1.19	Tobacco	12	0.78
Publishing	30	1.43	Aerospace/Defense	67	1.19	Investment Co.	19	0.76
Retail (Special Lines)	157	1.43	Precious Metals	78	1.18	Electric Utility (West)	14	0.75
Recreation	65	1.43	E-Commerce	56	1.18	Educational Services	38	0.75
Heavy Construction	14	1.42	Canadian Energy	10	1.18	Bank	481	0.75
Electrical Equipment	87	1.41	Securities Brokerage	30	1.18	Electric Utility (East)	24	0.73
Financial Svcs. (Div.)	296	1.39	Electronics	183	1.16	Thrift	227	0.73
Investment Co.(Foreign)	16	1.39	Petroleum (Producing)	198	1.16	Retail/Wholesale Food	32	0.73
Maritime	53	1.38	Household Products	23	1.15	Natural Gas Utility	24	0.68
Human Resources	30	1.38	Telecom. Equipment	115	1.15	Total Market	7036	1.17
Insurance (Life)	31	1.38	Foreign Electronics	9	1.13			
Chemical (Diversified)	31	1.37	Drug	337	1.11			

Source: Damodaran Online

Exhibit JRW-9
Three-Stage DCF Model



Source: William F. Sharpe, Gordon J. Alexander, and Jeffrey V. Bailey, Investments (Prentice-Hall, 1995), pp. 590-91.

Exhibit JRW-10

**Kentucky-American Water Company
Discounted Cash Flow Analysis**

**Panel A
Water Proxy Group**

Dividend Yield*	3.25%
Adjustment Factor (1 + 1/2g)	<u>1.03</u>
Adjusted Dividend Yield	3.35%
Growth Rate**	<u>6.00%</u>
Equity Cost Rate	9.3%

* Page 2 of Exhibit JRW-10

** Based on data provided on pages 3, 4, 5, 6,
and 7 of Exhibit JRW-10

**Panel B
Gas Proxy Group**

Dividend Yield*	4.30%
Adjustment Factor (1 + 1/2g)	<u>1.0225</u>
Adjusted Dividend Yield	4.40%
Growth Rate**	<u>4.50%</u>
Equity Cost Rate	8.9%

* Page 2 of Exhibit JRW-10

** Based on data provided on pages 3, 4, 5, 6,
and 7 of Exhibit JRW-10

Exhibit JRW-10

Kentucky-American Water Company
Monthly Dividend YieldsPanel A
Water Proxy Group

Company	Jan	Feb	Mar	Apr	May	Jun	Mean
American States Water Co. (NYSE-AWR)	3.0%	3.0%	3.2%	3.2%	2.8%	2.7%	3.0%
Aqua America, Inc. (NYSE-WTR)	3.4%	3.3%	3.4%	3.4%	3.2%	3.2%	3.3%
Artesian Resources Corp. (NDQ-ARTNA)	4.4%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%
California Water Service Group (NYSE-CWT)	3.2%	3.1%	3.3%	3.2%	3.1%	3.1%	3.2%
Connecticut Water Service, Inc. (NDQ-CTWS)	3.7%	3.8%	4.0%	3.8%	3.9%	4.0%	3.9%
Middlesex Water Company (NDQ-MSEX)	4.3%	4.2%	4.4%	4.1%	4.1%	3.9%	4.2%
Pennichuck Corporation (NDQ-PNNW)	3.4%	3.4%	3.6%	3.4%	3.1%	3.0%	3.3%
SJW Corporation (NYSE-SJW)	3.0%	2.8%	3.1%	2.9%	2.5%	2.4%	2.8%
York Water Company (NDQ-YORW)	3.4%	3.6%	3.7%	3.6%	3.6%	3.6%	3.6%
Mean	3.5%	3.5%	3.6%	3.5%	3.4%	3.3%	3.5%
Median	3.4%	3.4%	3.6%	3.4%	3.2%	3.2%	3.3%

Data Source: AUS Utility Reports , monthly issues.

Panel B
Gas Proxy Group

Company	Jan	Feb	Mar	Apr	May	Jun	Mean
AGL Resources Inc. (NYSE-ATG)	4.7%	4.6%	4.9%	4.7%	4.6%	4.6%	4.7%
Atmos Energy Corporation (NYSE-ATO)	4.6%	4.6%	4.9%	4.7%	4.6%	4.7%	4.7%
Laclede Group, Inc. (NYSE-LG)	4.7%	4.7%	4.9%	4.7%	4.6%	4.4%	4.7%
NICOR Inc. (NYSE-GAS)	4.4%	4.4%	4.7%	4.3%	4.3%	4.3%	4.4%
Northwest Natural Gas Co. (NYSE-NWN)	3.7%	3.7%	3.8%	3.6%	3.5%	3.5%	3.6%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	4.2%	4.1%	4.3%	4.1%	4.1%	4.1%	4.2%
South Jersey Industries, Inc. (NYSE-SJI)	3.5%	3.4%	3.4%	3.2%	3.1%	2.9%	3.3%
Southwest Gas Corporation (NYSE-SWX)	3.3%	3.3%	3.4%	3.4%	3.2%	3.1%	3.3%
WGL Holdings, Inc. (NYSE-WGL)	4.4%	4.5%	4.5%	4.5%	4.3%	4.2%	4.4%
Mean	4.2%	4.1%	4.3%	4.1%	4.0%	4.0%	4.1%
Median	4.4%	4.4%	4.5%	4.3%	4.3%	4.2%	4.4%

Exhibit JRW-10
Kentucky-American Water Company
DCF Equity Cost Growth Rate Measures
Historic Growth Rates

Water Proxy Group

EPS Growth Rates	5-Year	10-Year
AWR	9.06%	3.13%
WTR	3.77%	6.25%
ARTNA	6.14%	4.10%
CWT	5.96%	2.46%
CTWS	0.51%	1.48%
MSEX	-0.28%	-0.54%
PNNW	-1.73%	-4.15%
SJW	-1.42%	-0.83%
YORW	5.49%	6.22%
Mean	3.06%	2.01%
Median	3.77%	2.46%

Gas Proxy Group

EPS Growth Rates	5-Year	10-Year
ATG	4.86%	12.25%
ATO	4.51%	9.29%
LG	9.92%	7.10%
GAS	5.99%	1.46%
NWN	8.29%	5.00%
PNY	5.63%	6.03%
SJI	8.54%	8.95%
SWX	3.17%	4.33%
WGL	5.02%	5.58%
Mean	6.21%	6.67%
Median	5.63%	6.03%

DPS Growth Rates	5-Year	10-Year
AWR	2.56%	1.74%
WTR	8.37%	7.41%
ARTNA	6.28%	4.76%
CWT	0.87%	0.80%
CTWS	1.51%	1.35%
MSEX	1.38%	1.78%
PNNW	1.49%	3.04%
SJW	5.29%	5.14%
YORW	5.30%	4.77%
Mean	3.67%	3.42%
Median	2.56%	3.04%

DPS Growth Rates	5-Year	10-Year
ATG	8.38%	4.76%
ATO	1.59%	1.84%
LG	2.53%	1.33%
GAS	0.00%	1.91%
NWN	4.24%	2.66%
PNY	4.64%	4.64%
SJI	8.27%	5.42%
SWX	2.99%	1.48%
WGL	2.57%	1.88%
Mean	3.91%	2.88%
Median	2.99%	1.91%

BVPS Growth Rates	5-Year	10-Year
AWR	5.25%	5.07%
WTR	6.63%	9.03%
ARTNA	5.65%	5.49%
CWT	5.29%	4.20%
CTWS	2.98%	3.81%
MSEX	4.27%	4.00%
PNNW	4.84%	3.42%
SJW	6.20%	5.66%
YORW	8.28%	7.24%
Mean	5.49%	5.32%
Median	5.29%	5.07%

BVPS Growth Rates	5-Year	10-Year
ATG	4.91%	7.07%
ATO	5.44%	6.88%
LG	6.58%	4.54%
GAS	6.18%	3.16%
NWN	3.81%	3.81%
PNY	2.59%	4.89%
SJI	8.05%	10.49%
SWX	4.98%	4.13%
WGL	5.25%	4.05%
Mean	5.31%	5.45%
Median	5.25%	4.54%

Average (of Medians)	3.87%	3.52%
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Average (of Medians)	4.62%	4.16%
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	5-Year	10-Year
Overall Average	3.87%	3.52%

	5-Year	10-Year
Overall Average	4.62%	4.16%

Average of 5-Year and 10-Year	3.7%
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Average of 5-Year and 10-Year	4.4%
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Exhibit JRW-10

Kentucky-American Water Company
DCF Equity Cost Growth Rate Measures
Value Line Historic Growth Rates

Panel A
Water Proxy Group

Company	<i>Value Line</i> Historic Growth					
	Past 10 Years			Past 5 Years		
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
American States Water Co. (NYSE-AWR)	4.0%	1.5%	4.5%	8.5%	2.5%	5.0%
Aqua America, Inc. (NYSE-WTR)	7.5%	7.0%	9.5%	5.5%	8.0%	10.0%
Artesian Resources Corp. (NDQ-ARTNA)						
California Water Service Group (NYSE-CWT)	1.0%	1.0%	4.0%	6.5%	1.0%	6.0%
Connecticut Water Service, Inc. (NDQ-CTWS)				-0.5%	1.5%	3.0%
Middlesex Water Company (NDQ-MSEX)				3.5%	1.5%	5.5%
Pennichuck Corporation (NDQ-PNNW)				1.0%	1.5%	3.5%
SJW Corporation (NYSE-SJW)				3.0%	5.5%	8.0%
York Water Company (NDQ-YORW)				5.5%	6.0%	8.5%
Mean	4.2%	3.2%	6.0%	4.1%	3.4%	6.2%
Median	4.0%	1.5%	4.5%	4.5%	2.0%	5.8%
Data Source: <i>Value Line Investment Survey, 2010.</i>				Average of Median Figures = 3.7%		

Panel B
Gas Proxy Group

Company	<i>Value Line</i> Historic Growth					
	Past 10 Years			Past 5 Years		
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
AGL Resources Inc. (NYSE-ATG)	8.5%	4.5%	7.0%	6.0%	8.5%	8.0%
Atmos Energy Corporation (NYSE-ATO)	4.0%	2.0%	7.0%	4.5%	1.5%	7.0%
Laclede Group, Inc. (NYSE-LG)	5.0%	1.0%	4.0%	10.5%	2.0%	6.5%
NICOR Inc. (NYSE-GAS)	1.5%	2.5%	3.0%	3.5%	0.0%	5.0%
Northwest Natural Gas Co. (NYSE-NWN)	6.0%	2.0%	3.5%	9.5%	3.5%	4.0%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	5.0%	5.0%	5.0%	6.5%	4.5%	4.5%
South Jersey Industries, Inc. (NYSE-SJI)	11.5%	3.5%	9.0%	13.0%	6.0%	11.0%
Southwest Gas Corporation (NYSE-SWX)	7.0%	0.5%	4.5%	9.0%	1.0%	5.0%
WGL Holdings, Inc. (NYSE-WGL)	4.0%	1.5%	5.5%	5.5%	2.0%	5.0%
Mean	5.8%	2.5%	5.4%	7.6%	3.2%	6.2%
Median	5.0%	2.0%	5.0%	6.5%	2.0%	5.0%
Data Source: <i>Value Line Investment Survey, 2010.</i>				Average of Median Figures = 4.3%		

Exhibit JRW-10

Kentucky-American Water Company
DCF Equity Cost Growth Rate Measures
Value Line Projected Growth Rates

Panel A
Water Proxy Group

Company	Value Line			Value Line		
	Projected Growth			Sustainable Growth		
	Est'd. '07-'09 to '13-'15			Return on Equity	Retention Rate	Sustainable Growth
Earnings	Dividends	Book Value				
American States Water Co. (NYSE-AWR)	6.5%	3.0%	3.5%	10.5%	50.0%	5.3%
Aqua America, Inc. (NYSE-WTR)	11.5%	5.5%	4.5%	14.0%	49.0%	6.9%
Artesian Resources Corp. (NDQ-ARTNA)						
California Water Service Group (NYSE-CWT)	6.5%	1.0%	3.0%	11.0%	52.0%	5.7%
Connecticut Water Service, Inc. (NDQ-CTWS)						
Middlesex Water Company (NDQ-MSEX)						
Pennichuck Corporation (NDQ-PNNW)						
SJW Corporation (NYSE-SJW)						
York Water Company (NDQ-YORW)						
Mean	8.2%	3.2%	3.7%	11.8%	50.3%	5.9%
Median	6.5%	3.0%	3.5%	11.0%	50.0%	5.7%
Average of Median Figures =		4.3%			Median =	5.7%

Data Source: Value Line Investment Survey, 2010.

Panel B
Gas Proxy Group

Company	Value Line			Value Line		
	Projected Growth			Sustainable Growth		
	Est'd. '07-'09 to '13-'15			Return on Equity	Retention Rate	Sustainable Growth
Earnings	Dividends	Book Value				
AGL Resources Inc. (NYSE-ATG)	3.5%	2.5%	5.0%	11.5%	43.0%	4.9%
Atmos Energy Corporation (NYSE-ATO)	5.5%	2.0%	3.5%	10.0%	47.0%	4.7%
Laclede Group, Inc. (NYSE-LG)	2.5%	2.5%	4.0%	11.0%	43.0%	4.7%
NICOR Inc. (NYSE-GAS)	2.5%	0.0%	5.0%	11.0%	39.0%	4.3%
Northwest Natural Gas Co. (NYSE-NWN)	4.5%	5.5%	4.0%	11.5%	34.0%	3.9%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	3.5%	3.5%	3.0%	13.0%	33.0%	4.3%
South Jersey Industries, Inc. (NYSE-SJI)	7.0%	6.0%	5.5%	14.5%	53.0%	7.7%
Southwest Gas Corporation (NYSE-SWX)	8.0%	5.0%	5.0%	9.0%	57.0%	5.1%
WGL Holdings, Inc. (NYSE-WGL)	2.5%	3.0%	4.0%	10.5%	39.0%	4.1%
Mean	4.4%	3.3%	4.3%	11.3%	43.1%	4.9%
Median	3.5%	3.0%	4.0%	11.0%	43.0%	4.7%
Average of Median Figures =		3.5%			Median =	4.7%

Data Source: Value Line Investment Survey, 2010.

Exhibit JRW-10

Kentucky-American Water Company
DCF Equity Cost Growth Rate Measures
Analysts Projected EPS Growth Rate Estimates

Panel A

Water Proxy Group

Company	Yahoo			Average
	First Call	Zack's	Reuters	
American States Water Co. (NYSE-AWR)	4.00%	4.00%	4.00%	4.0%
Aqua America, Inc. (NYSE-WTR)	7.50%	7.33%	8.00%	7.6%
Artesian Resources Corp. (NDQ-ARTNA)	6.00%	N/A	N/A	6.0%
California Water Service Group (NYSE-CWT)	5.50%	6.00%	5.55%	5.7%
Connecticut Water Service, Inc. (NDQ-CTWS)	15.00%	N/A	N/A	15.0%
Middlesex Water Company (NDQ-MSEX)	8.00%	N/A	N/A	8.0%
Pennichuck Corporation (NDQ-PNNW)	9.00%	N/A	N/A	9.0%
SJW Corporation (NYSE-SJW)	10.00%	N/A	N/A	10.0%
York Water Company (NDQ-YORW)	6.00%	N/A	N/A	6.0%
Mean	7.9%	5.8%	5.9%	7.9%
Median	7.5%	6.0%	5.6%	7.6%

Data Sources: www.reuters.com, www.zacks.com, http://quote.yahoo.com, June, 2010.

Panel B

Gas Proxy Group

Company	Yahoo			Average
	First Call	Zack's	Reuters	
AGL Resources Inc. (NYSE-ATG)	5.07%	4.00%	6.17%	5.1%
Atmos Energy Corporation (NYSE-ATO)	4.20%	4.67%	4.40%	4.4%
Laclede Group, Inc. (NYSE-LG)	3.50%	3.00%	N/A	3.3%
NICOR Inc. (NYSE-GAS)	2.70%	3.67%	1.62%	2.7%
Northwest Natural Gas Co. (NYSE-NWN)	4.75%	5.17%	4.50%	4.8%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	3.70%	6.33%	5.80%	5.3%
South Jersey Industries, Inc. (NYSE-SJI)	7.50%	9.50%	7.00%	8.0%
Southwest Gas Corporation (NYSE-SWX)	3.30%	6.00%	5.50%	4.9%
WGL Holdings, Inc. (NYSE-WGL)	3.05%	3.05%	3.05%	3.1%
Mean	4.20%	5.0%	4.8%	4.6%
Median	3.70%	4.7%	5.0%	4.8%

Data Sources: www.reuters.com, www.zacks.com, http://quote.yahoo.com, June, 2010.

Exhibit JRW-10

**Kentucky-American Water Company
 DCF Growth Rate Indicators**

Summary Growth Rates

Growth Rate Indicator	Water Proxy Group	Gas Proxy Group
Historic Growth in EPS, DPS, and BVPS	3.7%	4.4%
Historic <i>Value Line</i> Growth in EPS, DPS, and BVPS	3.7%	4.3%
Projected <i>Value Line</i> Growth in EPS, DPS, and BVPS	4.3%	3.5%
Sustainable Growth ROE * Retention Rate	5.7%	4.7%
Projected EPS Growth from First Call, Zacks, and Reuters	7.6%	4.8%
Average of Historic and Projected Growth Rates	5.0%	4.3%
Average of Sustainable and Projected Growth Rates	5.9%	4.3%

Exhibit JRW-11

**Kentucky-American Water Company
Capital Asset Pricing Model**

**Panel A
Water Proxy Group**

Risk-Free Interest Rate	4.25%
Beta*	0.75
<u>Ex Ante Equity Risk Premium**</u>	<u>4.68%</u>
CAPM Cost of Equity	7.8%

* See page 3 of Exhibit JRW-11

** See pages 5 and 6 of Exhibit JRW-11

**Panel B
Gas Proxy Group**

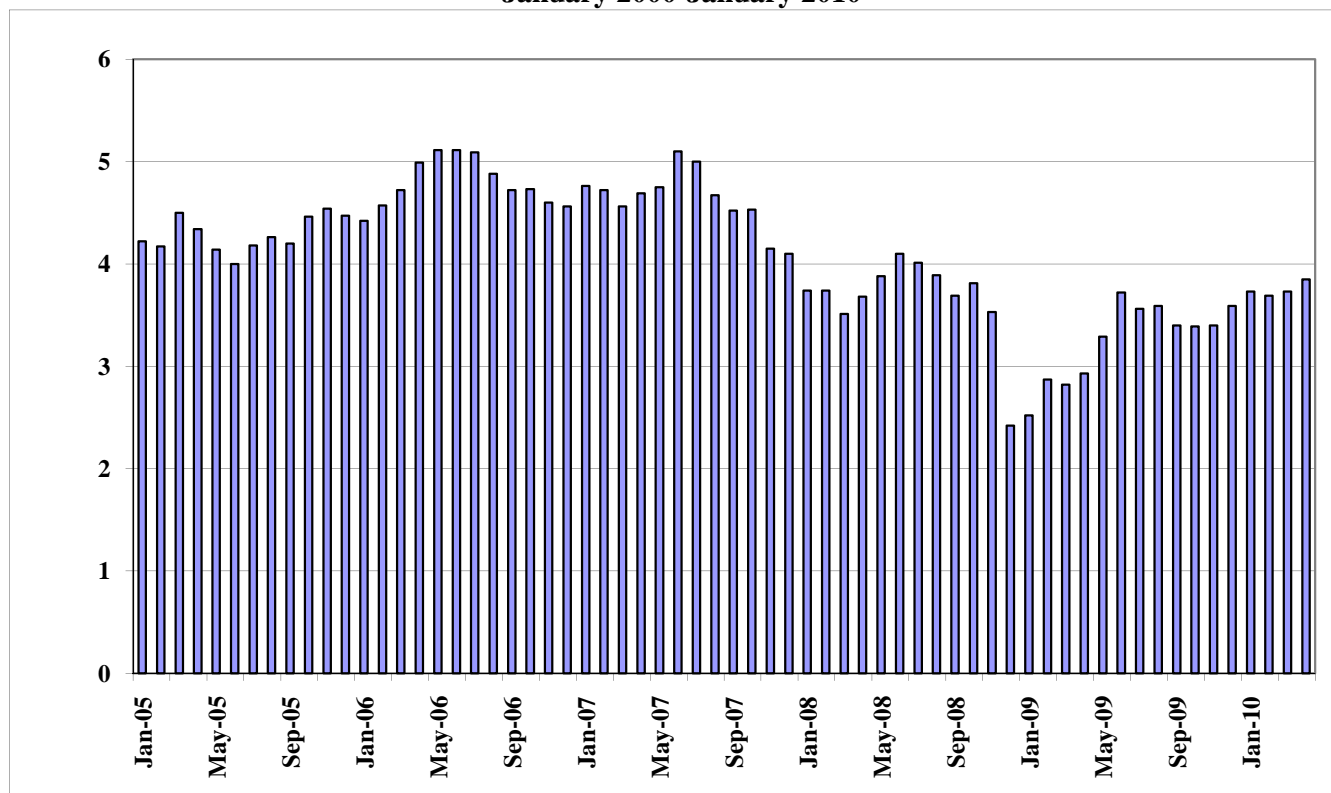
Risk-Free Interest Rate	4.25%
Beta*	0.65
<u>Ex Ante Equity Risk Premium**</u>	<u>4.68%</u>
CAPM Cost of Equity	7.3%

* See page 3 of Exhibit JRW-11

** See pages 5 and 6 of Exhibit JRW-11

Exhibit JRW-11

Panel A
Ten-Year U.S. Treasury Yields
January 2000-January 2010



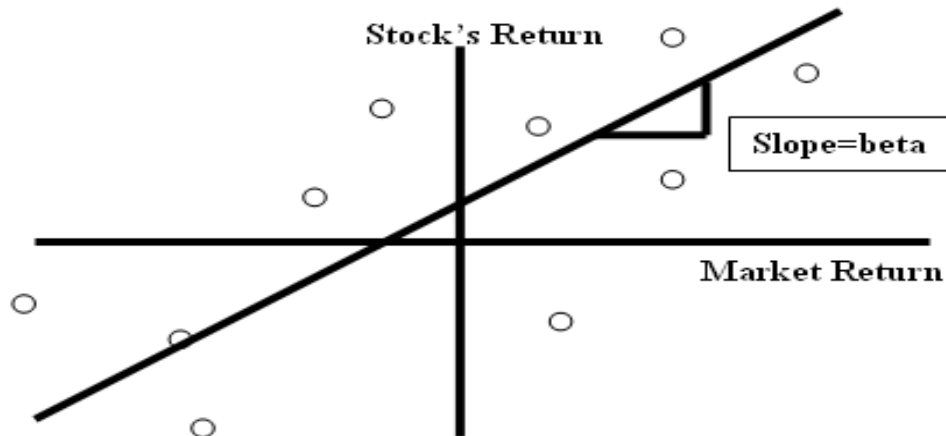
Panel B
Current Rates

U.S. Treasuries			
	COUPON	MATURITY DATE	CURRENT PRICE/YIELD
3-MONTH	0.000	08/26/2010	0.16 / .16
6-MONTH	0.000	11/26/2010	0.22 / .22
12-MONTH	0.000	05/05/2011	0.33 / .34
2-YEAR	0.750	05/31/2012	99-25½ / .85
3-YEAR	1.375	05/15/2013	100-05½ / 1.32
5-YEAR	2.125	05/31/2015	99-31+ / 2.13
7-YEAR	3.125	04/30/2017	102-14 / 2.74
10-YEAR	3.500	05/15/2020	101-27+ / 3.28
30-YEAR	4.375	05/15/2040	103-12+ / 4.17

Exhibit JRW-11

Panel A

Calculation of Beta



Panel B

Proxy Group Betas

Water Proxy Group

Company	Beta
American States Water Co. (NYSE-AWR)	0.80
Aqua America, Inc. (NYSE-WTR)	0.65
Artesian Resources Corp. (NDQ-ARTNA)	
California Water Service Group (NYSE-CWT)	0.75
Connecticut Water Service, Inc. (NDQ-CTWS)	0.80
Middlesex Water Company (NDQ-MSEX)	0.75
Pennichuck Corporation (NDQ-PNNW)	0.50
SJW Corporation (NYSE-SJW)	0.95
York Water Company (NDQ-YORW)	0.65
Mean	0.73
Median	0.75

Data Source: *Value Line Investment Survey, 2010.*

Gas Proxy Group

Company	Beta
AGL Resources Inc. (NYSE-ATG)	0.75
Atmos Energy Corporation (NYSE-ATO)	0.65
Laclede Group, Inc. (NYSE-LG)	0.55
NICOR Inc. (NYSE-GAS)	0.75
Northwest Natural Gas Co. (NYSE-NWN)	0.60
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	0.65
South Jersey Industries, Inc. (NYSE-SJI)	0.60
Southwest Gas Corporation (NYSE-SWX)	0.75
WGL Holdings, Inc. (NYSE-WGL)	0.65
Mean	0.66
Median	0.65

Data Source: *Value Line Investment Survey, 2010.*

Exhibit JRW-11

Risk Premium Approaches

	Historical Ex Post Excess Returns	Surveys	Ex Ante Models and Market Data
Means of Assessing the Equity-Bond Risk Premium	Historical average is a popular proxy for the ex ante premium – but likely to be misleading	Investor and expert surveys can provide direct estimates of prevailing expected returns/premiums	Current financial market prices (simple valuation ratios or DCF-based measures) can give most objective estimates of feasible ex ante equity-bond risk premium
Problems/Debated Issues	Time variation in required returns and systematic selection and other biases have boosted valuations over time, and have exaggerated realized excess equity returns compared with ex ante expected premiums	Limited survey histories and questions of survey representativeness. Surveys may tell more about hoped-for expected returns than about objective required premiums due to irrational biases such as extrapolation.	Assumptions needed for DCF inputs, notably the trend earnings growth rate, make even these models' outputs subjective. The range of views on the growth rate, as well as the debate on the relevant stock and bond yields, leads to a range of premium estimates.

Source: Antti Imanen, "Expected Returns on Stocks and Bonds," *Journal of Portfolio Management*, (Winter 2003).

Exhibit JRW-11

Kentucky-American Water Company
Capital Asset Pricing Model
Equity Risk Premium

Category	Study Authors	Publication Date	Time Period Of Study	Methodology	Return Measure	Range Low	Range High	Midpoint of Range	Mean	Median
Historical Risk Premium										
	Ibbotson	2010	1926-2009	Historical Stock Returns - Bond Returns	Arithmetic				6.00%	
					Geometric				4.40%	
	Bate	2008	1900-2007	Historical Stock Returns - Bond Returns	Geometric				4.50%	
	Shiller	2006	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				7.00%	
					Geometric				5.50%	
	Damodoran	2006	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				6.70%	
					Geometric				5.10%	
	Siegel	2005	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				6.10%	
					Geometric				4.60%	
	Dimson, Marsh, and Staunton	2006	1900-2005	Historical Stock Returns - Bond Returns	Arithmetic				5.50%	
	Goyal & Welch	2006	1872-2004	Historical Stock Returns - Bond Returns					4.77%	
	Median									5.50%
Ex Ante Models (Puzzle Research)										
	Claus Thomas	2001	1985-1998	Abnormal Earnings Model					3.00%	
	Arnott and Bernstein	2002	1810-2001	Fundamentals - Div Yld + Growth					2.40%	
	Constantinides	2002	1872-2000	Historical Returns & Fundamentals - P/D & P/E					6.90%	
	Cornell	1999	1926-1997	Historical Returns & Fundamental GDP/Earnings		3.50%	5.50%	4.50%	4.50%	
	Easton, Taylor, et al	2002	1981-1998	Residual Income Model					5.30%	
	Fama French	2002	1951-2000	Fundamental DCF with EPS and DPS Growth		2.55%	4.32%		3.44%	
	Harris & Marston	2001	1982-1998	Fundamental DCF with Analysts' EPS Growth					7.14%	
	Best & Byrne	2001								
	McKinsey	2002	1962-2002	Fundamental (P/E, D/P, & Earnings Growth)		3.50%	4.00%		3.75%	
	Siegel	2005	1802-2001	Historical Earnings Yield	Geometric				2.50%	
	Grabowski	2006	1926-2005	Historical and Projected		3.50%	6.00%	4.75%	4.75%	
	Maheu & McCurdy	2006	1885-2003	Historical Excess Returns, Structural Breaks,		4.02%	5.10%	4.56%	4.56%	
	Bostock	2004	1960-2002	Bond Yields, Credit Risk, and Income Volatility		3.90%	1.30%	2.60%	2.60%	
	Bakshi & Chen	2005	1982-1998	Fundamentals - Interest Rates					7.31%	
	Donaldson, Kamstra, & Kramer	2006	1952-2004	Fundamental, Dividend yld., Returns., & Volatility		3.00%	4.00%	3.50%	3.50%	
	Campbell	2008	1982-2007	Historical & Projections (D/P & Earnings Growth)		4.10%	5.40%		4.75%	
	Best & Byrne	2001	Projection	Fundamentals - Div Yld + Growth					2.00%	
	Fernandez	2007	Projection	Required Equity Risk Premium					4.00%	
	DeLong & Magin	2008	Projection	Earnings Yield - TIPS					3.22%	
	Damodoran	2010	Projection	Fundamentals - Implied from FCF to Equity Model					4.36%	
	Social Security									
	Office of Chief Actuary		1900-1995							
	John Campbell	2001	1860-2000	Historical & Projections (D/P & Earnings Growth)	Arithmetic	3.00%	4.00%	3.50%	3.50%	
			Projected for 75 Years		Geometric	1.50%	2.50%	2.00%	2.00%	
	Peter Diamond	2001	Projected for 75 Years	Fundamentals (D/P, GDP Growth)		3.00%	4.80%	3.90%	3.90%	
	John Shoven	2001	Projected for 75 Years	Fundamentals (D/P, P/E, GDP Growth)		3.00%	3.50%	3.25%	3.25%	
	Median									3.75%
Surveys										
	Survey of Financial Forecasters	2010	10-Year Projection	About 50 Financial Forecasters					2.75%	
	Duke - CFO Magazine Survey	2010	10-Year Projection	Approximately 500 CFOs					3.92%	
	Welch - Academics	2008	30-Year Projection	Random Academics		5.00%	5.74%	5.37%	5.37%	
	Fernandez - Academics	2010	Long-Term	Survey of Academics					6.00%	
	Fernandez - Analysts	2010	Long-Term	Survey of Analysts					5.00%	
	Fernandez - Companies	2010	Long-Term	Survey of Companies					5.00%	
	Median									5.00%
Building Block										
	Ibbotson and Chen	2010	1926-2009	Historical Supply Model (D/P & Earnings Growth)	Arithmetic			5.73%	4.41%	
					Geometric			3.08%		
	Woolridge		2010	Current Supply Model (D/P & Earnings Growth)					2.88%	
	Median									3.64%
Mean										4.47%

Exhibit JRW-11

Kentucky-American Water Company

Capital Asset Pricing Model

Equity Risk Premium

Summary of 2010 Equity Risk Premium Studies

Category	Study Authors	Publication Date	Time Period Of Study	Methodology	Return Measure	Range		Midpoint of Range	Mean	Average
						Low	High			
Historical Risk Premium										
	Ibbotson	2010	1926-2009	Historical Stock Returns - Bond Returns	Arithmetic				6.00%	
					Geometric				4.40%	
	Median									5.20%
Ex Ante Models (Puzzle Research)										
	Damodoran	2010	Projection	Fundamentals - Implied from FCF to Equity Model					4.36%	
	Median									4.36%
Surveys										
	Survey of Financial Forecasters	2010	10-Year Projection	About 50 Financial Forecasters					2.75%	
	Duke - CFO Magazine Survey	2010	10-Year Projection	Approximately 500 CFOs					3.92%	
	Fernandez - Academics	2010	Long-Term	Survey of Academics					6.00%	
	Fernandez - Analysts	2010	Long-Term	Survey of Analysts					5.00%	
	Fernandez - Companies	2010	Long-Term	Survey of Companies					5.00%	
	Median									5.00%
Building Block										
	Ibbotson and Chen	2010	1926-2009	Historical Supply Model (D/P & Earnings Growth)	Arithmetic			5.73%	4.41%	
					Geometric			3.08%		
	Woolridge		2010	Current Supply Model (D/P & Earnings Growth)					2.88%	
	Median									3.64%
Mean										4.55%
Median										4.68%

Exhibit JRW-11

Kentucky-American Water Company
 Decomposing Equity Market Returns
 The Building Blocks Methodology

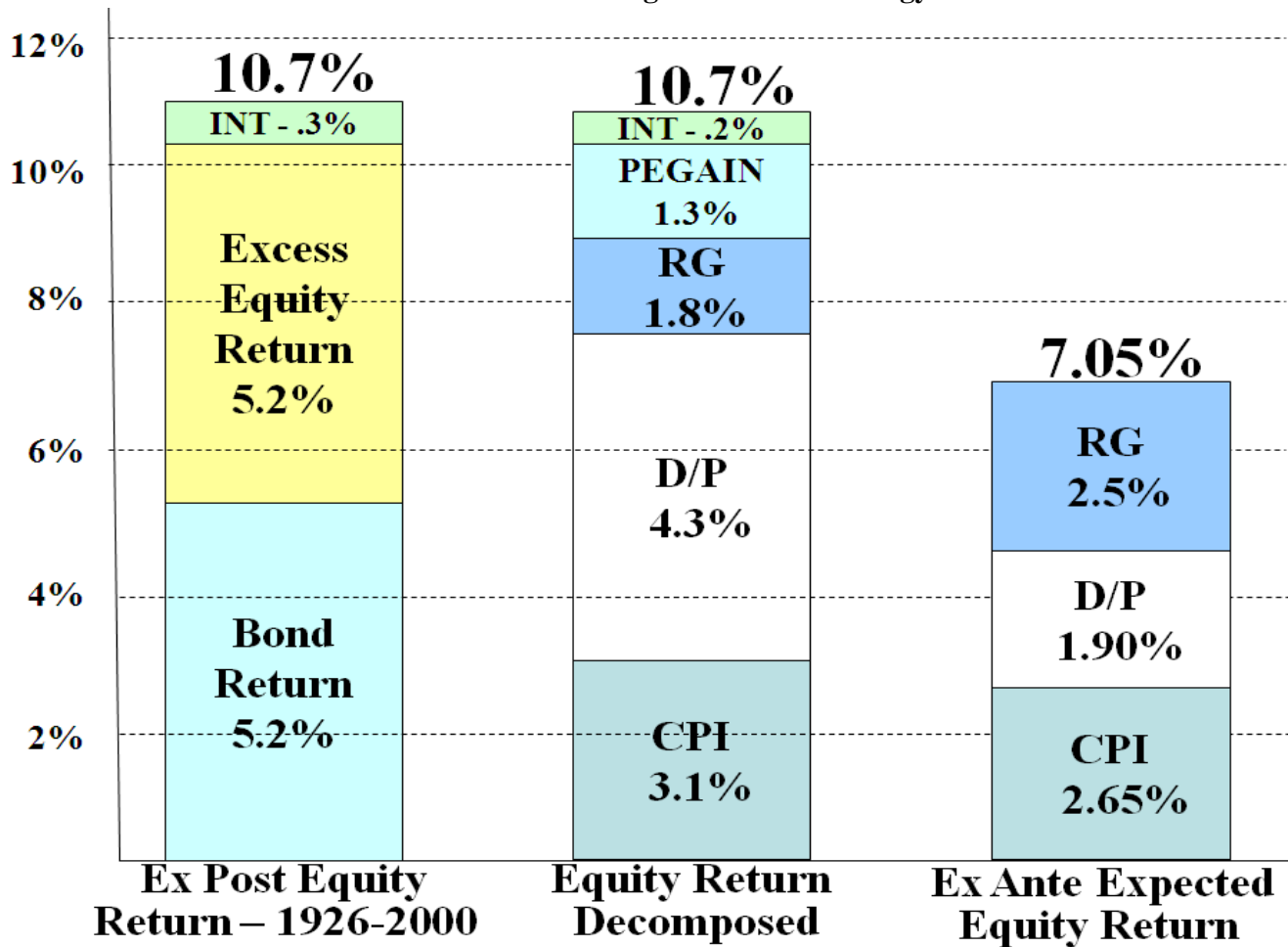


Exhibit JRW-11

Kentucky-American Water Company

2010 Survey of Professional Forecasters
Philadelphia Federal Reserve Bank
Long-Term Forecasts

Table Seven

LONG-TERM (10 YEAR) FORECASTS

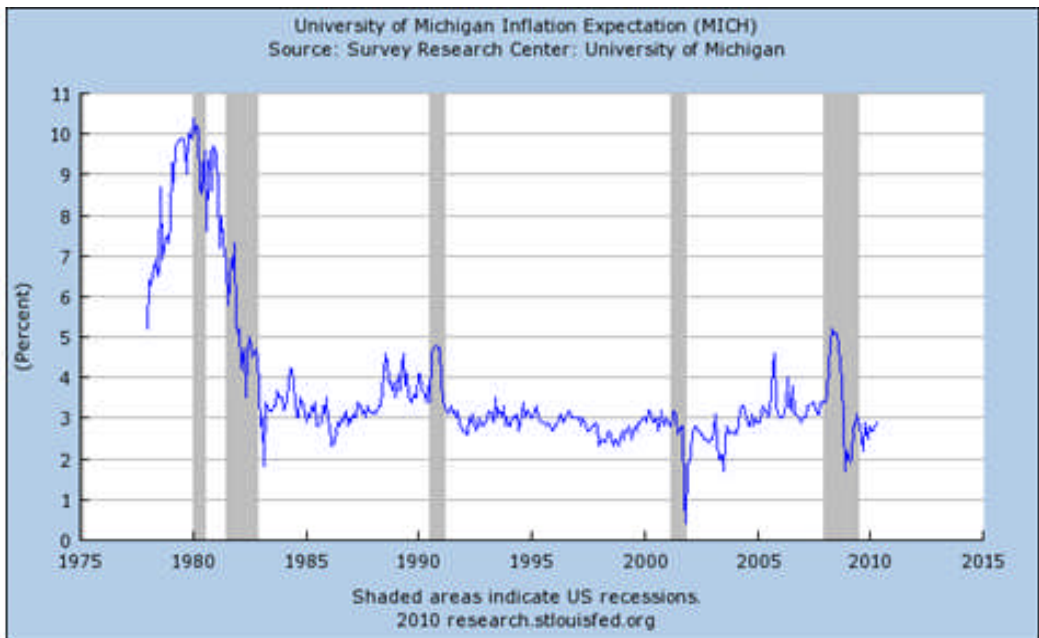
Panel A		Panel B	
<u>SERIES: CPI INFLATION RATE</u>		<u>SERIES: REAL GDP GROWTH RATE</u>	
STATISTIC		STATISTIC	
MINIMUM	1.00	MINIMUM	2.20
LOWER QUARTILE	2.12	LOWER QUARTILE	2.50
MEDIAN	2.39	MEDIAN	2.70
UPPER QUARTILE	2.56	UPPER QUARTILE	2.90
MAXIMUM	4.50	MAXIMUM	3.80
MEAN	2.39	MEAN	2.72
STD. DEV.	0.60	STD. DEV.	0.37
N	36	N	34
MISSING	6	MISSING	8
<u>Panel C</u>		<u>Panel D</u>	
<u>SERIES: PRODUCTIVITY GROWTH</u>		<u>SERIES: STOCK RETURNS (S&P 500)</u>	
STATISTIC		STATISTIC	
MINIMUM	1.30	MINIMUM	5.00
LOWER QUARTILE	1.70	LOWER QUARTILE	6.43
MEDIAN	2.00	MEDIAN	7.00
UPPER QUARTILE	2.10	UPPER QUARTILE	8.00
MAXIMUM	3.50	MAXIMUM	15.00
MEAN	1.99	MEAN	7.27
STD. DEV.	0.46	STD. DEV.	1.96
N	33	N	25
MISSING	9	MISSING	17
<u>Panel E</u>		<u>Panel F</u>	
<u>SERIES: BOND RETURNS (10-YEAR)</u>		<u>SERIES: BILL RETURNS (3-MONTH)</u>	
STATISTIC		STATISTIC	
MINIMUM	0.00	MINIMUM	0.00
LOWER QUARTILE	4.00	LOWER QUARTILE	2.53
MEDIAN	4.95	MEDIAN	3.00
UPPER QUARTILE	5.20	UPPER QUARTILE	3.70
MAXIMUM	6.00	MAXIMUM	2.25
MEAN	4.52	MEAN	3.09
STD. DEV.	1.18	STD. DEV.	1.06
N	30	N	30
MISSING	12	MISSING	12

Source: Philadelphia Federal Reserve Bank, Survey of Professional Forecasters, February 12, 2010.

Exhibit JRW-11

Kentucky-American Water Company

**University of Michigan Survey Research Center
Expected Short-Term Inflation Rate**

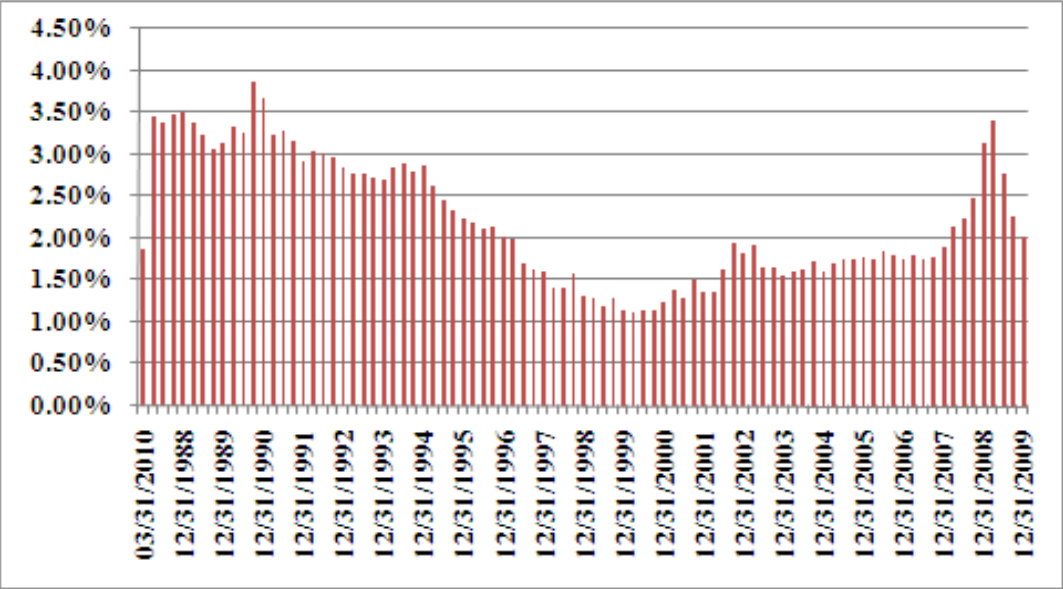


Data Source: <http://research.stlouisfed.org/fred2/series/MICH?cid=98>

Exhibit JRW-11

Kentucky-American Water Company
Decomposing Equity Market Returns
The Building Blocks Methodology

S&P 500 Dividend Yield



S&P 500 PE Ratio

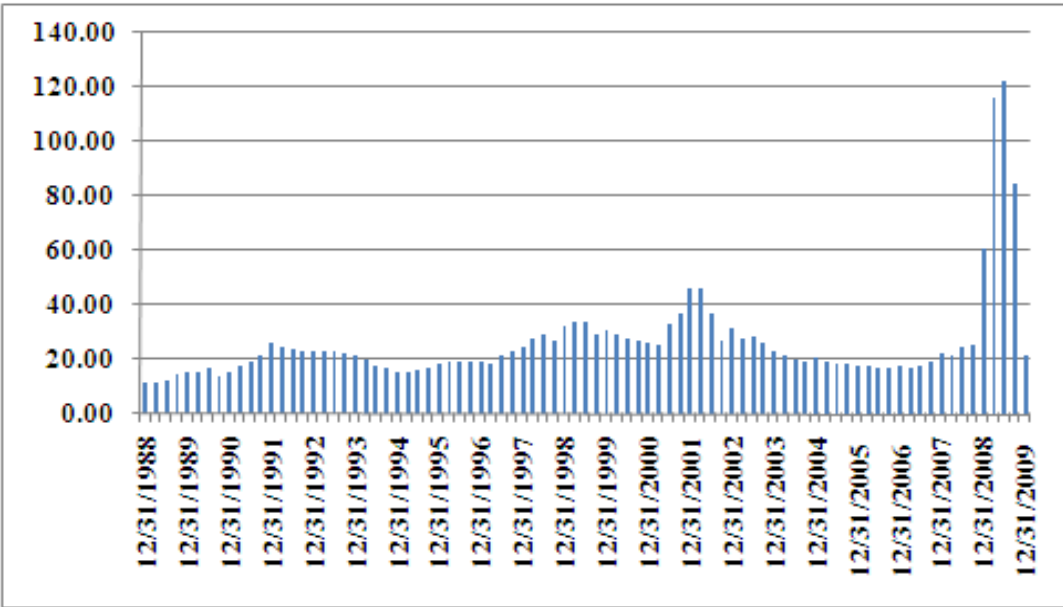


Exhibit JRW-11

Kentucky-American Water Company

CAPM

Real S&P 500 EPS Growth Rate

Year	S&P 500 EPS	Annual Inflation CPI	Inflation Adjustment Factor	Real S&P 500 EPS	
1960	3.10	1.48		3.10	
1961	3.37	0.07	1.01	3.35	
1962	3.67	1.22	1.02	3.59	
1963	4.13	1.65	1.04	3.99	
1964	4.76	1.19	1.05	4.55	
1965	5.30	1.92	1.07	4.97	
1966	5.41	3.35	1.10	4.90	
1967	5.46	3.04	1.14	4.80	
1968	5.72	4.72	1.19	4.81	
1969	6.10	6.11	1.26	4.83	10-Year
1970	5.51	5.49	1.34	4.13	2.89%
1971	5.57	3.36	1.38	4.04	
1972	6.17	3.41	1.43	4.33	
1973	7.96	8.80	1.55	5.13	
1974	9.35	12.20	1.74	5.37	
1975	7.71	7.01	1.86	4.14	
1976	9.75	4.81	1.95	4.99	
1977	10.87	6.77	2.08	5.22	
1978	11.64	9.03	2.27	5.13	
1979	14.55	13.31	2.57	5.66	10-Year
1980	14.99	12.40	2.89	5.18	2.30%
1981	15.18	8.94	3.15	4.82	
1982	13.82	3.87	3.27	4.23	
1983	13.29	3.80	3.40	3.91	
1984	16.84	3.95	3.53	4.77	
1985	15.68	3.77	3.66	4.28	
1986	14.43	1.13	3.70	3.90	
1987	16.04	4.41	3.87	4.15	
1988	22.77	4.42	4.04	5.64	
1989	24.03	4.65	4.22	5.69	10-Year
1990	21.73	6.11	4.48	4.85	-0.65%
1991	19.10	3.06	4.62	4.14	
1992	18.13	2.90	4.75	3.81	
1993	19.82	2.75	4.88	4.06	
1994	27.05	2.67	5.01	5.40	
1995	35.35	2.54	5.14	6.88	
1996	35.78	3.32	5.31	6.74	
1997	39.56	1.70	5.40	7.33	
1998	38.23	1.61	5.48	6.97	
1999	45.17	2.68	5.63	8.02	10-Year
2000	52.00	3.39	5.82	8.93	6.29%
2001	44.23	1.55	5.92	7.48	
2002	47.24	2.38	6.06	7.80	
2003	54.15	1.88	6.17	8.77	
2004	67.01	3.26	6.37	10.51	5-Year
2005	68.32	3.42	6.60	10.35	3.00%
2006	81.96	2.54	6.77	12.11	
2007	87.51	4.08	7.04	12.43	
2008	65.39	0.09	7.05	9.28	
2009	59.65	2.72	7.24	8.24	
Data Source: http://pages.stern.nyu.edu/~adamodar/				Real EPS Growth	2.0%

Panel A
Authorized ROEs for Publicly-Held Water Companies

	Authorized ROE	Date
American States Water	10.50%	May-09
American Water Works	9.51%	
Aqua America, Inc.	10.31%	
Artesian Resources Corp.	10.25%	May-06
California Water Service Group	10.20%	May-09
Connecticut Water Services, Inc.	10.13%	Jan-07
Middlesex Water Company	10.00%	
Pennichuck Corporation	9.75%	
SJW Corp.	10.13%	Jan-08
Southwest Water Company	10.00%	Jun-07
York Water Company	10.00%	
Average	10.07%	

Data Source: *AUS Utility Reports, June, 2010.*

Summary of Water Company Authorized ROEs

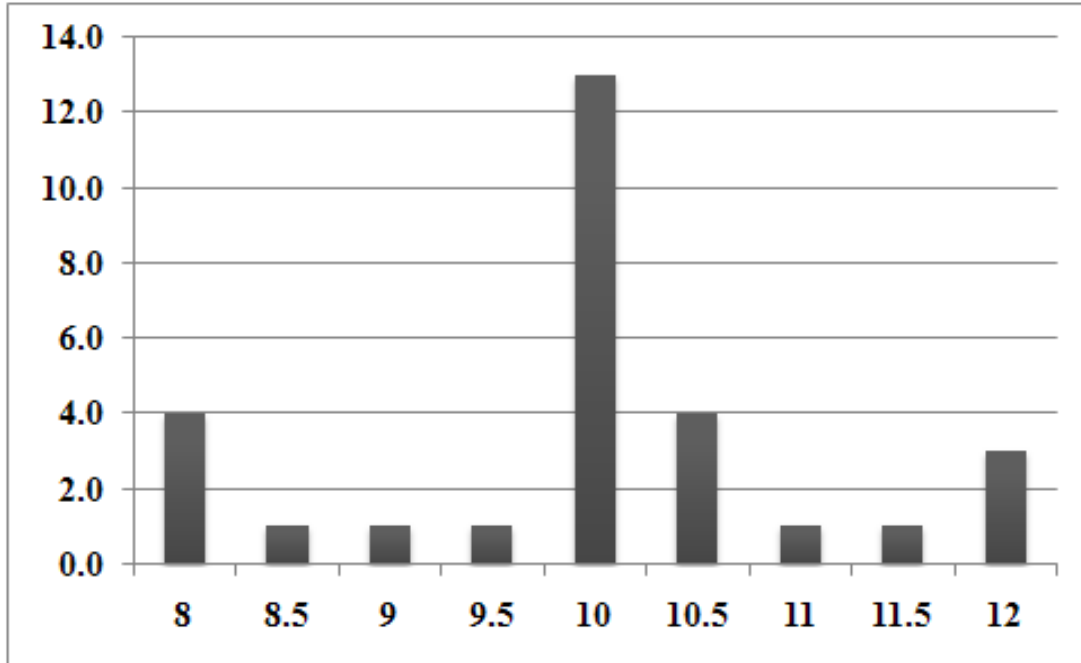
Panel B

Summary of Authorized ROEs for Investor-Owned Water Companies

		NAWC		
Company		SMBL	Revenues	ROE
1 Aqua	Maine	AA	\$ 9,244,642	10.0
2 Aqua	Ohio	AA	\$ 38,016,102	10.0
3 Aquarion	Connecticut	AQ	\$ 113,173,791	9.8
4 Artesian	Water	AR	\$ 45,144,386	10.3
5 Chaparral	City	AS	\$ 7,755,907	11.0
6 College	Util Corp	FS	\$ 2,163,569	11.7
7 CT Water	Company	CT	\$ 46,944,682	10.1
8 Golden Heart	Utilities	FS	\$ 6,513,083	11.7
9 Golden	State	AS	\$ 211,310,197	9.8
10 Illinois	American	AM	\$ 170,146,421	10.0
11 Indiana	American	AM	\$ 137,235,006	9.3
12 Iowa	American	AM	\$ 23,736,492	10.0
13 Middlesex	Water Co	MW	\$ 54,160,492	7.4
14 Missouri	American	AM	\$ 170,853,331	10.0
15 Monarch	Utilities	SWC	\$ 14,904,800	7.0
16 New Jersey	American	AM	\$ 281,304,625	10.0
17 Ohio	American	AM	\$ 28,991,393	9.9
18 San Jose	Water Co	SJ	\$ 180,619,665	9.9
19 Shore-	lands	IN	\$ 9,440,064	9.8
20 Suburban	Water Sys	SWC	\$ 48,320,066	10.0
21 Tidewater	Utilities	MW	\$ 15,345,781	8.3
22 United	Arkansas	UW	\$ 8,409,475	7.9
23 United	Connecticut	UW	\$ 3,261,984	10.1
24 United	Idaho	UW	\$ 35,055,726	10.3
25 United	New York	UW	\$ 47,968,223	9.6
26 United	Pennsylvania	UW	\$ 25,569,508	9.0
27 Valley	Water Sys	NE	\$ 3,065,539	11.5
28 Washington	Water Serv	CW	\$ 6,503,151	12.0
29 West Va	American	AM	\$ 101,906,824	9.9
30 York	Water Co	IN	\$ 28,658,139	10.0
Data Source: National Association of Water		Mean	\$ 62,524,102	9.9
Companies, 2006 Financial and Operating Data		Median	\$ 32,023,560	10.0

Panel D

Summary of Authorized ROEs for Investor-Owned Water Companies



Data Source: National Association of Water Companies, 2006 Financial and Operating Data.

Exhibit JRW-13

**Kentucky-American Water Company
Cost of Capital**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Short-Term Debt	2.32%	2.08%	0.05%
Long-Term Debt	52.06%	6.41%	3.34%
Preferred Stock	1.65%	7.75%	0.13%
Common Equity	43.97%	11.50%	5.06%
Total Capital	100.00%		8.57%

Panel A

Summary of Dr. Vander Weide's Equity Cost Rate Approaches and Results

Approach	Cost of Equity
DCF - Water	12.10%
Ex Ante Risk Premium	11.40%
Ex Post Risk Premium	11.20%
Equity Cost Rate Range	10.80%-12.10%

Panel B

Summary of Dr. Vander Weide's DCF - Water Results

	Utility Proxy Group
Average Adjusted Dividend Yield*	4.10%
Growth**	8.00%
DCF Result	12.10%

* Includes adjustments for quarterly payments and flotation costs

** Expected EPS Growth from IBES and *Value Line*

Summary of Dr. Vander Weide's DCF - Gas Results

	Utility Proxy Group
Average Adjusted Dividend Yield*	4.60%
Growth**	6.80%
DCF Result	11.40%

* Includes adjustments for quarterly payments and flotation costs

** Expected EPS Growth from IBES and *Value Line*

Panel C

Summary of Dr. Vander Weide's Ex Ante Risk Premium Results

	Ex Ante Risk Premium
'A' Rated PU Yield	6.30%
Ex Ante Risk Premium*	4.90%
Equity Cost Rate	11.20%

* Flotation Cost included in risk premium

Panel D

Summary of Dr. Vander Weide's Ex Post Risk Premium Results

	Ex Ante Risk Premium
'A' Rated PU Yield	6.30%
Historic Risk Premium*	4.30%
Equity Cost Rate	10.60%
Flotation Cost Adjustment	0.19%
Adjusted CAPM Result	10.79%

* Midpoint of 4.6% and 5.0%

Panel E

Summary of Dr. Vander Weide's Historical CAPM Results

	Utility Proxy Group
Risk-Free Rate	4.70%
Beta	0.73
Equity Risk Premium	6.50%
CAPM Result	9.45%
Flotation Cost Adjustment	0.19%
Adjusted CAPM Result	9.64%

Panel F

Summary of Dr. Vander Weide's Expected CAPM Results

	Utility Proxy Group
Risk-Free Rate	4.70%
Beta	0.73
Equity Risk Premium	8.40%
CAPM Result	10.83%
Flotation Cost Adjustment	0.19%
Adjusted CAPM Result	11.02%

**Primarily Non- Regulated Gas Distribution Companies
Business Activities**

BUSINESS: Energen Corporation is a holding company. Alabama Gas Corporation (Alagasco), a subsidiary, sells to around 450,000 customers in central and northern Alabama, including Birmingham and Montgomery. 2008 utility revenues: residential, 62.4%; commercial and industrial, 27.1%; transportation and other, 10.5%. 2008 deliveries: 79.4 MMcf. Energen Resources, a subsidiary, engages primarily in exploration and production of natural gas. 2008 proved reserves: gas, 1,038.5 MMcf; oil, 62.0 MBbl; NGL, 29.0 MBbl. Estimated pretax present value of 2008 reserves: \$1.9 billion.

BUSINESS: EQT Corporation, Inc. markets natural gas products and energy services. Distributes natural gas to 275,000 customers, mainly residential, in parts of PA, WV, and KY. EQT Production has 3.4 million acres, 13,000 productive wells, with total proved reserves of 3,110 Bcfe (in the Appalachia Basin). The Midstream segment has 10,450 miles of gathering and transmission pipeline (in parts of WV, KY, VA, and PA) and 63 bcf of storage capacity.

BUSINESS: MDU Resources Group, Inc. is a diversified energy company. Segments, regulated: electric (4.7% of '09 revs; 7.9% of '09 op. inc.), natural gas distribution (25.7%, 16.5%), pipeline and energy services (5.6%, 14.9%); unregulated: construction services (19.6%, 9.5%), gas and oil production (8.1%, 31.4%), and construction materials and contracting (36.3%, 20%). Utilities sell gas & electricity in northwest and upper midwest U.S. Construction materials has 1.1 bill. tons of construction aggregate reserves. Acq'd Cascade Natural Gas 7/07; Intermountain Gas 10/08.

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 457,000 electric in Indiana, 3.3 million gas in IN, OH, PA, KY, VA, MD, MA. Acquired IWC Resources 3/97; Bay State Gas 2/99; Columbia Energy 11/00. Electric revenue breakdown, '08: residential, 27%; commercial, 27%; industrial, 39%; other, 7%. Generating sources, '08: coal, 82%; purchased & other, 18%.

BUSINESS: ONEOK, Inc. is a diversified energy company that purchases, transports, and distributes natural gas. ONEOK has over 2 million distribution customers in Oklahoma, Kansas, and Texas. Sold production segment, 9/05. Sold gathering and processing, natural gas liquids, and pipelines and storage assets to ONEOK Partners, 4/06. Sold Spring Creek power plant, 10/06. Currently has 45.1% ownership interest in ONEOK Partners. Has 4,742 employees.

BUSINESS: Questar Corp. is a diversified natural gas holding company. Major subsidiaries include Questar Gas, a natural gas utility in Utah, Wyoming, and Idaho, serving over 885,000 customers; Questar Pipeline, owns storage facilities and over 2,500 miles of transmission lines serving Rocky Mountain producing basins; and Exploration & Production ('08 non-utility production: 171.4 bcf; reserves at 12/31/08: 2218.1 bcf). Est'd pretax present value of reserves: \$2.6 bill.

Panel A
Primarily Non-Regulated Gas Companies

Company	Operating Revenue (\$mil)	Percent Reg Gas Revenue	Net Plant (\$mil)	S&P Bond Rating	Value Line Beta
Energen Corporation (NYSE-EGN)	1,440.4	43	721.7	BBB	1.15
EQT Corporation (NYSE-EQT)	1,269.8	74	4,914.7	BBB	1.15
MDU Resources Group, Inc. (NYSE-MDU)	4,176.5	26	3,894.1	NR	1.00
NiSource Inc. (NYSE-NI)	6,649.4		10,683.9	BBB-	0.85
ONEOK, Inc. (NYSE-OKE)	11,111.7	17	7,793.7	BBB	0.95
Questar Corporation (NYSE-STR)	3,038.0	30	7,804.9	BBB+	1.20
Mean	4,614.3	38	5,968.8	BBB	1.05
Median	3,607.3	30	6,354.2	BBB	1.08

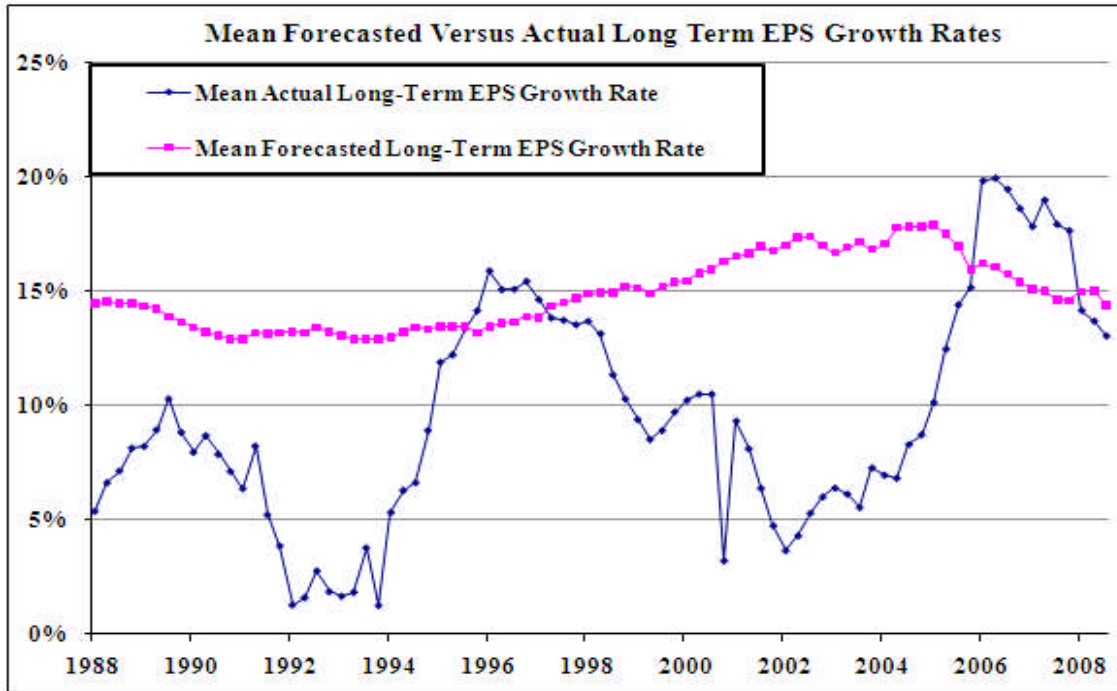
Panel B
Primarily Regulated Gas Companies

Company	Operating Revenue (\$mil)	Percent Reg Gas Revenue	Net Plant (\$mil)	S&P Bond Rating	Value Line Beta
AGL Resources Inc. (NYSE-AGL)	2,317.0	64	4,146.0	A-	0.75
Atmos Energy Corporation (NYSE-ATO)	4,545.6	60	4,523.2	BBB+	0.65
NICOR Inc. (NYSE-GAS)	2,652.1	81	2,939.1	AA	0.70
Northwest Natural Gas Co. (NYSE-NWN)	1,012.7	98	1,670.1	AA-	0.60
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	1,532.2	86	2,317.5	A	0.65
Southwest Gas Corporation (NYSE-SWX)	1,893.8	85	3,034.5	BBB	0.75
Mean	2,508.7	72	3,569.2	A+	0.74
Median	2,317.0	81	3,034.5	A	0.70

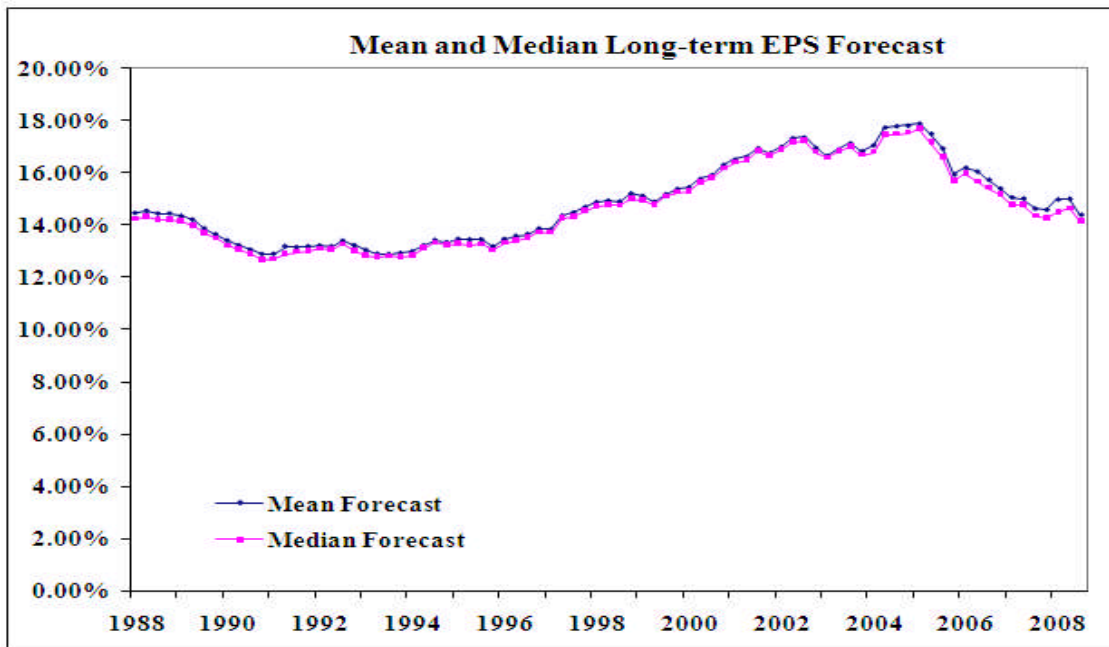
Panel C
Water Proxy Group

Company	Operating Revenue (\$mil)	Percent Reg Water Revenue	Net Plant (\$mil)	S&P Bond Rating	Value Line Beta
American States Water Co. (NYSE-AWR)	361.0	76	762.1	A	0.80
Aqua America, Inc. (NYSE-WTR)	670.5	98	2790.5	AA-	0.65
Artesian Resources Corp. (NDQ-ARTNA)	60.9	88	255.7	NR	
California Water Service Group (NYSE-CWT)	449.4	99	1079.9	AA-	0.75
Connecticut Water Service, Inc. (NDQ-CTWS)	67.5	90	273.1	A	0.80
Middlesex Water Company (NDQ-MSEX)	91.2	89	329.7	A	0.75
Pennichuck Corporation (NDQ-PNNW)	32.8	92	123.2	NR	0.50
SJW Corporation (NYSE-SJW)	216.1	96	523.7	NR	0.95
York Water Company (NDQ-YORW)	37.0	92	196.5	A-	0.65
Mean	220.7	91	703.8	A	0.73
Median	91.2	92	329.7	A	0.75

Panel A
Long-Term Forecasted Versus Actual EPS Growth Rates
1988-2008



Panel B
Long-Term Forecasted EPS Growth Rates
1988-2008



Source: Patrick J. Cusatis and J. Randall Woolridge, "The Accuracy of Analysts' Long-Term Earnings Per Share Growth Rate Forecasts," (July, 2008).

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Study Suggests Bias in Analysts' Rosy Forecasts

By **ANDREW EDWARDS**

March 21, 2008; Page C6

Despite an economy teetering on the brink of a recession -- if not already in one -- analysts are still painting a rosy picture of earnings growth, according to a study done by Penn State's Smeal College of Business.

The report questions analysts' impartiality five years after then-New York Attorney General Eliot Spitzer forced analysts to pay \$1.5 billion in damages after finding evidence of bias.

"Wall Street analysts basically do two things: recommend stocks to buy and forecast earnings," said J. Randall Woolridge, professor of finance. "Previous studies suggest their stock recommendations do not perform well, and now we show that their long-term earnings-per-share growth-rate forecasts are excessive and upwardly biased."

The report, which examined analysts' long-term (three to five years) and one-year per-share earnings expectations from 1984 through 2006 found that companies' long-term earnings growth surpassed analysts' expectations in only two instances, and those came right after recessions.

Over the entire time period, analysts' long-term forecast earnings-per-share growth averaged 14.7%, compared with actual growth of 9.1%. One-year per-share earnings expectations were slightly more accurate: The average forecast was for 13.8% growth and the average actual growth rate was 9.8%.

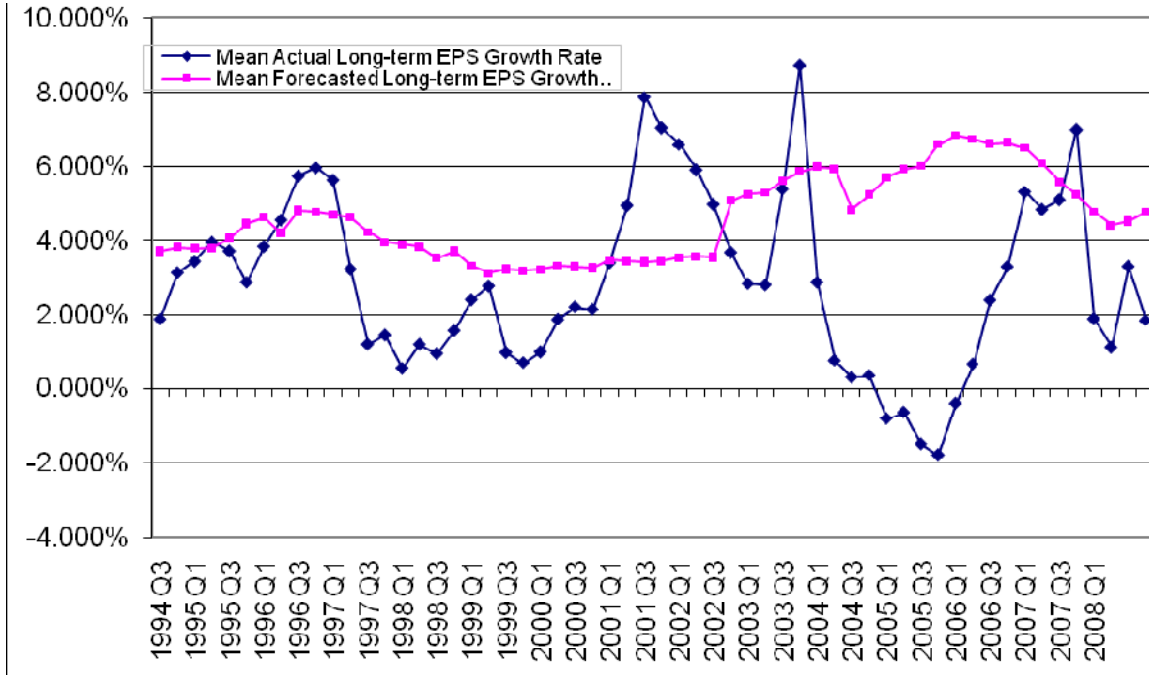
"A significant factor in the upward bias in long-term earnings-rate forecasts is the reluctance of analysts to forecast" profit declines, Mr. Woolridge said. The study found that nearly one-third of all companies experienced profit drops over successive three-to-five-year periods, but analysts projected drops less than 1% of the time.

The study's authors said, "Analysts are rewarded for biased forecasts by their employers, who want them to hype stocks so that the brokerage house can garner trading commissions and win underwriting deals."

They also concluded that analysts are under pressure to hype stocks to generate trading commissions, and they often don't follow stocks they don't like.

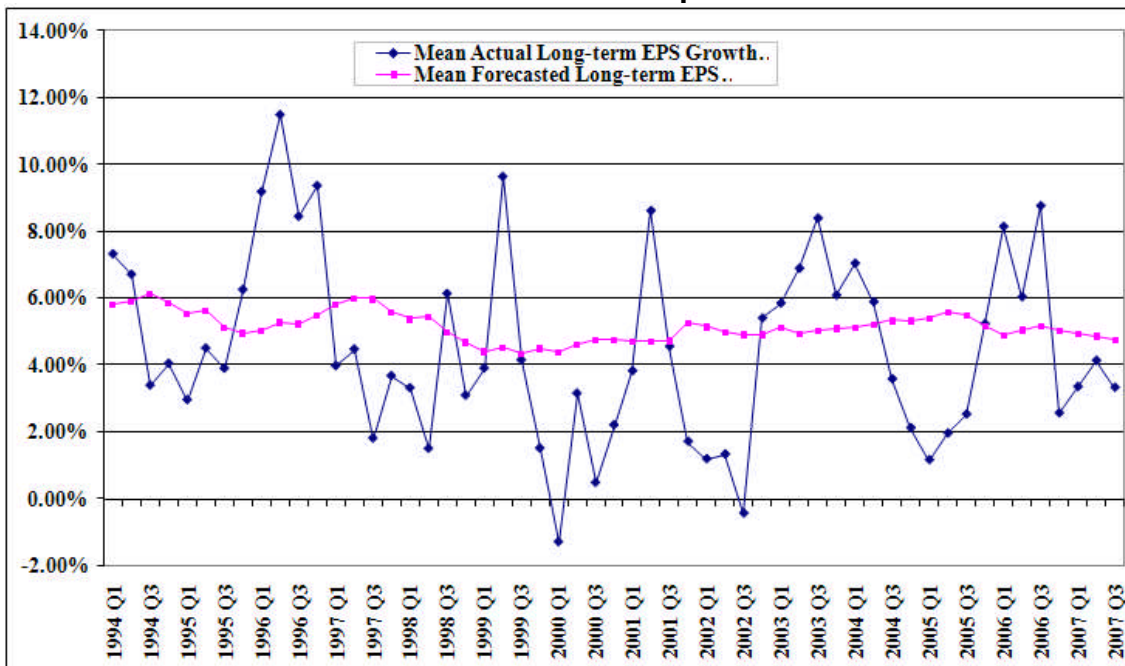
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**Long-Term Forecasted Versus Actual EPS Growth Rates
 Electric Utility Companies
 1988-2008**



Data Source: IBES

**Long-Term Forecasted Versus Actual EPS Growth Rates
 Gas Distribution Companies**



Panel A

Value Line 3-5 year EPS Growth Rate Forecasts

	Average Projected EPS Growth rate	Number of Negative EPS Growth Projections	Percent of Negative EPS Growth Projections
2,339 Companies	12.00%	114	4.87%

Panel B

Historical Five-Year EPS Growth Rates for Value Line Companies

	Average Historical EPS Growth rate	Number with Negative Historical EPS Growth	Percent with Negative Historical EPS Growth
2,139 Companies	11.53%	515	24.08%

Source: Value Line Investment Analyzer, April 2010.

Growth Rates
GNP, S&P 500 Price, EPS, and DPS

	GDP	S&P 500	Earnings	Dividends	
1960	526.4	58.11	3.10	1.98	
1961	544.8	71.55	3.37	2.04	
1962	585.7	63.1	3.67	2.15	
1963	617.8	75.02	4.13	2.35	
1964	663.6	84.75	4.76	2.58	
1965	719.1	92.43	5.30	2.83	
1966	787.7	80.33	5.41	2.88	
1967	832.4	96.47	5.46	2.98	
1968	909.8	103.86	5.72	3.04	
1969	984.4	92.06	6.10	3.24	
1970	1038.3	92.15	5.51	3.19	
1971	1126.8	102.09	5.57	3.16	
1972	1237.9	118.05	6.17	3.19	
1973	1382.3	97.55	7.96	3.61	
1974	1499.5	68.56	9.35	3.72	
1975	1637.7	90.19	7.71	3.73	
1976	1824.6	107.46	9.75	4.22	
1977	2030.1	95.1	10.87	4.86	
1978	2293.8	96.11	11.64	5.18	
1979	2562.2	107.94	14.55	5.97	
1980	2788.1	135.76	14.99	6.44	
1981	3126.8	122.55	15.18	6.83	
1982	3253.2	140.64	13.82	6.93	
1983	3534.6	164.93	13.29	7.12	
1984	3930.9	167.24	16.84	7.83	
1985	4217.5	211.28	15.68	8.20	
1986	4460.1	242.17	14.43	8.19	
1987	4736.4	247.08	16.04	9.17	
1988	5100.4	277.72	22.77	10.22	
1989	5482.1	353.4	24.03	11.73	
1990	5800.5	330.22	21.73	12.35	
1991	5992.1	417.09	19.10	12.97	
1992	6342.3	435.71	18.13	12.64	
1993	6667.4	466.45	19.82	12.69	
1994	7085.2	459.27	27.05	13.36	
1995	7414.7	615.93	35.35	14.17	
1996	7838.5	740.74	35.78	14.89	
1997	8332.4	970.43	39.56	15.52	
1998	8793.5	1229.23	38.23	16.20	
1999	9353.5	1469.25	45.17	16.71	
2000	9951.5	1320.28	52.00	16.27	
2001	10286.2	1148.09	44.23	15.74	
2002	10642.3	879.82	47.24	16.08	
2003	11142.1	1111.91	54.15	17.88	
2004	11867.8	1211.92	67.01	19.41	
2005	12638.4	1248.29	68.32	22.38	
2006	13398.9	1418.3	81.96	25.05	
2007	14077.6	1468.36	87.51	27.73	
2008	14441.4	903.25	65.39	28.05	
2009	14258.7	1115.10	59.65	22.31	Average
Growth	6.96%	6.21%	6.22%	5.07%	6.12%

Data Sources: GDPA - <http://research.stlouisfed.org/fred2/categories/106>
S&P 500, EPS and DPS - <http://pages.stern.nyu.edu/~adamodar/>