

PASS-THROUGH CALCULATION FOR PURCHASED WATER RATES

	<u>NEW RATE</u>	<u>BASE RATE</u>
JSEWD thousands of gallons of water purchased from Kentucky-American Water	231,059.444	231,059.444
Volumetric rate	\$4.503/1,000 gal.	\$4.486/1,000 gal.
Resulting Cost	\$ 1,040,460.68	\$ 1,036,532.67

INCREASED COST OF \$3,928.01

Increased cost	<u>\$3,928.01</u>
Divided by (thousands of gallons of water sold)	226,186.059 =
	\$0.017 per 1,000 gallons
	\$0.017 per 1,000 gallons, rounded up* to
	\$0.02 per 1,000 gallons

* Without rounding up, JSEWD would never fully recover its increased costs

EXHIBIT "B"