

**FINANCIAL STATEMENT  
OF  
KENTUCKY-AMERICAN WATER COMPANY**

(as of December 31, 2020 except where noted)

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(1) The amount and kinds of stock of the Applicant authorized are as follows:

Preference Stock, par value \$100 per share:

8.47% Series	45,000 Shares
Unclassified	85,000 Shares

Common Stock, no par value	2,000,000 Shares
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(2) The amounts and kinds of stock of the Applicant issued and outstanding as of December 31, 2020 are as follows:

Preference Stock, par value \$100 per share:

8.47% Series	22,500 Shares
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Common Stock, no par value	1,567,391 Shares
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(3) The Preference Stock is cumulative as to dividends. If dividends on the Preference Stock shall be in arrears and such arrears shall aggregate an amount equal to or in excess of eight (8) quarterly dividends upon such stock, the number of directors then constituting the Board of Directors shall be increased by one (1) and the holders of the Preference Stock voting separately as a class shall be entitled to elect the one (1) additional director.

The shares of the 8.47% Preference Stock may be redeemed at any time, or from time to time, on or after December 1, 2001 at the option of the Company, in whole or in part, upon payment of a redemption price equal to the sum of \$100 per share plus a premium equal to the Make-Whole Premium as defined in the Articles of Incorporation.

At any time during the period of twelve (12) consecutive calendar months beginning on December 1, 2011 and ending November 30, 2012, both dates inclusive, and during each like period of twelve (12) consecutive calendar months thereafter so long as any shares of the 8.47% Series remain outstanding, the

Company may at its option redeem up to and including, but not exceeding, four thousand five hundred (4,500) shares of the 8.47% Series at a redemption price equal to the sum of \$100 per share.

All then outstanding shares of the 8.47% Series shall be redeemed by the Company on December 1, 2036 at a redemption price equal to the sum of \$100 per share.

(4) The following are the only mortgages on the property of the Applicant:

General Mortgage Indenture dated as of May 1, 1968, executed by the Applicant to The Fidelity Bank (now US Bank), as Trustee, and supplemental indentures thereto dated as of December 1, 1970 (as supplemented on December 17, 1970); September 1, 1974; November 1, 1977; December 1, 1982; June 1, 1983; August 1, 1985; January 1, 1987; September 1, 1988; October 1, 1989; November 1, 1990; December 1, 1991; December 1, 1992; December 1, 1993; September 1, 1995; February 1, 1997, and June 1, 1998.

The Indenture of Mortgage provides for the issue of General Mortgage Bonds which together with all other long-term debt cannot exceed 65% of Applicant's total capitalization, which percentage is ~49% as of December 31, 2020. The amount of indebtedness actually secured by a lien on all the property owned or hereafter acquired by the Company is \$23,500,000. There are no sinking fund provisions associated with the General Mortgage Bonds.

(5) At December 31, 2020, \$23,500,000 in General Mortgage Bonds were issued and outstanding.

General Mortgage Bonds:

Principal amount authorized by Indenture:

No maximum limit of bonds fixed

Name of utility issuing bonds:

All bonds were issued by Kentucky-American Water Company

Principal amount issued and outstanding:

<u>GMB:</u>	<u>Issued</u>	<u>Outstanding</u>
6.96% Series	\$ 7,000,000	\$ 7,000,000
7.15% Series	7,500,000	7,500,000
6.99% Series	9,000,000	9,000,000

Date of issue (nominal date):

6.96% Series	December 1, 1993
7.15% Series	February 1, 1997
6.99% Series	June 1, 1998

Rate of interest:

6.96% Series	6.96%
7.15% Series	7.15%
6.99% Series	6.99%

Date of maturity:

6.96% Series	December 1, 2023
7.15% Series	February 1, 2027
6.99% Series	June 1, 2028

Security: All outstanding General Mortgage Bonds are secured by the lien of the General Mortgage Indenture upon all property of the Company.

Interest paid during the 12 months ended December 31, 2020

6.96% Series	\$ 490,420.00
7.15% Series	538,650.00
6.99% Series	632,340.00

(6) Notes are payable to AWCC, bear interest as listed below.

<u>Payee</u>	<u>Date of Issue</u>	<u>Interest Rate*</u>	<u>12/31/20 Amount Outstanding</u>	<u>Maturity Date</u>	<u>Interest paid 12 months ended 12/31/2020</u>
AWCC	January 1, 2005	Variable	\$31,288,916	Revolver	\$443,592

\* Interest rate is based on weighted average of commercial paper rates

<u>Payee</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>12/31/2020 Amount Outstanding</u>	<u>Maturity Date</u>	<u>Interest paid 12 mos. ended 12/31/2020</u>
AWCC	Oct 22, 2007	6.593%	\$47,000,000	Oct 15, 2037	\$3,115,160
AWCC	Nov 21, 2011	5.050%	20,000,000	Oct 15, 2037	1,010,000
AWCC	May 15, 2013	4.000%	7,859,000	Oct 15, 2037	314,360
AWCC	Nov 17, 2016	4.000%	5,000,000	Dec 1, 2046	201,750
AWCC	Sept 13, 2017	3.750%	5,000,000	Sept 1, 2047	189,250
AWCC	May 22, 2019	4.150%	16,000,000	June 1, 2049	669,600
AWCC	Nov 14, 2019	2.450%	45,390,000	Oct 1, 2029	1,192,395
AWCC	Nov 14, 2019	2.450%	26,000,000	Oct 1, 2029	686,920
AWCC	Sept 8, 2020	0.700%	26,000,000	Sept 1, 2023	234,000

(7) Indebtedness other than identified on this exhibit does not exist.

(8) Dividends were paid by the Applicant during the five fiscal years as follows:

Common Stock

<u>12 Months Ended December 31,</u>	<u>Annual Rate per Share</u>	<u>Number of Shares Outstanding</u>	<u>Amount</u>
2014	7.56	1,567,391	\$11,849,476
2015	7.20	1,567,391	11,285,215
2016	7.81	1,567,391	12,241,324
2017	9.21	1,567,391	14,435,671
2018	7.75	1,567,391	12,147,280
2019	9.16	1,567,391	14,357,301
2020	10.90	1,567,391	17,084,561

Preference Stock, 8.47% Series

<u>12 Months Ended December 31, 2020</u>	<u>Annual Rate per Share</u>	<u>Number of Shares Outstanding</u>	<u>Amount</u>
2014	8.47	45,000	\$381,150
2015	8.47	22,500 *	365,269
2016	8.47	22,500	190,575
2017	8.47	22,500	190,575
2018	8.47	22,500	190,575

2019	8.47	22,500	190,952
2020	8.47	22,500	190,952

\* 22,500 shares were redeemed on December 15, 2015