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April 20, 2011

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RECEIVED

APR 20 2011

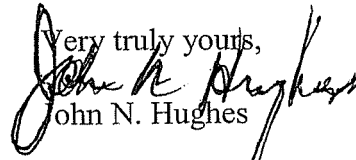
PUBLIC SERVICE
COMMISSION

Re: Case No. 2010-00476

Dear Mr. Derouen:

Attached are the responses to the Commission's order of April 1, 2011. A petition for confidentiality for PSC Item 12(b) is also being filed. A copy has been delivered to the Attorney General.

If you have any questions about this matter, please contact me.

Very truly yours,

John N. Hughes

Attorney for WSCK


attachments

AFFIDAVIT

STATE OF ILLINOIS


COUNTY OF COOK

Affiant, Brian Shrake, after being first sworn, deposes and says that the foregoing responses are true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.



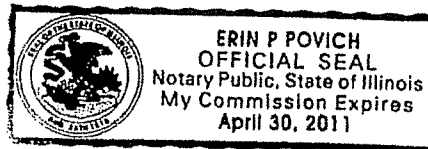
Brian Shrake

This instrument was produced, signed and declared by Brian Shrake to be his act and deed the 18th day of April, 2011.



Notary Public

My Commission expires: April 30, 2011



**Water Service Corporation of
Kentucky**

Case No. 2010-00476

PSC DR 2 Item 1

1. At Exhibit 12 of its Application, WSKY states: “Water Service of Kentucky depreciates its water plant at a rate of 2%, its vehicles at 25%, and its computers at 12.50%.” In Case No. 2005-00325,¹ WSKY advised the Public Service Commission that “[t]he company has not performed a depreciation study, but has determined appropriate lives for classes of plant accounts, which are attached.”² A copy of the useful lives for classes of plant that WSKY provided to the Public Service Commission is appended to this Request.
 - a. Recalculate accumulated depreciation, depreciation expense, amortization of contributions in aid of construction (“CIAC”) and advances in aid of construction (“AIAC”), and deferred income taxes using the depreciation lives set forth in Exhibit 1.
 - b. State the effect of the depreciation revisions calculated in response to Item 1(a) on WSKY’s pro forma operating expenses and requested revenue requirement.
 - c. Provide all workpapers, show all calculations, and state all assumptions that WSKY used to respond to Items 1(a) and (b).

Response: Witness – Brian Shrake:

- a. Please see attached schedules PSC DR 2-1, which recalculates depreciation expense for the test year.
- b. The revisions would increase pro-forma operating expenses to \$2,166,090 from \$1,995,831. The revenue requirement would increase from \$2,497,410 to \$2,693,208
- c. Please see attached schedules PSC DR 2-1 please note the changes on Schedules B, C, and w/p [f] from the original filing and the addition of w/p [f2]

¹ Case No. 2005-00325, *Application of Water Service Corporation of Kentucky for an Adjustment of Rates* (Ky. PSC Feb. 28, 2007).

² Letter from John N. Hughes, counsel, Water Service Corporation of Kentucky, to Beth O'Donnell, Executive Director, Kentucky Public Service Commission (Nov. 3, 2005).

WATER SERVICE CORPORATION OF KENTUCKY

Case No. 2010 - 00476

Balance Sheet

September 30, 2010

<u>ASSETS</u>		<u>LIABILITIES AND OTHER CREDITS</u>	
Plant In Service		Capital Stock and Retained Earnings	
Water	\$ 10,023,349	Common Stock and Paid In Capital	\$ 4,766,047
Sewer	-	Retained Earnings	(839,423)
Total	\$ 10,023,349	Total	\$ 3,926,624
Accumulated Depreciation-Water	(4,366,738)	Current and Accrued Liabilities	199,237
Accumulated Depreciation-Sewer	-	Accounts Payable-Trade	73,740
Total	\$ (4,366,738)	Taxes Accrued	34,317
Net Utility Plant	\$ 5,656,611	Deferred Credits	3,247
		Customer Deposits - Interest	1,209,997
		A/P - Assoc. Companies	-
		Deferred Revenue	-
		Total	\$ 1,520,537
Plant Acquisition Adjustment-Water	(154,656)	Advances In Aid of Construction	113,080.53
Plant Acquisition Adjustment-Sewer	-	Water	-
Total	\$ (154,656)	Sewer	-
		Total	\$ 113,080.53
Construction Work In Process-Water	-	Contributions In Aid of Construction	68,702
Construction Work In Process-Sewer	-	Water	-
Total	\$ -	Sewer	-
		Total	\$ 68,702
Current Assets	35,386	Accumulated Deferred Income Tax	-
Cash	373,264	Unamortized ITC	391,131
Accounts Receivable - Net	9,982	Deferred Tax - Federal	25,997
Other Current Assets	-	Deferred Tax - State	-
Total	\$ 418,632	Total	\$ 417,128
Deferred Charges	125,483	TOTAL LIABILITIES AND OTHER CREDITS	\$ 6,046,070
TOTAL ASSETS	\$ 6,046,070		

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	1,980,475	68,212 [a]	2,048,687	644,521 [k]	2,693,208
Service Revenues - Sewer	-	-	-	-	-
Miscellaneous Revenues	52,887	-	52,887	-	52,887
Uncollectible Accounts	(126,200)	34,473 [b]	(91,727)	(28,858) [b]	(120,585)
Total Operating Revenues	1,907,162	102,684	2,009,847	615,664	2,625,510
Maintenance Expenses					
Salaries and Wages	442,941	73,324 [c]	516,265	-	516,265
Purchase Water/Sewer	78,100	-	78,100	-	78,100
Purchased Power	79,635	-	79,635	-	79,635
Maintenance and Repair	87,087	-	87,087	-	87,087
Maintenance Testing	24,880	-	24,880	-	24,880
Meter Reading	345	-	345	-	345
Chemicals	101,313	-	101,313	-	101,313
Transportation	47,173	-	47,173	-	47,173
Operating Exp. Charged to Plant	(50,427)	(48,711) [d]	(99,138)	-	(99,138)
Outside Services - Other	30,721	-	30,721	-	30,721
Total	841,770	24,613	866,383	-	866,383
General Expenses					
Salaries and Wages	189,980	(38,716) [c]	151,264	-	151,264
Office Supplies & Other Office Exp.	102,242	-	102,242	-	102,242
Regulatory Commission Exp.	55,885	26,960 [e]	82,845	-	82,845
Pension & Other Benefits	123,344	39,523 [c]	162,868	-	162,868
Rent	18,906	-	18,906	-	18,906
Insurance	59,054	-	59,054	-	59,054
Office Utilities	53,825	-	53,825	-	53,825
Miscellaneous	26,283	-	26,283	-	26,283
Total	629,519	27,767	657,286	-	657,286
Depreciation	290,497	129,860 [f]	420,357	-	420,357
Amortization of PAA	(3,660)	3,660 [f]	-	-	-
Taxes Other Than Income	145,450	3,255 [g]	148,705	1,532 [g]	150,236
Expense Reduction Related to Clinton Sewer Operations	(137,459)	34,619 [h]	(102,840)	-	(102,840)
Income Taxes - Federal	(105,348)	48,054 [i]	(57,294)	197,470 [i]	140,176
Income Taxes - State	7,912	(14,934) [i]	(7,021)	33,337 [i]	26,316
Amortization of CIAC	(1,536)	9,713 [f]	8,177	-	8,177
Total	195,855	214,227	410,082	232,339	642,421
Total Operating Expenses	1,667,144	266,608	1,933,751	232,339	2,166,090
Net Operating Income	240,019	(163,923)	76,095	383,324	459,420
Other Income	-	-	-	-	-
Interest During Construction	-	-	-	-	-
Interest on Debt	179,640	7,674 [j]	187,314	-	187,314
Net Income	60,379	(171,597)	(111,218)	383,324	272,106

- [a] Annualized to reflect rates approved in Case No. 2008-00563 that went in effect on 11/09/2009
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to annualized and pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of the end of the year.
- [d] Operating expense charged to plant has been adjusted for projected increases in salaries, taxes, and benefits for operators.
- [e] Regulatory commission expense has been adjusted.
- [f] Depreciation and Amortization Expense are annualized. Depreciation expense represents gross depreciable plant at the end of the year multiplied by their respective depreciation rates
- [g] Taxes other than Income is adjusted for annualized payroll taxes and Utility Commission Taxes.
- [h] Income taxes are computed on taxable income at current rates
- [i] Expenses for Clinton sewer operations have been reduced to actual expense reductions.
- [j] Interest on debt is computed using a 50.11% / 48.89% debt / equity ratio and a 6.58% cost of debt;
- [k] Revenues are annualized at proposed rates using the actual test year bills.

	Per Restatement	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 60,379	(171,597)	\$ (111,218)	383,324	\$ 272,106
Gross Plant In Service	\$ 10,059,632 [a]	-	10,059,632	-	\$ 10,059,632
Accumulated Depreciation	(3,841,528) [b]	(143,935)	(3,985,463)	-	(3,985,463)
Net Plant In Service	6,218,104	(143,935)	6,074,169	-	6,074,169
Cash Working Capital	202,092	6,955 [c]	209,047	-	209,047
Contributions In Aid of Construction	(150,313) [b]	3,827 [b]	(146,486)	-	(146,486)
Advances in Aid of Construction	- [b]	-	-	-	-
Accumulated Deferred Income Taxes	(417,128)	-	(417,128)	-	(417,128)
Customer Deposits	(34,317)	-	(34,317)	-	(34,317)
Reduction for Transportation Equipment	-	(4,740) [d]	(4,740)	-	(4,740)
Total Rate Base	\$ 5,818,438	\$ (137,893)	\$ 5,680,546	\$ -	\$ 5,680,546

[a] Gross plant in service has been restated to account for an asset that was not booked at the time of acquisition.

[b] Accumulated depreciation, CLAC, and AIAC have been restated to reflect a 2% depreciation rate from the time the assets or liabilities were put in service.

[c] Working capital is calculated based on pro forma maintenance expenses, pro forma general expenses, and taxes other than income.

[d] Transportation equipment has been reduced due to operator time for Clinton sewer operations.

[e] restatement calculated on wp [f 2]

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Test Year Ending September 30, 2010
Calculation of Revenue Requirement
Operation Ratio Method

Schedule E

Pro Forma Operating revenue	2,101,574
Divided by: Pro Forma Operating Expenses	<u>1,995,443</u>
Operating Ratio	<u>105%</u>
Pro Forma Operating Expenses	
Maintenance expenses	866,383
General expenses	657,286
Depreciation	420,357
Amortization of CIAC	8,177
Clinton Expense reduction	(102,840)
Property tax	91,803
Payroll tax	<u>54,277</u>
Total Pro Forma Operating Expenses	<u>1,995,443</u>
Divided by: Operating ratio	88.0%
Subtotal	2,267,548
Less Pro Forma Operating Expense	<u>1,995,443</u>
Operating Margin allowed in revenue requirement	<u>272,106</u>

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Uncollectible Accounts
Test Year Ended September 30, 2010

w/p [a]

	<u>Water</u>
Test Year / Present Revenues	<u>\$ 1,980,475</u>
Uncollectible Accounts	\$ 126,200
Less Third Party Bad debt	\$ 37,527
WCKY Bad Debt	<u>\$ 88,673</u>
Uncollectible %	<u>4.48%</u>
Annualized revenues	<u>\$ 2,048,687</u>
Uncollectible %	<u>4.48%</u>
Annualized Uncollectible Accounts	91,727
Proposed Revenues	<u>\$ 2,693,208</u>
Uncollectible %	<u>4.48%</u>
Uncollectible Accounts	<u>\$ 120,585</u>

w/p [b]

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010 - 00476
 Calculation of Salary and Benefits
 Test Year Ended September 30, 2010

Filing Employee #	Position	Total Annualized Salary	[1]	FICA 7.65%	FUTA 7,000 @ .8%	SUTA 8,000 @ 3.2%	Total Taxes	9/30/2010 Health Insurance	Pension at 3%	401(k) at 4%	9/30/2010 Other	Total Benefits
Maintenance												
1	Maint 1	47,048		3,599	56	256	3,911	7,952	1,411	1,882	620	11,865
2	Maint 2	41,640		3,185	56	256	3,497	7,952	1,249	1,666	620	11,487
3	Maint 3	28,420		2,174	56	256	2,486	7,952	853	1,137	620	10,561
4	Maint 4	69,764		5,337	56	256	5,649	7,952	2,093	2,791	620	13,455
5	Maint 5	53,486		4,092	56	256	4,404	7,952	1,605	2,139	620	12,316
6	Maint 6	31,433		2,405	56	256	2,717	7,952	943	1,257	620	10,772
7	Maint 7	42,680		3,265	56	256	3,577	7,952	1,280	1,707	620	11,560
8	Maint 8	53,683		4,107	56	256	4,419	7,952	1,611	2,147	620	12,330
9	Maint 9	30,516		2,334	56	256	2,646	7,952	915	1,221	620	10,708
10	Maint 10	36,085		2,761	56	256	3,073	7,952	1,083	1,443	620	11,098
11	Maint 11	32,096		2,455	56	256	2,767	7,952	963	1,284	620	10,819
Supervisory												
12	Sup 1	118,686		8,343	56	256	8,655	7,952	3,561	4,747	620	16,880
13	Sup 2	175,297		9,163	56	256	9,475	7,952	5,259	7,012	620	20,843
14	Sup 3	65,709		5,027	56	256	5,339	7,952	1,971	2,628	620	13,172
15	Sup 4	67,275		5,147	56	256	5,459	7,952	2,018	2,691	620	13,281
16	Sup 5	54,902		4,200	56	256	4,512	7,952	1,647	2,196	620	12,415
Total Operator Salary		948,720		67,594	896	4,096	72,586	127,234	28,462	37,949	9,917	203,561
Operator Allocation												
1	Maint 1	47,048		3,599	56	256	3,911	7,952	1,411	1,882	620	11,865
2	Maint 2	41,640		3,185	56	256	3,497	7,952	1,249	1,666	620	11,487
3	Maint 3	28,420		2,174	56	256	2,486	7,952	853	1,137	620	10,561
4	Maint 4	69,764		5,337	56	256	5,649	7,952	2,093	2,791	620	13,455
5	Maint 5	53,486		4,092	56	256	4,404	7,952	1,605	2,139	620	12,316
6	Maint 6	31,433		2,405	56	256	2,717	7,952	943	1,257	620	10,772
7	Maint 7	42,680		3,265	56	256	3,577	7,952	1,280	1,707	620	11,560
8	Maint 8	53,683		4,107	56	256	4,419	7,952	1,611	2,147	620	12,330
9	Maint 9	30,516		2,334	56	256	2,646	7,952	915	1,221	620	10,708
10	Maint 10	36,085		2,761	56	256	3,073	7,952	1,083	1,443	620	11,098
11	Maint 11	32,096		2,455	56	256	2,767	7,952	963	1,284	620	10,819
Supervisory												
12	Sup 1	25,596		1,799	12	55	1,866	1,715	768	1,024	134	3,640
13	Sup 2	11,496		601	4	17	621	521	345	460	41	1,367
14	Sup 3	4,309		330	4	17	350	521	129	172	41	864
15	Sup 4	4,412		338	4	17	358	521	132	176	41	871
16	Sup 5	3,600		275	4	17	296	521	108	144	41	814
Total Operator Allocation		516,265		39,057	643	2,938	42,638	91,274	15,488	20,651	7,114	134,527

[1] Salaries Annualized to include an estimated 3.5% raise effective 4/01/2011

w/p (b)

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010 - 00476
 Calculation of Salary and Benefits
 Test Year Ended September 30, 2010

	Salaries (operations)	Salaries (non-operations)	Payroll Taxes	Benefits
Oper. (see above)	100.00%	100.00%	100.00%	100.00%
Office (see wp-b CSR)	516,265	32,047	42,638	134,527
WSC - per WSC w/p	119,216	9,232	2,408	8,144
Total	<u>516,265</u>	<u>151,264</u>	<u>54,277</u>	<u>162,868</u>
Test Year	442,941	189,980	51,023	123,344
Adjustments (Water/Sewer)	<u>73,324</u>	<u>(38,716)</u>	<u>3,255</u>	<u>39,523</u>
	W	W	W	W
				<u>884,674</u>
				<u>807,288</u>
				<u>77,386</u>

W/p [b-1]

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010 - 00476
 Calculation of Health and Other Benefits
 Test Year Ended September 30, 2010

Account Number	Account Name	Balance 09/30/10	Average Full Time Head Count for the 12 months ended 9/30/10	Benefits per employee
5630	HEALTH & DENTAL PREMIUMS	559,637		
5635	DENTAL INS REIMBURSEMENTS	(219)		
5640	EMP PENSIONS & BENEFITS	-		
5645	EMPLOYEE INS DEDUCTIONS	(1,193,798)		
5650	HEALTH COSTS & OTHER	33,143		
5655	HEALTH INS REIMBURSEMENTS	3,925,217	418	7,952
	Total Health Insurance	<u>3,323,981</u>		
5660	OTHER EMP BENEFITS	55,256		
5670	TERM LIFE INS	185,487		
5675	TERM LIFE INS-OPT	(26,036)		
5680	DEPEND LIFE INS-OPT	(3,443)		
5685	SUPPLEMENTAL LIFE INS	-		
5690	TUITION	47,820	418	620
	Total Other Benefits	<u>259,085</u>		

Month	Full time employee Head Count
10/31/2009	446
11/30/2009	438
12/31/2009	436
1/31/2010	436
2/28/2010	416
3/31/2010	411
4/30/2010	411
5/31/2010	404
6/30/2010	410
7/31/2010	405
8/31/2010	405
9/30/2010	400
12 month Average	<u><u>418</u></u>

Water Service Corporation of Kentucky
Case No. 2010 - 00476
Calculation of Capitalized Time Allocation
Test Year Ended September 30, 2010

w/p [b-2]

	Total Capitalized Time [a]	Percentage Allocated WSC KY [b]	WSC KY Capitalized Time Adjustment [c]
Maintenance			
Maint 1	(13,230)	100.00%	(13,230)
Maint 2	(36)	100.00%	(36)
Maint 3	(9,070)	100.00%	(9,070)
Maint 4	(2,429)	100.00%	(2,429)
Maint 5	(3,331)	100.00%	(3,331)
Maint 6	(3,006)	100.00%	(3,006)
Maint 7	(3,769)	100.00%	(3,769)
Maint 8	(1,086)	100.00%	(1,086)
Maint 9	(3,855)	100.00%	(3,855)
Maint 10	(1,447)	100.00%	(1,447)
Maint 11	(8,914)	100.00%	(8,914)
Supervisory			
Sup 1	(62,194)	21.57%	(13,413)
Sup 2	(106,124)	6.56%	(6,959)
Sup 3	-	6.56%	-
Sup 4	-	6.56%	-
Sup 5	-	6.56%	-
Total Operator Capitalized Time	<u>(218,492)</u>		<u>(70,547)</u>
Office			
CSR 1	-	2.63%	-
CSR 2	-	2.63%	-
CSR 3	-	2.63%	-
CSR 4	-	2.63%	-
CSR 5	-	2.63%	-
CSR 6	-	2.63%	-
CSR 7	(315)	2.63%	(8)
CSR 8	-	2.63%	-
CSR 9	-	2.63%	-
CSR 10	-	2.63%	-
CSR 11	-	2.63%	-
CSR 12	-	2.63%	-
CSR 13	-	2.63%	-
CSR 14	-	2.63%	-
CSR 15	-	2.63%	-
CSR 16	-	2.63%	-
CSR 17	-	2.63%	-
CSR 18	-	2.63%	-
CSR 19	-	2.63%	-
CSR 20	-	2.63%	-
CSR 21	-	2.63%	-
CSR 22	(2,433)	2.63%	(64)
CSR 23	-	2.63%	-
CSR 24	-	2.63%	-
CSR 25	-	2.63%	-
CSR 26	-	2.63%	-
CSR 27	-	2.63%	-
CSR 28	-	2.63%	-
CSR 29	-	2.63%	-
CSR 30	-	2.63%	-

Water Service Corporation of Kentucky
Case No. 2010 - 00476
Calculation of Capitalized Time Allocation
Test Year Ended September 30, 2010

w/p [b-2]

	Total Capitalized Time	Percentage Allocated WSC KY	WSC KY Capitalized Time Adjustment
	[a]	[b]	[c]
CSR 31	-	2.63%	-
CSR 32	(30,514)	2.63%	(801)
CSR 33	(1,920)	2.63%	(50)
CSR 34	-	2.63%	-
Total Office Capitalized Time	(35,181)		(924)
WSC			
WSC 1	-	2.63%	-
WSC 2	(61,975)	2.63%	(1,628)
WSC 3	(45,719)	2.63%	(1,201)
WSC 4	(33,562)	2.63%	(882)
WSC 5	(575)	2.63%	(15)
WSC 6	-	2.63%	-
WSC 7	-	2.63%	-
WSC 8	(80,282)	2.63%	(2,109)
WSC 9	(16,810)	2.63%	(442)
WSC 10	-	2.63%	-
WSC 11	(42,256)	2.63%	(1,110)
WSC 12	-	2.63%	-
WSC 13	-	2.63%	-
WSC 14	(270)	2.63%	(7)
WSC 15	(129)	2.63%	(3)
WSC 16	(3,199)	2.63%	(84)
WSC 17	(51,162)	2.63%	(1,344)
WSC 18	(82,022)	2.63%	(2,154)
WSC 19	(4,335)	2.63%	(114)
WSC 20	-	2.63%	-
WSC 21	(62,994)	2.63%	(1,655)
WSC 22	-	2.63%	-
WSC 23	(452)	2.63%	(12)
WSC 24	-	2.63%	-
WSC 25	-	2.63%	-
WSC 26	-	2.63%	-
WSC 27	-	2.63%	-
WSC 28	-	2.63%	-
WSC 29	(63,655)	2.63%	(1,672)
WSC 30	-	2.63%	-
WSC 31	(111,015)	2.63%	(2,916)
WSC 32	(83,365)	2.63%	(2,190)
WSC 33	(50,415)	2.63%	(1,324)
WSC 34	-	2.63%	-
WSC 35	(2,874)	2.63%	(75)
WSC 36	-	2.63%	-
WSC 37	(171)	2.63%	(4)
WSC 38	-	2.63%	-
WSC 39	-	2.63%	-
WSC 40	-	2.63%	-
WSC 41	(22,922)	2.63%	(602)
WSC 42	-	2.63%	-
WSC 43	-	2.63%	-
WSC 44	-	2.63%	-
WSC 45	-	2.63%	-
WSC 46	-	2.63%	-

Water Service Corporation of Kentucky
Case No. 2010 - 00476
Calculation of Capitalized Time Allocation
Test Year Ended September 30, 2010

w/p [b-2]

	Total Capitalized Time [a]	Percentage Allocated WSC KY [b]	WSC KY Capitalized Time Adjustment [c]
WSC 47	-	2.63%	-
WSC 48	(118,431)	2.63%	(3,111)
WSC 49	(78,182)	2.63%	(2,053)
WSC 50	-	2.63%	-
WSC 51	-	2.63%	-
WSC 52	(23,872)	2.63%	(627)
WSC 53	-	2.63%	-
WSC 54	-	2.63%	-
WSC 55	(12,703)	2.63%	(334)
Total WSC Capitalized Time	(1,053,345)		(27,667)

Total Capitalized Time Adjustment

Operator Capitalized Time	(70,547)
Office Capitalized Time	(924)
Wsc Capitalized Time	(27,667)
Total Capitalized Time Adjustment	(99,138)

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010 - 00476
 Calculation of Customer Service Salary and benefits
 Test Year Ended September 30, 2010

Confidential

Line	Filing employee # [A]	Position	State [B]	Total Annualized Salary [C]	FICA 7.65% [D]	FUTA 7,000 @ .8% [E]	SUTA [F]	Total Taxes [G]	9/30/2010 Health Insurance [E]	Pension at 3% [F]	401(k) at 4% [G]	9/30/2010 Other [H]	Total Benefits [I]
1.	CSR 1	CSR II	FL	34,769	2,660	56	378 [1]	3,094	7,952	1,043	1,391	620	11,006
2.	CSR 2	CSR II	FL	36,845	2,819	56	378 [1]	3,253	7,952	1,105	1,474	620	11,151
3.	CSR 3	CSR II	FL	34,240	2,619	56	378 [1]	3,053	7,952	1,027	1,370	620	10,969
4.	CSR 4	CSR II	FL	33,648	2,574	56	378 [1]	3,008	7,952	1,009	1,346	620	10,927
5.	CSR 5	Customer Care Specialist	FL	59,662	4,564	56	378 [1]	4,998	7,952	1,790	2,386	620	12,748
6.	CSR 6	CSR I	FL	27,125	2,075	56	378 [1]	2,509	7,952	814	1,085	620	10,471
7.	CSR 7	Customer Care Manager	FL	45,307	3,466	56	378 [1]	3,900	7,952	1,359	1,812	620	11,743
8.	CSR 8	CSR II	FL	32,718	2,503	56	378 [1]	2,937	7,952	982	1,309	620	10,862
9.	CSR 9	Lead Customer Service Rep	FL	42,847	3,278	56	378 [1]	3,712	7,952	1,285	1,714	620	11,571
10.	CSR 10	CSR I	FL	25,877	1,980	57	378 [1]	2,416	7,952	776	1,035	620	10,383
11.	CSR 11	CSR I	FL	25,877	1,980	58	378 [1]	2,416	7,952	776	1,035	620	10,383
12.	CSR 12	CSR I	FL	25,877	1,980	59	378 [1]	2,417	7,952	776	1,035	620	10,383
13.	CSR 13	CSR I	FL	25,877	1,980	60	378 [1]	2,418	7,952	776	1,035	620	10,383
14.	CSR 14	CSR I	FL	25,877	1,980	61	378 [1]	2,419	7,952	776	1,035	620	9,763
15.	CSR 15	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-
16.	CSR 16	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-
17.	CSR 17	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-
18.	CSR 18	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-
19.	CSR 19	CSR II	NV	35,198	2,693	56	648 [2]	3,397	7,952	1,056	1,408	620	11,036
20.	CSR 20	Collections Specialist	NV	31,773	2,431	56	648 [2]	3,135	7,952	953	1,271	620	10,796
21.	CSR 21	Customer Care Manager	NV	59,512	4,533	56	648 [2]	5,257	7,952	1,785	2,380	620	12,738
22.	CSR 22	Collections Specialist	NV	29,913	2,288	56	648 [2]	2,992	7,952	897	1,197	620	10,666
23.	CSR 23	CSR I	NV	30,012	2,296	56	648 [2]	3,000	7,952	900	1,200	620	10,673
24.	CSR 24	CSR I	NV	25,855	1,978	56	621 [2]	2,655	7,952	776	1,034	620	10,382
25.	CSR 25	CSR I	NV	25,855	1,978	56	621 [2]	2,655	7,952	776	1,034	620	10,382
26.	CSR 26	CSR I	NV	25,855	1,978	56	621 [2]	2,655	7,952	776	1,034	620	10,382
27.	CSR 27	Lead Customer Service Rep	NC	37,760	2,889	56	449 [3]	3,394	7,952	1,133	1,510	620	11,215
28.	CSR 28	CSR I	NC	27,986	2,141	56	449 [3]	2,646	7,952	840	1,241	620	10,743
29.	CSR 29	CSR II	NC	31,022	2,373	56	449 [3]	2,878	7,952	931	1,241	620	10,623
30.	CSR 30	CSR II	NC	29,298	2,241	56	449 [3]	2,746	7,952	879	1,172	620	10,623
31.	CSR 31	CSR Temp	[4] NC	36,490	-	-	-	-	-	-	-	-	-
32.	CSR 32	Customer Service Manager	FL	93,254	7,134	56	378 [3]	7,568	7,952	2,798	3,730	620	15,100
33.	CSR 33	Customer Care Manager	NC	42,435	3,246	56	449 [3]	3,751	7,952	1,273	1,697	620	11,542
34.	CSR 34	CSR II	NC	33,153	2,536	56	449 [3]	3,041	7,952	995	1,326	620	10,893
				1,220,116	77,255	1,383	12,846	91,664	222,659	30,287	40,383	17,355	310,064
					2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%
				32,047	2,029	42	337	2,408	5,848	796	1,061	456	8,144
				8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%
				2,878	182	4	30	216	525	71	95	41	731
					182	4	30	216	525	71	95	41	731

[1] Florida 2010 SUTA \$7,000 limit at 5.46%
 [2] North Carolina 2010 SUTA \$19,700 at 2.28%
 [3] Nevada 2010 SUTA \$27,000 limit at 2.40%
 [4] Temporary workers
 [5] Hired in April
 [6] Salaries Annualized to include an estimated 3.5% raise effective 4/01/2011

WATER SERVICE CORPORATION OF KENTUCKY

w/p [d]

Case No. 2010 - 00476

Rate Case Expense

Test Year Ended September 30, 2010

				Total
Legal Fees				80,000
Consulting fees				10,000
Customer Notices (2 notices):				
Postage	7,349 =		customers x \$0.44	6,467
Stock	7,349 =		notices x (.0526)	773
Fed Ex, mailings, postage, and miscellaneous costs				5,000
Travel		<u>Personnel</u>	<u>Cost</u>	<u># of Trips/ Nights</u>
Airfare		2	350	3
Hotel/Meals		2	180	6
Rental Car			200	200
Water Service Personnel				
	<u>hours</u>	<u>rate</u>	<u>\$</u>	
BWS	800	\$ 37	29,600	
LG	100	\$ 55	5,500	
SL	40	\$ 89	3,560	
SN	25	\$ 28	700	
DJC	20	\$ 30	600	
JH	6	\$ 127	762	
Total				<u>40,722</u>
Total Cost of current case				147,422
Unamortized Rate Case Expense				101,114
Total Rate Case expense				248,536
Amortized over 3 years				<u>3</u>
Amortization Expense per year				<u><u>\$ 82,845</u></u>

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Calculation of Taxes Other Than Income Taxes
Test Year Ended September 30, 2010

w/p [e]

Water

Test Year

Utility/Commission Tax	\$	2,624
Real Estate Tax		23,827
Personal Property Tax		27,376
Property/Other General Tax		33,411
Gross Receipts Tax		-
Franchise Tax		7,189
Payroll Taxes		51,023
		<hr/>
Total	\$	145,450

Pro Forma Present

Payroll Tax Increase		3,255
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Adjustment	\$	3,255
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Pro Forma Proposed

Utility/Commission Tax Increase		2,625,510
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0.16%

Pro Forma Utility / Commission Tax		4,156
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Per Books		2,624
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Adjustment		1,532
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WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Depreciation Expense
Test Year Ended September 30, 2010

w/p [f]

	<u>Water</u>
Gross Plant	\$ 10,023,349
Less:	
Land	(22,539)
Computers	(720,843)
Vehicles	(489,813)
Net:	\$ 8,790,153
Plant Depreciation per wp [f 2]	<u>\$ 315,162</u>
Vehicles	489,813
Less fully Depreciated Vehicles	(434,621)
	55,192
Vehicle Depreciation @ 16.67%	<u>\$ 9,200</u>
Computers	720,843
Less Fully Depreciated Computers	(5,780)
Less Project Phoenix Allocation	(556,521)
Computers to depreciate	158,542
Computer Depreciation @ 16.67%	<u>\$ 26,429</u>
Project Phoenix alloaction	\$ 556,521
Project Phoenix depreciation 12.50%	<u>\$ 69,565.13</u>
Total Depreciation	<u><u>\$ 420,357</u></u>
CIAC	\$ (104,390)
Amortization @ 3.76%	<u><u>\$ 3,925</u></u>
AIAC	\$ (113,081)
Amortization @ 3.76%	<u><u>\$ 4,252</u></u>

WATER SERVICE CORPORATION OF KENTUCKY

w/p [f2]

Case No. 2010 - 00476

**Recalculation of Depreciation Expense for Common plant per staff DR 1-1
Test Year Ended September 30, 2010**

Account #	Plant in service	Balance as of 9/30/10	Depreciation Rate	Annual Depreciation Expense
Depreciation expense				
1020	ORGANIZATION	164,394.41	2.50%	4,109.86
1045	LAND & LAND RIGHTS GEN PL	22,539.28	0.00%	-
1050	STRUCT & IMPRV SRC SUPPLY	113,002.11	3.13%	3,536.97
1055	STRUCT & IMPRV WTR TRT PL	452,039.98	3.13%	14,148.85
1065	STRUCT & IMPRV GEN PLT	129,602.66	3.13%	4,056.56
1080	WELLS & SPRINGS	475,035.13	3.33%	15,818.67
1090	SUPPLY MAINS	8,822.06	2.33%	205.55
1105	ELECTRIC PUMP EQUIP WTP	595,958.72	5.00%	29,797.94
1110	ELECTRIC PUMP EQUIP TRANS	5,577.38	4.55%	253.77
1115	WATER TREATMENT EQPT	574,202.65	4.55%	26,126.22
1120	DIST RESV & STANDPIPES	522,964.63	2.70%	14,120.05
1125	TRANS & DISTR MAINS	2,975,975.97	2.33%	69,340.24
1130	SERVICE LINES	682,894.04	2.50%	17,072.35
1135	METERS	708,803.19	5.00%	35,440.16
1140	METER INSTALLATIONS	349,788.43	5.00%	17,489.42
1145	HYDRANTS	382,078.73	2.22%	8,482.15
1175	OFFICE STRUCT & IMPRV	144,932.96	16.67%	24,160.32
1180	OFFICE FURN & EQPT	99,304.56	2.50%	2,482.61
1190	TOOL SHOP & MISC EQPT	259,536.56	6.25%	16,221.04
1195	LABORATORY EQUIPMENT	45,181.53	6.67%	3,013.61
1205	COMMUNICATION EQPT	64,260.23	10.00%	6,426.02
1215	WATER PLANT ALLOCATED	69,976.00	4.00%	2,799.04
1345	SEWER FORCE MAIN	232.39	2.33%	5.41
1350	SEWER GRAVITY MAIN/MANHO	1,329.07	2.33%	30.97
1360	SERVICES TO CUSTOMERS	105.02	2.33%	2.45
1380	PUMPING EQUIPMENT PUMP PL	205.20	5.00%	10.26
1395	TREAT/DISP EQUIP LAGOON	232.80	5.00%	11.64
			Total	<u>315,162.13</u>

Depreciation expense per restatement	420,356.72	[1]
Less Depreciation expense per original filing	<u>(276,421.69)</u>	[2]
Increase in depreciation expense	143,935.03	

Accumulated Depreciation per original filing	(3,841,528.11)	[3]
Less: Increase in Depreciation	<u>(143,935.03)</u>	
Accumulated Depreciation per restatement	(3,985,463.14)	

Amortization expense per restatement	8,176.88	[1]
Amortization expense per original filing	<u>4,349.41</u>	[2]
Increase in Amortization expense	3,827.48	

Accumulated Amortization per original filing	43,811.55	[3]
Add Increase in Amortization	<u>3,827.48</u>	
Accumulated Amortization per restatement	47,639.03	

CIAC and AIAC Net of amortization per restatement (146,485.72)

[1] per wp [f]

[2] per original filing wp [f]

[3] Per original filing Schedule C

WATER

	<u>Pro Forma Present</u>	<u>Pro Forma Proposed</u>
<u>State Income Taxes</u>		
Total Revenue	\$ 2,009,847	\$ 2,625,510
Maintenance Expense	866,383	866,383
General Expense	657,286	657,286
Depreciation & Amortization	428,534	428,534
Taxes Other Than Income	148,705	150,236
Income from Management Services	(102,840)	(102,840)
Interest Expense	187,314	187,314
Taxable Income	\$ (175,534)	\$ 438,597
State Tax Rate		
\$0 to \$50,000 @ 4.0%	(7,021)	-
\$50,001 to \$100,000 @ 5.0%	-	-
over \$100,000 @ 6.0%	-	26,316
Total State Income Taxes	<u>\$ (7,021)</u>	<u>\$ 26,316</u>
<u>Federal Taxes</u>		
Taxable Income before taxes	\$ (175,534)	\$ 438,597
Less: State I/T	<u>(7,021)</u>	<u>26,316</u>
Federal Taxable Income	(168,513)	412,282
Federal Tax Rate	<u>34%</u>	<u>34%</u>
Total Federal Taxes	<u>\$ (57,294)</u>	<u>\$ 140,176</u>

UTILITIES, INC. AND SUBSIDIARIES
Capital Structure at September 30, 2010

w/p [h-1]

	Unaudited June 30, 2010	Annual Interest Expense	Capital Structure
<u>COMMON SHAREHOLDERS' EQUITY:</u>			
Common shares, \$.10 par value; authorized and issued 1,000 shares	\$ 100		
Paid-in capital	99,111,656		
Retained earnings	80,073,653		
 Total Common Shareholder's Equity	 \$ <u>179,185,409</u>		 <u>49.89%</u>
<u>LONG-TERM DEBT:</u>			
Collateral trust notes - 6.58%, \$9,000,000 due in annual installments beginning in 2017 through 2035	\$ 180,000,000	11,844,000	
Total Long-Term Debt	\$ <u>180,000,000</u>	<u>11,844,000</u>	<u>50.11%</u>
 TOTAL CAPITALIZATION	 \$ <u>359,185,409</u>		 <u>100.00%</u>
 COST OF DEBT	 <u>6.58%</u>		

WATER SERVICE CORPORATION OF KENTUCKY
Pro Forma Interest Expense
Calculation of Income Taxes
Test Year Ended September 30, 2010

w/p [h]

	<u>Water</u>
Pro Forma Present Rate Base	5,680,546
Debt Ratio	50.11%
Embedded Cost of Debt	6.58%
Pro Forma Interest Expense	<u><u>187,314</u></u>

WATER SERVICE CORPORATION OF KENTUCKY

w/p [i]

Case No. 2010 - 00476

Calculation of Working Capital

Test Year Ended September 30, 2010

		<u>Water</u>
Test Year		
<hr/>		
Maintenance Expenses		\$ 841,770
General Expenses		629,519
Taxes Other Than Income		145,450
Total		<u>\$ 1,616,739</u>
Working Capital	45/360	<u>\$ 202,092</u>
 Pro Forma Present		
<hr/>		
Maintenance Expenses		\$ 866,383
General Expenses		657,286
Taxes Other Than Income		148,705
Total		<u>\$ 1,672,374</u>
Working Capital	45/360	<u>\$ 209,047</u>

WATER SERVICE CORPORATION OF KENTUCKY

w/p [q]

Case No. 2010 - 00476

Expenses & UPIS Allocated to the City of Clinton Sewer Operations

Test Year Ended September 30, 2010

<u>Expense Reductions</u>	<u>Amount</u>
Operator Salaries	\$ (50,929)
Operator Payroll taxes	(4,067)
Operator Benefits	(12,938)
Transportation exp.	(4,236)
Direct Expenses Excluding Salary	(26,020)
Total O & M Expense Reduction	<u>(98,189)</u>
Office Salaries	(2,878)
Office Payroll taxes	(216)
Office Benefits	(731)
Total General Expense Reduction	<u>(3,825)</u>
Vehicle depreciation	(826)
Total expense reduction	<u>\$ (102,840)</u>
<u>Rate Base Reductions</u>	<u>Amount</u>
UPIS - Vehicles	43,981
Accum. Dep. - Vehicles	\$ (39,241)
Total rate base reductions	<u>4,740</u>

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010 - 00476
 Calculation of Salary and Benefits Allocated to the City of Clinton Sewer Operations
 Test Year Ended September 30, 2010

	Total Annualized Salary	FICA 7.65%	FUTA 7,000 @ .8%	SUTA 8,000 @ 3.2%	Total Taxes	2010 Health Insurance	Pension at 3%	401(k) at 4%	2007 Other	Total Benefits
Maintenance										
Maint 4	69,764	5,337	56	256	5,649	7,952	2,093	2,791	620	13,455
Maint 8	53,683	4,107	56	256	4,419	7,952	1,611	2,147	620	12,330
Maint 10	36,085	2,334	56	256	2,646	7,952	915	1,221	620	10,708
Maint 11	32,096	2,761	56	256	3,073	7,952	1,083	1,443	620	11,098
Total Operator Salary	191,628	14,539	224	1,024	15,787	31,808	5,701	7,602	2,479	47,591
Operator Allocation										
Maint 8	5,818	445	5	21	471	663	175	233	52	1,122
Maint 8	25,376	1,941	26	121	2,089	3,759	761	1,015	293	5,828
Maint 10	17,057	1,103	26	121	1,251	3,759	433	577	293	5,062
Maint 11	2,677	230	5	21	256	663	90	120	52	926
Total Operator Allocation	50,929	3,720	62	285	4,067	8,844	1,459	1,945	689	12,938

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Transportation Allocation
Test Year Ended September 30, 2010

w/p [q - 4]

	Amount	Percent to total
Total WSK Operator's Salaries	\$ 516,265	91.02%
Total WSK Operator's Salaries Allocated to City of Clinton Sewer Operations	50,929	8.98%
	<u>\$ 567,194</u>	100.00%
Total WSK Transportation Expense	\$ 47,173	
Percent to Total Allocated to City of Clinton Sewer Operations	8.98%	
Total WSK Transportation Expense Allocated to Clinton Sewer Operations	<u>\$ 4,236</u>	
Total WSK Vehicle Depreciation	\$ 9,200	
Percent to Total Allocated to City of Clinton Sewer Operations	8.98%	
Total WSK Transportation Expense Allocated to Clinton Sewer Operations	<u>\$ 826</u>	
Total WSK Vehicle	\$ 489,813	
Percent to Total Allocated to City of Clinton Sewer Operations	8.98%	
Total WSK UPIS Allocated to Clinton Sewer Operations	<u>\$ 43,981</u>	
Total WSK Accumulated Depreciation Vehicle	\$ (437,023)	
Percent to Total Allocated to City of Clinton Sewer Operations	8.98%	
Total WSK Accumulated Depreciation Vehicle Allocated to Clinton Sewer Operations	<u>\$ (39,241)</u>	

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 2**

2. At page 6 of his Direct Testimony, Brian Shrake discusses pro forma adjustments made to the rate base statement and states that “[g]ross plant in service has been restated to account for an asset that was not booked at the time of acquisition.”
 - a. State whether the restatement for the unbooked asset to which Mr. Shrake refers is shown at Exhibit 9 of the Application as “Inclusion of organizational costs” and listed as \$36,283.
 - b. If yes,
 - (1) State the purpose of the organizational costs;
 - (2) Explain why these costs were not booked at the time of acquisition;
 - (3) Explain why these costs should be included in WSKY’s rate base.

Response: Witness – Brian Shrake:

Please refer to the company’s answer to item 4 in the Commission Staffs third data request in Case No.2008 - 00583

4. Refer to Response 5 to the Commission Order of May 1, 2009. The response provided to Item 5 is identical to the response provided to Item 2(c).

a. At page 10 of her direct testimony, Ms. Georgiev states the filing also includes \$36,282.69 for organizational costs in utility plant in service that was not booked at the time of acquisition. State the purpose of the organizational costs and explain why these costs were not booked at the time of the acquisition and why the organizational costs should be included in Water Service's rate base.

b. Provide documentation to support Water Service's claim that the organizational costs were not recorded when they were incurred.

c. Provide the life over which Water Service proposes to recover the organizational costs.

RESPONSE:

Witness: Lena Georgiev

Even though the costs were incurred over 10 years ago, they represent costs that were spent to organize the Company that did not have to be spent during its acquisition. Please see the enclosed journal entry which does not include these organization costs. These costs have a proposed life of 40 years.

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 3**

3. At page 8 of his Direct Testimony, Steven M. Lubertozi states that Utilities, Inc. placed the JD Edwards Enterprise One (“JDE”) financial system into service on December 3, 2007 at a total cost of \$13,995,789 and that 2.63 percent or \$368,089 of the total project cost was allocated to WSKY. Identify by account the costs associated with the JDE financial system that are included in the pro forma operating expenses listed on page 1 of Schedule B of the Application.

Response: Witness – Brian Shrake:

The operating expenses would be included in the depreciation line on page 1 of Schedule B of the application

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 4**

- 4 .Refer to Direct Testimony of Steven M. Lubertozi at 10-11. Utilities, Inc. placed the Oracle's Customer Care and Billing system and customer information system ("Oracle") financial system into service on June 2, 2008 at a total cost of \$7,126,679 and that 2.63 percent or \$188,432 of the total project cost was allocated to WSKY. Identify by account the costs associated with Oracle that are included in the pro forma operating expenses listed on page 1 of Schedule B of the Application.

Response: Witness – Brian Shrake:

The operating expenses would be included in the depreciation line on page 1 of Schedule B of the application

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 5**

5.
 - a. State whether WSKY or Utilities, Inc. has since November 9, 2009, performed any studies or analyses of the financial effects on WSKY of Project Phoenix or of the benefits that Project Phoenix provides to WSKY.
 - b. If the response to Item 5(a) is yes, provide the results of each study or analysis.
 - c. If the response to Item 5(a) is no, provide detailed documentation to support the benefits that are described at pages 7 through 10 of Mr. Lubertozzi's Direct Testimony.

Response: Witness – Brian Shrake:

- a. Since November 9, 2009 WSKY has not performed any additional studies or analyses of the financial effects on WSKY of Project Phoenix or of the benefits that Project Phoenix provides to WSKY.
- b. N/A
- c.
 1. Lubertozzi testimony Page 7 lines 14-16 "The system also reduces manual effort and reliance on spreadsheets, which again improves the reliability of reports." Including but not limited to the following examples, page one of "PSC DR 2-5 Attachment 1" is a timesheet from UI's legacy accounting process. This form had to be faxed from a remote field office to UI's accounting department, manually entered into an excel file, sorted by project number, and then uploaded to the legacy accounting system. Page two of "PSC DR 2-5 Attachment 1" shows JDE's Employee Self Service Time Entry. An employee can enter their hours from any computer with internet access. These hours are directly entered into the system and approved by a manager. The new accounting system automatically links capitalized time to the appropriate capital project, automatically calculates capitalized time and tracks vacation, workers compensation, sick time, unpaid paid, bereavement and jury duty time. Previously IDC was calculated monthly on a spreadsheet now the system automatically calculates IDC for capital projects. "PSC DR 2-5 Attachment 2" is a download of the data from JDE, which previously was a manually intensive process. Another example of system automation and elimination of a manual process is monthly depreciation expense and resulting accumulated depreciation. Previously, depreciation expense was calculated monthly via excel and then uploaded into the legacy system. JDE automatically calculates depreciation expense and tracks depreciation by asset.
 2. Lubertozzi testimony Page 7 lines 16-17. "The Capital Projects module allows employees to view and track projects in real time." "PSC DR 2-5 Attachment 3" shows a capital project being tracked through JDE.
 3. Lubertozzi testimony page 9 lines 3-5 "Customer and premise information were linked in one account. As residents moved, the service order history at the premise was purged and prior service activities eventually became unavailable for viewing. This resulted in the loss of valuable information."

Please see "PSC DR 2-5 Attachment 4". Page 1 shows a customer who has moved within the service area (all personal information has been redacted). In the middle of the page there are two accounts, one ending in the last 4 digits "2472" the other in "9066". The account ending in "2472" is for their current service address "9066" is for the customers previous service address.

Page 2 of the attachment shows the customers information at the previous service address. Please note the last four digits of the account "9066" and the unique premise ID 9927910000.

Page 3 of the attachment shows the customers information at their current service address. Please note the last four digits of the account "2472" and the new unique Premise ID 670110719.

Page 4 of the attachment shows a new customers account at the old premise please note the new account number ending in "7765" and the unique premise ID 9927910000.

In the legacy billing system the customer's old billing information would not be available and the old premise would be assigned a new number. However, the Premise ID in the new system forever links relevant service information to a specific location.

4. Lubertozi testimony page 9 lines 14 -16 "Field activity information at a premise is stored in the records indefinitely, allowing field personnel to retain prior history of past service issues at a residence." "PSC DR 2-5 Attachment 5" shows field activity at a specific premise. Please note the unique premise ID 670110719. This information would not be available in the legacy system because all information related to an old account was purged.
5. Lubertozi testimony page 9 lines 19-20 and page 10 lines 1-2. "The system allows the field operators to complete field activities in a live environment so that CSR's (customer service representatives) have the information available to them as soon as the order is completed." "PSC DR 2-5 Attachment 6" shows a completed field order.
6. Lubertozi testimony page 10 lines 18 and 19 "Mail and walk in payments are posted to the customer's account in real time. All corrections or adjustments to a customer's account are entered into CC&B and, again, posted in real time." PSC DR 2-5 Attachment 7 shows real time update of customer payment information

PSC DR 2 Item 5
Attachment 1

ORACLE JD EDWARDS ENTERPRISEONE

Employee Self Service Time Entry - Employee Daily Time Entry

Time Entry Self Service Director Employee Daily Time Entry

Delete Previous Next Tools

Business Unit 850100

Pay Period Start 04/01/2011

Pay Period End 04/15/2011

Pay Type (Totals Only)		Hours	
Reg	Sick	Expected	Total
8.00	0.00	8.00	8.00

Time Card	Time Status	Pay * Type	Pay Description	Fri 4/1	Sat 4/2	Sun 4/3	Mon 4/4	Tue 4/5	Wed 4/6	Thu 4/7	Fri 4/8	Sat 4/9	Sun 4/10	Mon 4/11	Tue 4/12	Wed 4/13	Thu 4/14	Fri 4/15
Approved	Approved	3	Cap Project	4.00														
Approved	Approved	3	Cap Project	4.00														
Approved	Approved	3	Cap Project	4.00														
Totals				8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

Records 1-4

Select	Time Card	Time Status	Pay * Type	Pay Description	Fri 4/1	Sat 4/2	Sun 4/3	Mon 4/4	Tue 4/5	Wed 4/6	Thu 4/7	Fri 4/8	Sat 4/9	Sun 4/10	Mon 4/11	Tue 4/12	Wed 4/13	Thu 4/14	Fri 4/15
<input type="checkbox"/>	Approved	Approved	3	Cap Project	4.00														
<input type="checkbox"/>	Approved	Approved	3	Cap Project	4.00														
<input type="checkbox"/>	Approved	Approved	3	Cap Project	4.00														

Actions:

- Help
- HR System Options
- Work With Work Center
- Submit Job
- View Job Status

Roles:

- Employee Self Service
- Manager Approval - Hourly
- Manager Approval - Salaried
- Employee's Database
- Employee Self-Service Setup
- Process Time Entry
- Holiday Time Generator
- Post Timecards
- ADP Processing
- SE 50 Processing
- HR Reports
- Health and Safety Management
- Employee History Tracking
- HR Setup
- JDE Standard Reports
- Procurement Management
- Equipment Maintenance
- Fired Assets
- Employee Self Service

Buttons: Close, Delete, Save, Leave Balances Review

CONSTRUCTION TIME ALLOCATION REPORT

EMPLOYEE'S INITIALS: ARV

EMPLOYEE'S NAME: Albert R. Van Dyke

FILE# 684

PAY PERIOD 3/1/06 THROUGH 3/14/06

COMPANY SUB#	PROJECT #	WORK ORDER#	WED 3/1/06	THURS 3/2/06	FRI 3/3/06	SAT 3/4/06	SUN 3/5/06	MON 3/6/06	TUE 3/7/06	TOTAL HOURS
0110	10			1				2	2	5
0110	01			1				2		3

TOTAL HOURS WEEK OF: 3/1/06 **8**

COMPANY SUB#	PROJECT #	WORK ORDER#	WED 3/8/06	THURS 3/9/06	FRI 3/10/06	SAT 3/11/06	SUN 3/12/06	MON 3/13/06	TUE 3/14/06	TOTAL HOURS
0110	01		1	1						2
0110	10		2	1						3
0110	04							2		2

TOTAL HOURS WEEK OF: 3/8/06 **7**

EMPLOYEE SIGNATURE Albert R. Van Dyke DATE 3-15-06
 SUPERVISOR SIGNATURE [Signature] DATE 3-15-06

- PROJECT NUMBERS
- 01 WATER SUPPLYWELLS
 - 02 WATER ELECT. EQUIP
 - 03 WATER STORAGE
 - 04 WATER MAINS/CONST.
 - 05 WATER HYDRANTS
 - 06 WATER BUILDINGS
 - 07 WATER TREATMENT
 - 08 WATER METER INSTALLATIONS
 - 25 ACQUISITIONS W/SIGNED AGRM'TS
 - 10 SEWER TREATMENT PL.T/CONST
 - 11 SEWER MAINS/CONST.
 - 12 SEWER MANHOLES/CONST
 - 13 SEWER LIFT STATIONS/CONST
 - 18 SEWER REUSE
 - 26 ACQUISITIONS W/SIGNED AGRM'TS
 - (ACQUISITION REGIONS - USE SUB #0001)
 - 30 ACQUISITION FLORIDA
 - 31 ACQUISITION LOUISIANA
 - 32 ACQUISITION MIDWEST
 - 33 ACQUISITION MID ATLANTIC
 - 34 ACQUISITION SOUTH ATLANTIC
 - 35 ACQUISITION NORTH CAROLINA
 - 36 ACQUISITION WEST
 - 40 RATE CASE (USE PARENT SUB#)
 - 41 MSC REGULATORY (USE PARENT SUB#)
 - 50 SYSTEM SALES (USE SUB #0001)
 - 51 CONDEMNATION (USE SUB #0001)

ENTERED
 MAR 23 2006

WORK ORDERS # (EXAMPLE: 115-01-01)

PSC DR 2 Item 5
Attachment 2

Utilities Inc
IDC Detail Report

2

Proj ID	JDE Proj Desc	State	CO#	BU	Name	Retire?	(W/S)	Start	Proj Status	IDC Eligible	IDC Rate	Beg Balance	Beg IDC	January Additions	Current IDC	Project To Date
2011022	CAMERON ACRES RELOCATE 4" MAIN	SC	401	401166	Cameron Acres	N	W	3/28/2011	OPEN	Y	8.07	70,918.05	1,491.91	918.00	473.06	72,309.11
2009795	UV	SC	400	400106	Pocalla S	N	W	7/29/2010	OPEN	Y	8.07	75,291.47	1,295.68		497.62	75,789.09
2003168	WWTP UPGRADE	SC	401	401140	Shandon S	N	S	8/15/2008	OPEN	Y	8.07	126,182.52	25,667.04	192.36	677.26	127,052.14
2002025	Drill new well & Well fracture	SC	401	401129	Farrowood Estates	N	W	4/1/2004	OPEN	Y	8.07	105,878.89	2,868.64	879.75	698.66	107,457.30
2001049	UPGRADE WWTP	SC	400	400123	Lincolnhier/Whites Cr	N	S	6/5/2007	OPEN	Y	8.07	143,538.66	5,618.86		927.51	144,466.17
2003166	UPGRADE/ REPLACE EXISTING WWTP	SC	401	401143	Foxwood S	N		8/15/2008	OPEN	Y	8.07					

**PSC DR 2 Item 5
Attachment 3**

CP Inquiry - User Defined Column - Job Status Inquiry

From Date/Period: Thu Date/Period: 2/1/2011

Thru Date/Period: 9

Level of Detail: Subledger

Job Number: 2009730
 Job Posting Edit: N
 Column Version: JOBCOST2 (Blank = User ID)

Select Tab: 1-Display

Job Description: New water storage tanks

Cost Code	Cost Type	Account Description	Original Budget Amt	Budget Revi Amount	Revised Bud Amount	Actual Amount	Open Commit Amount	UM	M	L
00101	1665	CAPITALIZED TIME				22,086.64		D	D	8
00101	1666	INTEREST DURING CON...				2,792.72		D	D	8
00101	1670	MATERIAL	150,000.00	150,000.00	150,000.00	149,412.75		D	D	8
00101	1699	TRANSFER TO FIXED AS...				174,302.11		D	D	8
Total:			150,000.00	150,000.00	150,000.00			T	T	1

PSC DR 2 Item 5
Attachment 4

Friday - April 15, 2011

Control Central

Oracle Utilities Customer Care and Billing V2.1.0

v. Control Central

Utilities, Inc.

Main Account Information Account Info Premise Tree Billing Payment Tree PAY Plan Tree Portal

Name: [Redacted] City: [Redacted]

Address: [Redacted]

Account ID: [Redacted]

Phone Format/Number: (999) 999-9999

Person ID Type/Value: [Redacted]

Geo Type/Value: [Redacted]

Show All Premises:

Person/Account	ID Type	ID Nbr
Primary Phone Number: [Redacted]	Social Security Number	[Redacted]
(Main Customer - Acct. [Redacted] 2472)	Social Security Number	[Redacted]
Primary Phone Number: [Redacted]		
(Main Customer - Acct. [Redacted] 9066) No Service Agreement.		

Premise: [Redacted] (Subdivision 763)

Dashboard

Alerts

Favorite Links
Payment QuickAdd

Current Context

Financial Information

Customer Contact

Type
Comment

To Do Summary
Refresh

1

4/15/2011

Friday - April 15, 2011

Account

Oracle Utilities Customer Care and Billing V2.1.0

L Account

Utilities, Inc.

Main **Account** **Alerts** **Characteristics** **Deposits** **Financials** **Messages** **C & C** **Budget** **Alerts**

Account ID **9066** **3**

Account Residential, \$0.00, 9066

Set Up Date 09-08-2008 **Currency Code** United States Dollars

Customer Class Residential **Access Group** Default Access Group

CIS Division Water Service Corp of Kentucky **Management Group**

Comment

Bill Cycle Always Open Catch Final Bills

Protect Bill Cycle Bill After

Mailing Premise ID 9927910000 **40965, Trailer/Mobile, 345 (Subdivision 263)** **MIDDLESBORO, KY, Protect Mailing Premise**

Debt Class	Current Balance	Payoff Balance
Regulated	\$0.00	\$0.00

Dashboard

Alerts
Last Contact: 175 days ago - Jones, Lori
Person Is Linked To Multiple Accounts

Favorite Links
Payment QuickAdd

Current Context
Phone Number: 9066 3
Residential, \$0.00, 9066

Financial Information
Current Balance \$0.00
Last Payment 11-04-2010, \$40.40
Last Billed 10-25-2010, \$40.40, Due Date 11-19-2010
Previous Bill 10-24-2010, \$37.83
Next Bill Date 05-01-2011

Customer Contact
Last 175 days ago -
Type
Comment

To Do Summary Refresh

2

4/15/2011

Friday - April 15, 2011

Account

Oracle Utilities Customer Care and Billing V2.1.0

Account ID: 2472 7

Account: L Account

Account
Residential, \$48.03, 2472

Set Up Date
10-22-2010

Customer Class
Residential

CIS Division
Water Service Corp of Kentucky

Management Group
United States Dollars

Financial Balance
\$48.03

Access Group
Protect CIS Division

Default Access Group
Default Access Group

Comment
M05 Monthly Billing Cycle - 6th of Month

Bill Cycle
Protect Bill Cycle

Mailing Premise ID
0670110719

Debt Class	Current Balance	Payoff Balance
Regulated	\$48.03	\$48.03

Bill After
Bill Print Intercept

Protect Mailing Premise
MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)

Alerts
Last Contact: 175 days ago - Jones, Lori
Person Is Linked To Multiple Accounts

Favorite Links
Payment QuickAdd

Current Context
Primary
Phone Number: 2472 7
Residential, \$48.03, 2472
MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)

Financial Information
Current Balance \$48.03
Last Payment 04-04-2011, \$46.66
Last Billed 04-06-2011, \$48.03, Due Date 05-02-2011
Previous Bill 03-07-2011, \$46.66
Next Bill Date 05-08-2011

Customer Contact
Last 175 days ago - Jones, Lori

Type
Comment

To Do Summary
Refresh

Dashboard

Account ID: 2472 7

Characteristics Alerts

Deposits Budgets C & C Bill Messages Financial Balance 2472

3

4/15/2011

Oracle Utilities Customer Care and Billing V2.1.0

Account ID: 7765

Account: Residential, \$0.00

Set Up Date: 02-09-2011

Customer Class: Residential

CIS Division: Water Service Corp of Kentucky

Management Group: [Redacted]

Comment: [Redacted]

Bill Cycle: KY18 Monthly Billing Cycle - 24th of Month

Protect Bill Cycle: [Redacted]

Mailing Premise ID: 9927910000

Debt Class: Regulated

Current Balance: \$0.00

Payoff Balance: \$-40.00

Currency Code: United States Dollars

Access Group: ***

Default Access Group: [Redacted]

Protect CIS Division: [Redacted]

Protect Mailing Premise: [Redacted]

Bill After: [Redacted]

Bill Print Intercept: [Redacted]

Financial Information:

Current Balance	\$0.00
Payoff Balance	\$-40.00
Last Payment	04-04-2011, \$19.40
Last Billed	03-24-2011, \$19.40, Due Date 04-18-2011
Previous Bill	02-27-2011, \$74.63
Next Bill Date	04-24-2011

Customer Contact:

Type	Comment
[Redacted]	[Redacted]

To Do Summary

Refresh

4

PSC DR 2 Item 5
Attachment 5

Field Activity Search

Address	City	Postal	Field Activity ID	Premise ID	Service Point ID	Appointment ID	Characteristic Type	Characteristic Value	Address	SP Type	Schedule Date/Time Start	Activity Type	Field Activity Status	Eligible for Dispatch	Service Point ID
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]		0670110719				[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	10-22-2010 06:00PM	Turn-On Meter	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	10-04-2010 06:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	02-01-2010 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	02-01-2010 12:00AM	Turn-Off Meter	Cancelled	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	01-20-2010 10:24PM	Turn Off Meter - Hang Tag	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	10-01-2009 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	10-01-2009 12:00AM	Turn-Off Meter	Cancelled	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	09-01-2009 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	09-01-2009 12:00AM	Turn-Off Meter	Cancelled	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	10-03-2008 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	10-03-2008 12:00AM	Turn-Off Meter	Cancelled	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	09-10-2008 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	09-02-2008 09:00PM	Read Meter (for Start / Stop)	Completed	Yes	0670110742	
[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	[REDACTED]	[REDACTED]					[REDACTED], MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)	345 Middlesboro Water and Wastewater Residential	345 Middlesboro Water and Wastewater Residential	01-07-2008 12:00AM	Turn-On Meter	Completed	Yes	0670110742	

PSC DR 2 Item 5
Attachment 6

Field Activity

Friday - April 15, 2011

Oracle Utilities Customer Care and Billing V2.1.0

Field Activity

Utilities, Inc.

Dashboard

Alerts
Last Contact: 175 days ago -
Person Is Linked To Multiple Accounts

Favorite Links
Payment QuickAdd

Current Context
Phone Number: [Redacted] Primary
[Redacted] 2472 7
\$48.03, [Redacted] 2472
Residential, 345 (Subdivision 263)

Financial Information
Current Balance \$48.03
Last Payment 04-04-2011, \$46.66
Last Billed 04-06-2011, \$48.03, Due Date 05-02-2011
Previous Bill 03-07-2011, \$46.66
Next Bill Date 05-08-2011

Customer Contact
Last 175 days ago - Jones, Lon
Type
Comment

To Do Summary [Refresh](#)

Main Steps [Characteristics](#) [Remarks](#) [Less](#)

Field Activity ID [0670110816] **Field Activity ID** [0670110816]

Field Activity 345 Middlesboro Water and Wastewater Residential, Start/Stop Service Request, Turn-On Meter, Completed, Scheduled 10-22-2010 06:00PM
345 Middlesboro Water and Wastewater Residential/KY05 Monthly Billing Cycle - W/263

Service Point ID [0670110742] **Activity Type** Turn-On Meter
Activity Type M-ON
Created on 10-22-2010 02:13PM by Start/Stop Service request.

Schedule Date/Time 10-22-2010 / 06:00PM

Field Activity Status Completed

Field Activity Priority Priority 10 - Highest

Dispatch Group 263MIDDLE, 40965, Residential, 345 (Subdivision 263)/Completed (1 activity) / Worked 10-22-2010

Field Order ID [0670110381] 2010

Instructions Please turn on service for new customer. Customer is home for signature. Thanks. LU

Comments on bks

Additional Info

FA Actions
Field Activity - 345 Middlesboro Water and Wastewater Residential, Start/Stop Service Request, Turn-On Meter, Completed, Scheduled 10-22-2010 06:00PM
Account - 720792472 Residential, \$48.03, 720792472

1

4/15/2011

Friday - April 15, 2011

Field Order

Oracle Utilities Customer Care and Billing V2.1.0

Utilities, Inc.

Field Order ID: 0670110381

MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision)

Field Order 263/Completed (1 activity) / Worked 10-22-2010

Field Activity 1 of 1

345 Middlesboro Water and Wastewater Residential/KY05 Monthly Billing Cycle - W/263 MIDDLESBORO RTE K01/ MIDDLESBORO, KY, 40965.

Service Point ID: 0670110742

Activity Type: M-ON Turn-On Meter

Field Activity ID: 0670110816

Field Activity Priority: Priority 10 - Highest

Field Activity Status: Completed

Instructions: Please turn on service for new customer. Customer is home for signature. Thanks. LL

Comments: on bks

Step Sequence	Step Type	Reference Type	Reference ID	Step Information
1	Turn On & Read Meter	SP/Meter History ID	0670110071	Meter-44589 / Installed 1997-01-28

Alerts

Last Contact: 175 days ago - Jones, Lori

Person Is Linked To Multiple Accounts

Favorite Links

Payment QuickAdd

Current Context

Phone Number: 472 7 Residential, \$48.03, 2472

MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)

Financial Information

Current Balance \$48.03

Last Payment 04-04-2011, \$46.66

Last Billed 04-06-2011, \$48.03, Due Date 05-02-2011

Previous Bill 03-07-2011, \$46.66

Next Bill Date 05-08-2011

Customer Contact

Last 175 days ago - Jones, Lori

Type

Comment

To Do Summary

Refresh

2

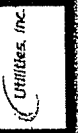
4/15/2011

PSC DR 2 Item 5
Attachment 7

Friday - April 15, 2011

Oracle Utilities Customer Care and Billing V2.1.0

Account Payment History



Account ID **2472**
Account Info **Residential, \$48.03, 7207792472**

Payment Date	Payment Amount	Payment Status	Tender Source
04-04-2011	\$46.66	Frozen	Window Payments - Middlesboro, KY 1
03-04-2011	\$38.46	Frozen	Window Payments - Middlesboro, KY 2
02-07-2011	\$41.20	Frozen	Window Payments - Middlesboro, KY 1
01-14-2011	\$46.66	Frozen	Window Payments - Middlesboro, KY 1
11-17-2010	\$41.65	Frozen	Window Payments - Middlesboro, KY 1

Alerts
Last Contact: 175 days ago - Jones, Lori

Person Is Linked To Multiple Accounts

Favorite Links
Payment QuickAdd

Current Context
Phone Number: 7963
Residential, \$48.03, 7207792472
MIDDLESBORO, KY, 40965, Residential, 345 (Subdivision 263)

Financial Information
Current Balance \$48.03
Last Payment 04-04-2011, \$46.66
Last Billed 04-06-2011, \$48.03, Due Date 05-02-2011
Previous Bill 03-07-2011, \$46.66
Next Bill Date 05-08-2011

Customer Contact
Last 175 days ago - Jones, Lori
Type
Comment

To Do Summary
Refresh

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 6**

6. Refer to the Application, Exhibit 4, Schedule C, Rate Base and Rate of Return. WSKY states that “[g]ross plant in service has been restated to account for an asset that was not booked at the time of the acquisition.” Identify the assets that are now being recorded, state the date on which these assets were placed into service, and explain why these assets were not originally recorded.

Response: Witness – Brian Shrake:

Please refer to the response to Item 2 of this data request.

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 7**

7. Refer to the Application, Exhibit 4, w/p[b], "Calculation Of Salary And Benefits."
 - a. For each listed employee, provide:
 - (1) His or her name.
 - (2) His or her position title.
 - (3) His or her test-period pay rate; pay rate as of April 1, 2011; and the percentage change in these pay rates.
 - (4) His or her actual (not assumed hours) test-period regular time worked and overtime worked.
 - (5) A detailed calculation for each pro forma salary listed on the workpaper.
 - b. Provide the information requested in Item 7(a) in an electronic format that is capable of being viewed and manipulated with the use of Microsoft Excel 1997-2003 computer software.

Response: Witness – Brian Shrake:
Please see Schedule "PSC DR 2-7".

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2-7
WSC Employee Wage data

Employee #	Annual Base Salary	Base Pay Rate	Per	FLSA Code	FT/PT	2011 % Increase	2011 Rate
WSC 1	\$ 51,742.80	\$ 2,155.95	Half Month	Salary	Full-time	5.06%	\$2,265.04
WSC 10	127,500.24	5,312.51	Half Month	Salary	Full-time	0.00%	\$5,312.51
WSC 11	220,000.08	9,166.67	Half Month	Salary	Full-time	4.55%	\$9,583.34
WSC 12	52,999.92	2,208.33	Half Month	Salary	Full-time	3.02%	\$2,275.02
WSC 13	92,783.76	3,865.99	Half Month	Salary	Full-time	5.08%	\$4,062.50
WSC 14	74,751.36	3,114.64	Half Month	Salary	Full-time	0.00%	\$3,114.64
WSC 15	216,300.00	9,012.50	Half Month	Salary	Full-time	4.02%	\$9,375.00
WSC 16	58,016.16	2,417.34	Half Month	Salary	Full-time	0.00%	\$2,417.34
WSC 17	48,092.40	2,003.85	Half Month	Salary	Full-time	3.00%	\$2,063.97
WSC 18	61,800.00	2,575.00	Half Month	Salary	Full-time	5.00%	\$2,703.75
WSC 19	116,390.16	4,849.59	Half Month	Salary	Full-time	0.00%	\$4,849.59
WSC 20	63,835.20	2,659.80	Half Month	Salary	Full-time	3.00%	\$2,739.59
WSC 21	62,596.08	2,608.17	Half Month	Salary	Full-time	4.57%	\$2,727.36
WSC 22	95,400.00	3,975.00	Half Month	Salary	Full-time	3.98%	\$4,133.36
WSC 23	68,683.44	2,861.81	Half Month	Salary	Full-time	0.00%	\$2,861.81
WSC 24	54,163.20	26.04	Hour	Hourly	Full-time	2.84%	\$26.78
WSC 25	36,878.40	17.73	Hour	Hourly	Full-time	3.04%	\$18.27
WSC 26	52,145.60	25.07	Hour	Hourly	Full-time	0.68%	\$25.24
WSC 27	45,011.20	21.64	Hour	Hourly	Full-time	2.64%	\$22.21
WSC 28	53,830.40	25.88	Hour	Hourly	Full-time	0.00%	\$25.88
WSC 29	59,905.68	2,496.07	Half Month	Salary	Full-time	4.50%	\$2,608.39
WSC 3	45,396.72	1,891.53	Half Month	Salary	Full-time	0.00%	\$1,891.53
WSC 30	66,741.84	2,780.91	Half Month	Salary	Full-time	5.00%	\$2,919.96
WSC 31	219,606.00	9,150.25	Half Month	Salary	Full-time	3.00%	\$9,425.00
WSC 32	89,301.12	3,720.88	Half Month	Salary	Full-time	3.00%	\$3,832.51
WSC 33	45,240.96	1,885.04	Half Month	Salary	Full-time	2.00%	\$1,922.74
WSC 34	52,066.80	2,169.45	Half Month	Salary	Full-time	0.00%	\$2,169.45
WSC 35	65,718.24	2,738.26	Half Month	Salary	Full-time	0.00%	\$2,738.26
WSC 36	43,347.20	20.84	Hour	Hourly	Full-time	2.89%	\$21.44
WSC 37	52,520.00	25.25	Hour	Hourly	Full-time	0.00%	\$25.25
WSC 38	47,486.40	22.83	Hour	Hourly	Full-time	8.00%	\$24.66
WSC 39	28,475.20	13.69	Hour	Hourly	Part-time	2.91%	\$14.09
WSC 4	47,510.64	1,979.61	Half Month	Salary	Full-time	3.00%	\$2,039.00
WSC 40	37,960.00	18.25	Hour	Salary	Full-time	0.00%	\$18.25
WSC 41	31,824.00	15.30	Hour	Hourly	Full-time	1.00%	\$15.45
WSC 42	36,545.60	17.57	Hour	Hourly	Full-time	5.00%	\$18.45
WSC 44	71,194.80	2,966.45	Half Month	Salary	Full-time	3.00%	\$3,055.44
WSC 45	47,715.20	22.94	Hour	Hourly	Full-time	5.00%	\$24.09
WSC 46	40,019.20	19.24	Hour	Hourly	Full-time	2.95%	\$19.81
WSC 47	68,900.16	2,870.84	Half Month	Salary	Full-time	3.92%	\$2,983.35
WSC 48	57,783.12	2,407.63	Half Month	Salary	Full-time	3.00%	\$2,479.86
WSC 49	180,000.00	7,500.00	Half Month	Salary	Full-time	6.67%	\$8,000.00
WSC 5	325,000.08	13,541.67	Half Month	Salary	Full-time	3.00%	\$13,947.92
WSC 50	150,000.00	6,250.00	Half Month	Salary	Full-time	3.00%	\$6,437.50
WSC 52	77,467.20	3,227.80	Half Month	Salary	Full-time	6.50%	\$3,437.61
WSC 53	45,759.84	1,906.66	Half Month	Salary	Full-time	0.00%	\$1,906.66
WSC 54	43,860.00	1,827.50	Half Month	Salary	Full-time	1.50%	\$1,854.91
WSC 55	80,000.16	3,333.34	Half Month	Salary	Full-time	0.00%	\$3,333.34
WSC 56	80,000.16	3,333.34	Half Month	Salary	Full-time	12.50%	\$3,750.01

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2-7
WSC Employee Wage data

Employee #	Annual Base			FLSA Code	FT/PT	2011 % Increase	2011 Rate
	Salary	Base Pay Rate	Per				
WSC 58	60,000.00	2,500.00	Half Month	Salary	Full-time	1.75%	\$2,543.75
WSC 59	154,999.92	6,458.33	Half Month	Salary	Full-time	3.23%	\$6,666.68
WSC 6	56,599.92	2,358.33	Half Month	Salary	Full-time	0.00%	\$2,358.33
WSC 7	60,031.20	2,501.30	Half Month	Salary	Full-time	3.03%	\$2,577.09
WSC 8	87,487.44	3,645.31	Half Month	Salary	Full-time	2.50%	\$3,736.44
WSC 9	106,084.08	4,420.17	Half Month	Salary	Full-time	1.00%	\$4,464.37

WSC 2 Position eliminated
 WSC 46 position eliminated
 WSC 51 position eliminated
 WSC 57 position eliminated

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2-7
Employee Wage Data

Employee Title	Test period Pay Rate	Current Pay Rate	Increase	Total Hours	Overtime	Regular	Comment
Maintenance							
Maint 1 Field Tech II	\$ 19.48	\$ 19.89	2.10%	2,285.50	169.00	2,116.50	
Maint 2 Water-Wastewater Operator II	17.15	17.66	3.00%	2,268.25	177.25	2,091.00	
Maint 3 Field Tech II	13.00	13.39	3.00%	849.50	21.50	828.00	Hired 4/14/10 Full Time to replace another Full Time operator
Maint 4 Regional Manager	2,808.52	2,892.78	3.00%	2,080.08	-	2,080.08	
Maint 5 Lead Water-Wastewater Operator	21.53	22.18	3.00%	2,316.50	213.50	2,103.00	
Maint 6 Field Tech I	14.09	14.51	3.00%	2,143.80	50.30	2,093.50	
Maint 7 Water-Wastewater Operator II	16.89	17.40	3.00%	2,297.50	241.00	2,056.50	
Maint 8 Area Manager - JCT	22.92	23.61	3.00%	2,219.00	122.00	2,097.00	
Maint 9 Field Tech I	13.72	14.13	3.00%	2,132.00	46.00	2,086.00	
Maint 10 Water-Wastewater Operator I	14.53	14.97	3.00%	2,338.00	213.00	2,125.00	
Maint 11 Administrative Assistant	14.12	14.54	3.00%	2,166.00	77.50	2,088.50	
Supervisory							
Sup 1 Regional Director	4,778.00	4,921.34	3.00%	2,080.00	-	2,080.00	
Sup 2 Regional Vice President	7,057.03	7,304.03	3.50%	2,080.00	-	2,080.00	
Sup 3 Executive Assistant	2,645.29	2,737.88	3.50%	2,080.00	-	2,080.00	
Sup 4 Regional Finance Manager	2,708.34	2,789.59	3.00%	2,080.00	-	2,080.00	
Sup 5 Regional Compliance & Safety Manager	2,210.21	2,276.52	3.00%	2,080.00	-	2,080.00	
Customer Service							
CSR 1	14.74	14.74	0.00%	2,218.90	132.70	2,086.20	
CSR 2	14.96	14.96	0.00%	2,290.25	199.75	2,090.50	
CSR 3	14.52	14.96	3.00%	2,250.25	132.25	2,118.00	
CSR 4	15.63	16.10	3.00%	2,080.00	-	2,080.00	
CSR 5 Customer Care Specialist	25.78	25.78	0.00%	2,196.00	104.00	2,092.00	
CSR 6	12.60	12.98	3.00%	2,080.00	-	2,080.00	
CSR 7 Customer Care Manager	1,823.97	1,896.93	4.00%	2,080.00	-	2,080.00	
CSR 8	13.87	14.56	5.00%	2,221.50	132.75	2,088.75	
CSR 9	17.43	18.13	4.00%	2,309.25	196.75	2,112.50	
CSR 10 Lead Customer Service Rep	12.02	12.26	2.00%	72.00	-	72.00	Hired Full time on 8/25/2010
CSR 11	12.02	12.26	2.00%	-	-	-	Hired Full time on 6/14/2010
CSR 12	12.02	12.26	2.00%	470.00	-	470.00	Hired Full time on 11/29/2010
CSR 13	12.02	12.26	2.00%	-	-	-	Hired Full time on 9/13/2010
CSR 14	12.02	12.26	2.00%	72.00	-	72.00	Hired Full time on 8/25/2010
CSR 15	16.17	16.49	2.00%	-	-	-	Hired Full time on 1/14/2011
CSR 16	16.17	16.17	Temp	-	-	-	The Temporary agencies tracks time for temporary employees but the employees are expected to work 40 hours a week
CSR 17	16.17	16.17	Temp	-	-	-	
CSR 18	16.17	16.17	Temp	-	-	-	
CSR 19	16.35	13.47	-17.61%	2,075.50	-	2,075.50	
CSR 20	14.35	14.64	2.00%	2,121.00	39.50	2,081.50	
CSR 21 Collections Specialist	2,395.83	2,395.83	0.00%	2,080.08	-	2,080.08	
CSR 22 Customer Care Manager	13.86	13.86	0.00%	1,703.50	3.50	1,700.00	
CSR 23 Collections Specialist	13.86	14.21	2.50%	2,086.15	8.10	2,078.05	
CSR 24	12.01	12.61	5.00%	725.00	-	725.00	Hired Full time on 4/26/2010
CSR 25	12.01	12.31	2.50%	752.00	-	752.00	Hired Full time on 4/27/2010
CSR 26	17.54	17.54	0.00%	1,040.04	-	1,040.04	
CSR 27 Lead Customer Service Rep	13.00	13.33	2.50%	2,077.50	-	2,077.50	
CSR 28							

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2-7
Employee Wage Data

Employee Title	Test period Pay Rate	Current Pay Rate	Increase	Total Hours	Overtime	Regular	Comment
CSR 29 CSR II	14.41	15.06	4.50%	2,072.00	-	2,072.00	
CSR 30 CSR II	13.57	13.98	3.00%	2,078.00	4.00	2,074.00	
CSR 31 CSR Temp	16.95	16.95	Temp	2,080.08	-	2,080.08	
CSR 32 Customer Service Manager	3,754.17	3,754.17	0.00%	1,386.72	-	1,386.72	Hired Full time on 2/10/2010
CSR 33 Customer Care Manager	1,708.33	1,793.75	5.00%	2,080.00	-	2,080.00	
CSR 34 CSR II	15.40	15.79	2.50%	2,080.00	-	2,080.00	

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010 - 00476
Calculation of Salary and Benefits
Test Year Ended September 30, 2010

Filing Employee / Miscellaneous	Position	Total Annualized Salary [1]	FICA 7.65%	FUTA 7,000 @ .3%	SUTA 8,000 @ 3.2%	Total Taxes	9/30/2010 Health Insurance	Pension at 3%	401(k) at 4%	Other	Total Benefits	Percentage Allocated	Pay Period per Year	Pay Period	Annualized Salary	Overtime Hours	Overtime Annualized Salary	Total Annualized Salary
1 Maint 1	Field Tech III	47,048	3,599	56	256	3,911	7,952	1,411	1,882	620	11,865	100.00%	2,080	19.48	40,518	169	4,938	45,457
2 Maint 2	Water-Wastewater Operator II	41,640	3,185	56	256	3,497	7,852	1,249	1,666	620	11,487	100.00%	2,080	17.15	35,672	177	4,560	40,232
3 Maint 3	Field Tech II	28,420	2,174	56	256	2,486	7,852	853	1,137	620	10,581	100.00%	2,080	13.00	27,040	22	419	27,459
4 Maint 4	Regional Manager	69,764	5,337	56	256	5,649	7,852	2,093	2,791	620	13,455	100.00%	2,080	2,806.52	67,404	-	6,895	74,299
5 Maint 5	Lead Water-Wastewater Operator	51,486	4,082	56	256	4,404	7,852	1,605	2,139	620	12,316	100.00%	2,080	21.53	44,782	214	6,895	51,677
6 Maint 6	Field Tech I	31,433	2,405	56	256	2,717	7,852	943	1,257	620	10,772	100.00%	2,080	14.09	29,307	50	1,063	30,370
7 Maint 7	Water-Wastewater Operator II	42,680	3,265	56	256	3,577	7,852	1,380	1,707	620	11,560	100.00%	2,080	16.89	29,307	241	6,106	41,217
8 Maint 8	Area Manager - JCT	41,007	3,147	56	256	3,459	7,852	1,611	2,147	620	12,330	100.00%	2,080	22.92	28,538	46	947	29,485
9 Maint 9	Water-Wastewater Operator I	30,516	2,334	56	256	2,646	7,852	915	1,221	620	10,708	100.00%	2,080	14.52	28,538	213	4,642	34,865
10 Maint 10	Field Tech I	27,081	2,071	56	256	2,307	7,852	1,083	1,443	620	11,088	100.00%	2,080	14.12	25,370	78	1,641	31,011
11 Maint 11	Administrative Assistant	32,096	2,455	56	256	2,767	7,852	963	1,284	620	10,819	100.00%	2,080	14.12	29,370	78	1,641	31,011
12 Sup 1	Regional Director	118,686	8,343	56	256	8,655	7,952	3,561	4,747	620	16,880	21.57%	24	4,778.80	114,672	24	169,369	169,369
13 Sup 2	Regional Vice President	175,297	9,163	56	256	9,475	7,952	5,259	7,012	620	20,843	6.56%	24	7,057.03	63,487	24	63,487	63,487
14 Sup 3	Executive Assistant	65,709	5,027	56	256	5,339	7,952	1,971	2,638	620	13,172	6.56%	24	2,645.29	65,000	24	65,000	65,000
15 Sup 4	Regional Finance Manager	67,275	5,147	56	256	5,459	7,952	2,018	2,691	620	13,281	6.56%	24	2,708.34	53,045	24	53,045	53,045
16 Sup 5	Regional Compliance & Safety Man.	54,902	4,200	56	256	4,512	7,952	1,647	2,196	620	12,415	6.56%	24	2,210.21	881,232	24	881,232	916,638
Total Operator Salary		948,720	67,594	386	4,096	72,986	127,234	28,462	37,949	9,917	203,561							
Operator Allocation																		
1 Maint 1	Field Tech III	47,048	3,599	56	256	3,911	7,952	1,411	1,882	620	11,865							
2 Maint 2	Water-Wastewater Operator II	41,640	3,185	56	256	3,497	7,852	1,249	1,666	620	11,487							
3 Maint 3	Field Tech II	28,420	2,174	56	256	2,486	7,852	853	1,137	620	10,581							
4 Maint 4	Regional Manager	69,764	5,337	56	256	5,649	7,852	2,093	2,791	620	13,455							
5 Maint 5	Lead Water-Wastewater Operator	51,486	4,082	56	256	4,404	7,852	1,605	2,139	620	12,316							
6 Maint 6	Field Tech I	31,433	2,405	56	256	2,717	7,852	943	1,257	620	10,772							
7 Maint 7	Water-Wastewater Operator II	42,680	3,265	56	256	3,577	7,852	1,380	1,707	620	11,560							
8 Maint 8	Area Manager - JCT	41,007	3,147	56	256	3,459	7,852	1,611	2,147	620	12,330							
9 Maint 9	Water-Wastewater Operator I	30,516	2,334	56	256	2,646	7,852	915	1,221	620	10,708							
10 Maint 10	Field Tech I	27,081	2,071	56	256	2,307	7,852	1,083	1,443	620	11,088							
11 Maint 11	Administrative Assistant	32,096	2,455	56	256	2,767	7,852	963	1,284	620	10,819							
12 Sup 1	Regional Director	25,596	1,799	12	55	1,866	1,715	768	1,024	134	3,640							
13 Sup 2	Regional Vice President	11,496	601	4	17	621	621	345	460	41	1,364							
14 Sup 3	Executive Assistant	4,309	330	4	17	350	521	129	172	41	871							
15 Sup 4	Regional Finance Manager	4,412	338	4	17	358	521	132	176	41	814							
16 Sup 5	Regional Compliance & Safety Man.	3,680	275	4	17	298	521	108	144	41	814							
Total Operator Allocation		512,285	39,057	643	2,938	42,638	91,274	15,488	20,653	7,114	134,527							

[1] Salaries Annualized to include an estimated 3.5% raise effective 4/01/2011

WATER SERVICE CORPORATION OF KENTUCKY
 Case No. 2010-00476
 Calculation of Salary and Benefits
 Ten Year Ended September 30, 2010

Oper. (see above)					
Office (see w/p's CSR)					
WSC - per WSC w/p					
Total					
Ten Year					
Adjustments (Water/Sewer)					
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	516,265	32,047	42,638	134,327	884,674
		119,216	2,408	8,144	
		151,264	9,232	20,197	
		189,980	54,277	162,868	
			51,023	123,344	
			<u>3,255</u>	<u>39,623</u>	<u>77,386</u>
			W	W	W

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2010-00476
Calculation of Customer Service Salary and benefits
Test Year Ended September 30, 2010

Confidential

Wp [b-3]

Line	Filing employees # (A)	Position	State	Total Annualized Salary (C)	FICA 7.65% (D)	FUTA 2.00% (b, 3%) (E)	SUTA (F)	Total Taxes (G)	Health Insurance (H)	Pension 4.3% (I)	401(k) 4.5% (J)	9/30/2010 Other (K)	Total Benefits (L)	Hourly Rate Bi Monthly Salary (M)	Twelve months ended 9/30/2010 Overtime hours	Annual Salary	9/30/2010 FTE Overtime	Total Annualized Salary
1.	CSR 1	CSR II	FL	34,769	2,680	56	378 (1)	3,094	7,932	1,643	1,391	620	11,006	14.74	132.70	\$ 30,659.20	2,934	33,993
2.	CSR 2	CSR II	FL	36,845	2,819	56	378 (1)	3,243	7,932	1,105	1,474	620	11,151	14.96	199.75	\$ 31,116.80	4,482	35,999
3.	CSR 3	CSR II	FL	34,240	2,619	56	378 (1)	3,053	7,932	1,027	1,370	620	10,969	14.52	132.23	\$ 30,201.60	2,880	33,082
4.	CSR 4	CSR II	FL	33,648	2,574	56	378 (1)	3,008	7,932	1,009	1,346	620	10,927	15.63	104.00	\$ 33,510.40	4,022	33,510
5.	CSR 5	Customer Care Specialist	FL	59,662	4,564	56	378 (1)	4,998	7,932	1,790	2,386	620	12,748	25.78	-	\$ 53,622.40	-	57,644
6.	CSR 6	CSR I	FL	27,125	2,075	56	378 (1)	2,509	7,932	814	1,085	620	10,471	12.60	-	\$ 26,208.00	-	26,208
7.	CSR 7	Customer Care Manager	FL	45,307	3,466	56	378 (1)	3,900	7,932	1,359	1,812	620	11,743	14.23	-	\$ 43,775.28	-	43,775
8.	CSR 8	CSR II	FL	33,718	2,503	56	378 (1)	2,937	7,932	982	1,309	620	10,862	13.87	132.75	\$ 28,409.60	2,762	31,611
9.	CSR 9	Lead Customer Service Rep	FL	42,847	3,278	56	378 (1)	3,712	7,932	1,285	1,714	620	11,571	17.43	196.75	\$ 36,254.40	5,144	41,998
10.	CSR 10	CSR I	FL	25,877	1,980	57	378 (1)	2,415	7,932	716	1,035	620	10,383	12.02	-	\$ 25,001.60	-	25,002
11.	CSR 11	CSR I	FL	25,877	1,980	58	378 (1)	2,416	7,932	716	1,035	620	10,383	12.02	-	\$ 25,001.60	-	25,002
12.	CSR 12	CSR I	FL	25,877	1,980	59	378 (1)	2,417	7,932	716	1,035	620	10,383	12.02	-	\$ 25,001.60	-	25,002
13.	CSR 13	CSR I	FL	25,877	1,980	60	378 (1)	2,418	7,932	716	1,035	620	10,383	12.02	-	\$ 25,001.60	-	25,002
14.	CSR 14	CSR I	FL	25,877	1,980	61	378 (1)	2,419	7,932	716	1,035	620	9,763	16.17	-	\$ 33,633.60	-	33,634
15.	CSR 15	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-	16.17	-	\$ 33,633.60	-	33,634
16.	CSR 16	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-	16.17	-	\$ 33,633.60	-	33,634
17.	CSR 17	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-	16.17	-	\$ 33,633.60	-	33,634
18.	CSR 18	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-	16.17	-	\$ 33,633.60	-	33,634
19.	CSR 19	CSR Temp	[4] FL	34,811	-	-	-	-	-	-	-	-	-	16.17	-	\$ 33,633.60	-	33,634
20.	CSR 20	CSR II	NV	35,198	2,693	56	648 (2)	3,397	7,932	1,056	1,408	620	11,036	16.35	39.50	\$ 29,848.00	850	30,698
21.	CSR 21	Collections Specialist	NV	31,773	2,431	56	648 (2)	3,135	7,932	933	1,271	620	10,796	14.35	-	\$ 27,499.92	-	27,499
22.	CSR 22	Customer Care Manager	NV	59,512	4,533	56	648 (2)	5,257	7,932	1,785	2,380	620	12,738	23.95	3.50	\$ 28,628.80	73	28,002
23.	CSR 23	Collections Specialist	NV	29,913	2,288	56	648 (2)	2,892	7,932	897	1,197	620	10,666	13.86	8.10	\$ 28,828.80	188	28,997
24.	CSR 24	CSR I	NV	30,012	2,296	56	648 (2)	3,000	7,932	900	1,200	620	10,673	13.86	-	\$ 24,980.80	-	24,981
25.	CSR 25	CSR I	NV	25,835	1,978	56	621 (2)	2,655	7,932	716	1,034	620	10,382	12.01	-	\$ 24,980.80	-	24,981
26.	CSR 26	CSR I	NV	25,835	1,978	56	621 (2)	2,655	7,932	716	1,034	620	10,382	12.01	-	\$ 24,980.80	-	24,981
27.	CSR 27	Lead Customer Service Rep	NC	37,760	2,889	56	449 (3)	3,394	7,932	1,133	1,510	620	11,215	17.54	-	\$ 36,483.20	-	36,483
28.	CSR 28	CSR I	NC	27,986	2,141	56	449 (3)	2,646	7,932	840	1,119	620	10,743	14.41	-	\$ 27,040.00	-	27,040
29.	CSR 29	CSR II	NC	31,082	2,373	56	449 (3)	2,878	7,932	931	1,241	620	10,743	14.41	-	\$ 29,972.80	-	29,973
30.	CSR 30	CSR II	NC	29,298	2,241	56	449 (3)	2,746	7,932	879	1,172	620	10,623	13.57	4.00	\$ 28,225.60	81	28,307
31.	CSR 31	CSR Temp	[4] NC	36,690	-	-	-	-	-	-	-	-	-	16.95	-	\$ 35,256.00	-	35,256
32.	CSR 32	Customer Service Manager	FL	92,254	7,134	56	378 (3)	7,568	7,932	2,798	3,730	620	15,100	37.54	-	\$ 90,100.08	-	90,100
33.	CSR 33	Customer Care Manager	NC	44,435	3,466	56	449 (3)	3,751	7,932	1,273	1,697	620	11,542	17.08	-	\$ 40,999.92	-	41,000
34.	CSR 34	CSR II	NC	33,133	2,516	56	449 (3)	3,041	7,932	895	1,336	620	10,893	15.40	-	\$ 32,032.00	-	32,032
				1,230,116	77,335	1,583	12,846	91,664	222,639	30,287	40,383	17,335	310,064					
		WSC Allocation Percentage		2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%					
		Total Kentucky Customer Service Allocation		33,047	2,039	42	337	2,408	5,848	796	1,081	456	8,144					
		Citizen Sewer Allocation Percentage		8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%	8.98%					
		Citizen Sewer Office Expense		2,378	187	4	30	216	525	71	95	41	731					

[1] Florida 2010 SUTA \$7,000 limit at 5.4%
[2] North Carolina 2010 SUTA \$19,700 limit at 2.8%
[3] Nevada 2010 SUTA \$27,000 limit at 2.4%
[4] Temporary workers
[5] Hired in April
[6] Salaried Annualized to include an estimated 3.5% raise effective 4/01/2011

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8. Refer to WSKY's Response to Commission Staff's First Information Request, Item 11(a), w/p [b-3].
- a. Describe how each item listed in the column "Total Capitalized Time" was calculated. Show all calculations.
 - b. The workpaper contains a column titled "Percentage Allocated United." Explain how WSKY determined each expense allocation. Show all calculations used to derive the allocation.

Response: Witness – Brian Shrake:

- a. Capitalized time is now automatically calculated by JDE and applied to each capital project with the employees name. The "Total Capitalized Time" amount came from the net amount of cap time recorded in the General ledger for all WSC companies.
- b. Employees not allocated 100% to WSC were allocated using the RVP (6.56%), Regional (21.57%) or WSC (2.63%) allocation factors based on their position in the company. Please see the attached workpaper "PSC DR 2-8"

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Calculation of Allocation Factors

Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
110100	Apple Canyon Utility Cc	IL	2,679.00	2,679.00
111100	Camelot Utilities Inc W	IL	219	219.00
111101	Camelot Utilities Inc S	IL	219	219.00
112100	Charmar Water Company	IL	53	53.00
113100	Cherry Hill Water Company	IL	258.6	258.60
114100	Clarendon Water Company	IL	362.5	362.50
117100	Del Mar Water Co	IL	83.5	83.50
118100	Ferson Creek Utilities Co W	IL	378	378.00
118101	Ferson Creek Utilities Co S	IL	370	370.00
119100	Galena Territory Utilities W	IL	2,244.90	2,244.90
119101	Galena Territory Utilities S	IL	813.2	813.20
120100	Killarney Water Co	IL	346	346.00
121100	Lake Holiday Utilities Corp	IL	2,071.00	2,071.00
122100	Lake Wildwood Utilities Corp	IL	1,412.50	1,412.50
123100	Northern Hills W & S Co W	IL	170	170.00
123101	Northern Hills W & S Co S	IL	180	180.00
124100	Lake Marian Water Corp	IL	292	292.00
125100	Wildwood Water Service Comp	IL	195	195.00
126100	Valentine Water Service Inc	IL	68	68.00
127100	Walk Up Woods Water Company	IL	220	220.00
128100	Whispering Hills Water Comp	IL	2,344.50	2,344.50
129100	Holiday Hills Utilities Inc	IL	243	243.00
130100	Medina Utilities Corporation	IL	455.2	455.20
131100	Westlake Utilities Inc W	IL	492.7	492.70
131101	Westlake Utilities Inc S	IL	477.9	477.90
132100	Cedar Bluff Utilities Inc	IL	119	119.00
133100	Harbor Ridge Utilities Inc W	IL	319	319.00
133101	Harbor Ridge Utilities Inc S	IL	316	316.00
134100	Coventry Creek	IL	360	360.00
150100	Twin Lakes Utilities Inc W	IN	3,120.00	3,120.00
150101	Twin Lakes Utilities Inc S	IN	3,086.00	3,086.00
151100	WSC of Indiana Inc W	IN	187.3	187.30
151101	WSC of Indiana Inc S	IN	190.9	190.90
152100	Indiana Water Service Inc	IN	1,821.00	1,821.00
180100	Hardscrabble	NC		0.00
180101	River Oaks	NC		0.00
181100	Elk River Utilities W	NC	270.2	270.20
181101	Elk River Utilities S	NC	108.2	108.20
182101	Kynwood Abington S	NC	666	666.00
182102	Brandywine Bay/Spooners Crk S	NC	782.2	782.20
182103	Cabarrus Woods/Steeplechase S	NC	2,621.50	2,621.50
182104	The Pointe	NC	2,092.00	2,092.00
182105	Belvedere Middlepoint W	NC	1,089.60	1,089.60
182106	Sugar Mountain W	NC	1,536.50	1,536.50
182107	Sugar Mountain S	NC	1,303.00	1,303.00
182109	Saddlewood W	NC	121	121.00
182110	Saddlewood S	NC	18	18.00
182112	Sherwood Forest CWS	NC	255.4	255.40
182113	Woodhaven	NC	79	79.00
182114	Zemosa Acres	NC	239.5	239.50
182115	Ashley Hills CWS NC	NC	1,134.00	1,134.00
182116	Corolla Light W	NC	510.8	510.80
182117	Corolla Light S	NC	491.3	491.30
182119	Hestron Park W	NC	67	67.00
182120	Hestron Park S	NC	65	65.00
182122	Hound Ears W	NC	444	444.00
182123	Hound Ears S	NC	202.5	202.50
182125	Willowbrook W	NC	161.9	161.90
182126	Willowbrook S	NC	159.4	159.40
182128	Grandview At T-Square	NC	76	76.00
182129	Wolf Laurel W	NC	680	680.00
182130	Wolf Laurel S	NC	67	67.00
182132	Vander	NC	213.2	213.20
182133	White Oak Plantation W	NC	393	393.00
182134	White Oak Plantation S	NC	301	301.00

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Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
182136	Kings Grant - Raleigh	NC	112	112.00
182137	Bent Creek/Mt Carmel W	NC	302	302.00
182138	Bent Creek S	NC	301	301.00
182140	Mt Carmel	NC	370	370.00
182141	Whispering Pines	NC	1,509.80	1,509.80
182142	Crest View Estates	NC	37	37.00
182143	Sherwood Park	NC	99	99.00
182144	Misty Mountain	NC	137	137.00
182145	Crystal Mountain	NC	48	48.00
182146	Ski Mountain	NC	237	237.00
182147	Mt Mitchell	NC	257	257.00
182148	Bear Paw Resort W	NC	332.5	332.50
182149	Bear Paw Resort S	NC	67	67.00
182151	Forest Brook/Ole Lamp Place	NC	127.5	127.50
182152	Carolina Forest	NC	964.1	964.10
182153	Woodrun	NC	1,198.50	1,198.50
182154	Kings Grant - Charolotte W	NC	172	172.00
182155	Kings Grant - Charolotte S	NC	171	171.00
182157	Quail Ridge CWS	NC	165	165.00
182158	Beechbrook	NC	36	36.00
182159	College Park W	NC	74	74.00
182160	College Park S	NC	49.8	49.80
182162	Country Club Annex	NC	26	26.00
182163	Country Hills	NC	67	67.00
182164	Harbor House Estates	NC	61	61.00
182165	Holly Acres	NC	56.4	56.40
182166	Oakdale Terrace	NC	44	44.00
182167	Suburban Heights	NC	25	25.00
182168	Windsor Chase	NC	133	133.00
182169	Forest Ridge	NC	538	538.00
182170	Yorktown	NC	106	106.00
182171	Powder Horn Mountain	NC	223.5	223.50
182172	Monteray Shores W	NC	461.9	461.90
182173	Monteray Shores S	NC	449.4	449.40
182175	Olde Point W	NC	199	199.00
182176	Olde Point S	NC	125	125.00
182178	Independent/Hemby	NC	679	679.00
182179	High Meadows	NC	270.5	270.50
182180	Chapel Hills	NC	89	89.00
182181	Huntington Forest	NC	52	52.00
182182	Eastwood Forest	NC	124	124.00
182183	Westwood Forest	NC	111	111.00
182184	Wildwood Green	NC	203	203.00
182185	Bahia Bay	NC	114	114.00
182186	Lamplighter Village East W	NC	170	170.00
182187	Lamplighter Village East S	NC	170	170.00
182189	Danby W	NC	1,248.00	1,248.00
182190	Danby S	NC	1,365.00	1,365.00
182192	Emerald Point W	NC		0.00
182193	Emerald Point S	NC		0.00
182195	Huntwick	NC	112	112.00
182196	Queens Harbor W	NC	137.6	137.60
182197	Queens Harbor S	NC	136.6	136.60
182199	Pinnacle Shores	NC	155	155.00
182200	Britley W	NC	61	61.00
182201	Britley S	NC	62	62.00
182203	Waterglyn	NC	39	39.00
182204	Buffalo Creek	NC	259	259.00
182205	Stone Hollow	NC	224	224.00
182206	Wood Trace	NC	45	45.00
182207	Lemmond Acres	NC	34	34.00
182208	Wildlife Bay	NC	80	80.00
182209	Nags Head	NC	734	734.00
182210	Currituck Club	NC	459.5	459.50
182211	Meadow Glen	NC	29	29.00

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Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
182212	Heathfield	NC	63.5	63.50
182213	Monterrey	NC	26	26.00
182214	High Vista	NC	241	241.00
182215	Eagle Crossing	NC	76	76.00
182216	Larkhaven	NC	160	160.00
182217	Regalwood	NC	371	371.00
182218	White Oak Estates	NC	564	564.00
182219	Riverwood (Johnston county)	NC	180	180.00
182227	Kynwood Abington W	NC	585	585.00
182229	Cabarrus Woods W	NC	1,855.00	1,855.00
182231	Brandywine Bay/Spooners Crk W	NC	842.7	842.70
182233	Belvedere Middlepoint S	NC	646.6	646.60
182235	Riverpointe W	NC	188	188.00
182236	Riverpointe S	NC	184	184.00
182238	Watauga Vista	NC	135	135.00
182239	Viewmont Acres	NC	14	14.00
183101	Sapphire Valley W	NC	2,475.60	2,475.60
183102	Sapphire Valley S	NC	918.6	918.60
183104	Ashley Hills CWS	NC	1,283.00	1,283.00
183105	Fairfield Harbour W	NC	2,734.60	2,734.60
183106	Fairfield Harbour S	NC	2,677.60	2,677.60
183108	Mountain W	NC	1,141.00	1,141.00
183109	Mountain S	NC	500	500.00
183111	Sandy Trail	NC		0.00
183112	Forest Hills	NC	139.5	139.50
183113	Heather Glen	NC	100	100.00
183114	Country Crossing	NC	54	54.00
183115	Oakes Plantation	NC	24	24.00
183116	Randall Forest	NC	41.8	41.80
183117	Sandy Trail/Carriage Manor	NC	114	114.00
183118	Stewarts Ridge	NC	47	47.00
183119	Tuckahoe	NC	87	87.00
183120	Wilders Village	NC	38.6	38.60
183121	Neuse Woods	NC	103	103.00
183122	Jordan Woods	NC	34	34.00
183124	Treasure Cove	NC	287.5	287.50
183125	Hidden Hollow	NC	46	46.00
183126	Linsey Pointe	NC	29	29.00
187100	Carolina Trace Utilities Inc W	NC	1,535.50	1,535.50
187101	Carolina Trace Utilities Inc S	NC	1,489.50	1,489.50
188100	Transylvania Utilities Inc W	NC	2,063.00	2,063.00
188101	Transylvania Utilities Inc S	NC	1,322.00	1,322.00
189100	North Topsail Utilities Inc	NC		0.00
190100	Carolina Pines Utilities Inc	NC	347	347.00
191100	Bradfield Farms W	NC	955.5	955.50
191101	Bradfield Farms/Larkhaven S	NC	1,724.03	1,724.03
192100	Nero Utility Services Inc W	NC	128	128.00
192101	Nero Utility Services Inc S	NC	128	128.00
220100	Tennessee Water Service	TN	558	558.00
241100	Tierra Verde Utilities Inc	FL	2,094.20	
242100	Lake Placid Utilities Inc W	FL	121.9	
242101	Lake Placid Utilities Inc S	FL	121.9	
243100	Eastlake Water Service W	FL		
243101	Eastlake Water Service S	FL		
244100	Pebble Creek Utilities Inc W	FL		
244101	Pebble Creek Utilities Inc S	FL		
245100	Alafaya Utilities Inc S	FL	7,584.30	
245101	Alafaya Utilities Inc R	FL	1,360.20	
245102	Alafaya Utilities Inc C	FL		
246100	Utilities Inc of Longwood	FL	1,675.50	
247100	Wedgfield Utilities Inc W	FL		
247101	Wedgfield Utilities Inc S	FL		
248100	Cypress Lakes Utilities Inc W	FL	1,255.40	
248101	Cypress Lakes Utilities Inc S	FL	1,151.10	
249100	Utilities Inc of Eagle Ridge	FL	1,585.60	

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249101	Cross Creek	FL	908	
250100	Mid-County Services Inc	FL	3,355.00	
251100	Four Lakes	FL	67	
251101	Lake Saunders	FL	43	
251102	LUSI South W	FL	3,095.80	
251103	LUSI South S	FL	3,023.80	
251106	LUSI North	FL	6,011.40	
252106	Orangewood W	FL	1,730.30	
252107	Orangewood S	FL	157	
252110	Weathersfield W	FL	1,149.00	
252111	Weathersfield S	FL	1,137.50	
252113	Oakland Shores	FL	229.5	
252114	Little Wekiva	FL	57	
252115	Park Ridge W	FL	99	
252116	Phillips	FL	78	
252117	Crystal Lake	FL	170	
252118	Ravenna Park W	FL	340	
252119	Ravenna Park S	FL	239	
252121	Bear Lake Manor	FL	218.5	
252122	Jansen	FL	251.5	
252123	Crescent Heights	FL	260.5	
252124	Davis Shores	FL	42	
252125	Summertree W	FL	1,180.80	
252126	Summertree S	FL	978.8	
252128	Lake Tarpon W	FL	431.7	
252129	Golden Hills W	FL	522.9	
252130	Golden Hills S	FL	74.4	
252132	Lake Tarpon S	FL		
252134	Park Ridge S	FL		
253101	Miles Grant Water & Sewer Co W	FL		
253102	Miles Grant Water & Sewer Co S	FL		
254101	ACME FL Legends Irrigation	FL	749.3	
255100	Sanlando Utilities Corp W	FL	11,798.80	
255101	Sanlando Utilities Corp S	FL	9,161.40	
255102	Sanlando Utilities Corp R	FL	30	
256100	Util Inc of Sandalhaven	FL	1,066.10	
257100	Bayside Utility Services Inc W	FL	216.2	
257101	Bayside Utility Services Inc S	FL	219.2	
258100	South Gate Utilities Inc W	FL		
258101	South Gate Utilities Inc S	FL		
259100	Labrador Utilities Inc W	FL	762.5	
259101	Labrador Utilities Inc S	FL	749.5	
260100	Utilities Inc Of Pennbrooke W	FL	1,471.00	
260101	Utilities Inc Of Pennbrooke S	FL	1,245.00	
261100	Util Inc Hutchinson Island W	FL		
261101	Util Inc Hutchinson Island S	FL		
262100	Sandy Creek Utility Serv Inc W	FL	192.8	
262101	Sandy Creek Utility Serv Inc S	FL	159	
286100	Green Ridge	MD	846	846
286101	Vista	MD	81	81
287100	Provinces Utilities Inc	MD	1,486.00	1486
288100	Maryland Water Services W	MD	1,116.10	1116.1
288101	Maryland Water Services S	MD	1,074.40	1074.4
300100	Montague W&S Water	NJ	760.8	
300101	Montague W&S Sewer	NJ	248.8	
315100	Utilities Inc - Westgate	PA	773.5	773.5
316100	Util Inc of Pennsylvania	PA	2,305.00	2305
317100	Penn Estates W	PA	1,694.50	1694.5
317101	Penn Estates S	PA	1,692.00	1692
332100	Colchester Utilities Inc	VA	169	169
333100	Massanutten Public Serv Corp W	VA	2,736.50	2736.5
333101	Massanutten Public Serv Corp S	VA	2,717.50	2717.5
345101	Clinton W	KY	756.7	756.7
345102	Middlesboro W	KY	6,592.00	6592
345103	Clinton S	KY		0
				756.70
				6,592.00

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Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
345105	Middlesboro S	KY		0
356102	Woodridge W	LA	507.5	
356103	Woodridge S	LA	492.5	
356105	Kingspoint W	LA	2,039.30	
356106	Kingspoint S	LA	2,024.30	
356108	Lake Village W	LA	658.5	
356109	Lake Village S	LA	650.2	
356111	Huntwyck Village W	LA	667.5	
356112	Huntwyck Village S	LA	668.5	
356114	Quail Ridge W	LA	388.5	
356115	Quail Ridge S	LA	365	
356117	Magnolia Forest W	LA	549.8	
356118	Magnolia Forest S	LA	526	
356120	Frenchmans Estates	LA	54.5	
356121	Village Acadian W	LA	44.6	
356122	Village Acadian S	LA	38.6	
356124	Oakmont W	LA	160	
356125	Oakmont S	LA	157	
356127	Pirates Harbor	LA	108	
357101	Arrowwood/Northpark W	LA	4,907.00	
357102	Arrowwood/Northpark S	LA	5,483.30	
357104	Greenbriar W	LA	1,157.80	
357105	Greenbriar S	LA	985.3	
385100	UI Georgia Skidaway W	GA	4,825.00	
385101	UI Georgia Skidaway S	GA	4,685.00	
385103	UI Georgia Old Atlanta	GA	636	
386101	Southlake	GA	52	
386102	Holland Folly I W	GA	24	
386103	Holland Folly I S	GA	101	
386105	Shady Acres	GA	190	
386106	Spenceton I	GA	21	
386107	Spenceton II	GA	101	
386108	Crestwood	GA	14	
386109	Bear Creek	GA	136	
386110	Kendalwood	GA	47	
386111	Riverwood (Colquitt county)	GA	151	
386112	Shady Grove	GA	61	
386113	Talloakas	GA	164	
386114	Vinland	GA	21	
386115	Holly Springs	GA	57	
386116	Lake Riverside	GA	258	
386117	Riverwood Estates	GA	32	
386118	Worthy Manor W	GA	165	
386119	Worthy Manor S	GA	164	
386121	Big Oak Estates	GA	42	
386122	Windsor	GA	33	
386123	Holland Folly II W	GA	121	
386124	Colonial Acres	GA	19	
386125	Carver	GA	35	
386126	Lee Villa Estates	GA	5	
386127	Park Place	GA	11	
386128	Jamar	GA	37	
386129	Country Circle Road	GA	16	
400103	Falcon Ranches	SC	100.8	
400104	Westside Terrace	SC	64	
400105	Pocalla W	SC	99	
400106	Pocalla S	SC	153	
400108	Rock Bluff	SC	21	
400109	Oakland Plantation CWS	SC	303.6	
400110	Indian Fork/40 Love W	SC	203	
400111	Indian Fork/40 Love S	SC	83	
400113	40 Love Point S	SC	128	
400114	Indian Pines	SC	17	
400115	Smallwood Estates W	SC	117	
400116	Smallwood Estates S	SC	114	

Water Service Corporation of Kentucky
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Calculation of Allocation Factors

Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
400118	Palmetto Apts	SC	89.2	
400119	Roosevelt Gardens	SC	164	
400120	Hidden Valley Country Club	SC	186.8	
400121	Peachtree Acres	SC	49	
400122	Hunters Glen	SC	95.5	
400123	Lincolnshire/Whites Creek	SC	242	
400124	Idlewood CWS	SC	66	
400125	North Lake Shore Point	SC	22	
400126	Shadowood Cove	SC	116	
400127	River Hills W	SC	3,883.10	
400128	River Hills S	SC	3,395.10	
400130	I-20 Water	SC	2,286.30	
400131	I-20 Sewer	SC	2,280.70	
400133	Stonegate W	SC	135	
400134	Stonegate S	SC	134	
400136	Blue Ridge/Calvin Acres/Hwood	SC	191.8	
400137	Rollingwood/Silvercreek	SC	184	
400138	The Landings	SC	164	
400139	Harborside/Windard Pt/Hrbr Plc	SC	78.8	
400140	Watergate/Spence Point/Mallard	SC	332.5	
400141	Watergate Sewer	SC	1,102.80	
400143	Friarsgate/Ballentine Cove	SC	3,335.00	
400144	Glenn Village II/Stonebridge W	SC	204	
400145	Glenn Village II/Stonebridge S	SC	222	
400147	Arrowhead/Lakewood Estates	SC	116	
400149	Kingston Harbour	SC	3	
401104	Lexing-Town Estates/Hermitage	SC	196.5	
401105	Dutch Village/Raintree Acres	SC	315	
401106	Arrowhead/Lakewood Estates 71	SC	3	
401107	Glenn Village Util Srv SC	SC	202.8	
401108	Nevitt Forest/Leon Bolt/Normdy	SC	349	
401109	Plantation/Wintercrest/Olewood	SC	192	
401110	Woodbridge	SC	67	
401111	Silver Lakes/Windwood	SC	71	
401112	Parkwood	SC	112.5	
401113	Tanya Terrance	SC	22	
401114	Emma Terrance	SC	24	
401115	Windy Hill	SC	139	
401116	Vanarsdale	SC	191.6	
401117	Murray Park Estates	SC	46	
401118	Lake Village Util Serv SC	SC	80	
401119	Tanglewood	SC	10	
401120	Foxtrail	SC	37	
401121	Murray Lodge	SC	57	
401122	Dutchman Shores	SC	154	
401123	Indian Cove	SC	29	
401124	Milmont Shores	SC	20	
401125	Hilton Place	SC	35	
401126	Estates At Hilton	SC	24	
401127	Oakland Plant Util Srv SC	SC	387	
401128	Springfield Acres	SC	44	
401129	Farrowood Estates	SC	140	
401130	Harmon Hill Estates	SC	40	
401131	Washington Heights	SC	73	
401132	Oakridge Hunt Club	SC	78	
401133	Bellemede	SC	138	
401134	Sangaree	SC	57	
401135	Dutchman Acres	SC	22	
401136	Lexington Farms	SC	104.8	
401137	Charwood	SC	268	
401138	Charleswood	SC	184	
401139	Shandon W	SC	70	
401140	Shandon S	SC	37	
401142	Foxwood W	SC	220	
401143	Foxwood S	SC	221	

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Calculation of Allocation Factors

Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
401145	Leslie Woods	SC	16	
401146	Leslie Dale	SC	26	
401147	Middlestream	SC	29.4	
401148	Riverbend Util Serv SC	SC	30.4	
401149	Carrolton Place	SC	40	
401150	Carowoods W	SC	80	
401151	Carowoods S	SC	55	
401153	Country Oaks W	SC	136	
401154	Country Oaks S	SC	46	
401156	Barney Rhett	SC	43	
401157	Wesleywoods	SC	25.5	
401158	Valleymere	SC	20	
401159	Hickory Hills	SC	36	
401160	Ridgewood	SC	67	
401161	Olympic Acres	SC	67.8	
401162	Shiloh Quarters	SC	53.6	
401163	Southbend	SC	34.8	
401164	Windy Run	SC	28	
401165	Brownsboro	SC	71.2	
401166	Cameron Acres	SC	28	
401167	Old Farms	SC	19	
401168	Farm Pond	SC	25	
401169	Kim Acres	SC	51.6	
401170	Brown Neal	SC	13.2	
401171	Pepperidge	SC	39.4	
401172	Polly Circle	SC	34.6	
401173	Mallard Lakes	SC	42.8	
401174	Hidden Lakes	SC	46	
401175	Spring Lakes	SC	14	
401176	Calhoun Acres	SC	77	
401177	Haynie Builders	SC	91	
401178	Dobbins Estates	SC	70	
401179	Hill And Dale	SC	64	
401180	Lakewood	SC	72	
401181	Edgebrook	SC	19	
401182	Oakwood Estates	SC	52	
401183	Sherwood Forest	SC	33	
401184	Towncreek Acres	SC	104	
401185	Belle Mead Acres	SC	69	
401186	Bridgewater	SC	99	
401187	Clearview	SC	60	
401188	Fieldcrest	SC	27	
401189	Greenforest	SC	66	
401190	Hidden Lake	SC	65	
401191	Surfside Heights	SC	20	
401192	Purdy Shores Summer Homes	SC	97	
402100	Southland Creekwood	SC	55	
402101	Southland Cedarwood	SC	116	
403101	Kingswood	SC	26	
403102	Woodmont Estates	SC	21	
403103	Trollingwood W	SC	50	
403104	Trollingwood S	SC	53	
403107	Canterbury	SC	136	
403108	Chambert Forest	SC	102.8	
403109	Fairwood	SC	85	
403110	River Forest	SC		
403111	Stonecreek	SC		
403112	Valley Brook	SC	171	
403113	Village	SC	203	
403114	North Greenville College	SC	61	
403115	Highland Forest	SC	84.6	
403116	Briarcreek S	SC	84.8	
403118	Greenville Co School District	SC	1	
406100	Tega Cay Water Service Inc W	SC	1,732.00	
406101	Tega Cay Water Service Inc S	SC	1,710.00	

Water Service Corporation of Kentucky
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PSC DR 2 Item 8
Calculation of Allocation Factors

Business Unit Number	Business Unit Name	WSC	RVP (IL, IN, KY, TN, NC, VA, MD & PA)	REGION (IL, IN, KY & TN)
425100	Bermuda Water Company	AZ	8,652.60	
450100	Util Inc of Nevada	NV	3,481.50	
451100	Spring Creek Utilities Co W	NV	4,487.50	
451101	Spring Creek Utilities Co S	NV	171.7	
452100	Sky Ranch Water Service	NV	587	
453100	Util Inc of Central Nevada W	NV	6,308.70	
453101	Util Inc of Central Nevada S	NV	3,912.30	
453103	Mountain Falls W	NV	819	
453104	Mountain Falls S	NV	595.5	
900100	Biotech SC Admin	SC	279	
	Total ERCs:		279,783.93	112,059.83 34,074.40
	Net WSCK ERC's		7,348.70	7,348.70
	Allocation factor		2.63%	6.56% 21.57%

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 9**

9. Provide for each month during the period January 1, 2007 through December 31, 2010, the number of Water Service Corporation full-time employees and part-time employees employed at WSKY's operations at Clinton, Kentucky on the last day of the month.

Response: Witness – Brian Shrake:

The HR records available do not differentiate between Clinton and Middlesboro personnel. Please see attached schedule "PSC DR 2-9" for a head count by month for Middlesboro and Clinton combined.

**Water Service Corporation of
Kentucky**

Case No. 2010-00476

PSC DR 2 Item 10

10. Provide for each month during the period January 1, 2007 through December 31, 2010, the number of Water Service Corporation full-time employees and part-time employees employed at WSKY's operations at Middlesboro, Kentucky on the last day of the month.

Response: Witness -- Brian Shrake:

Please see the response to PSC DR 2 Item 9

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 11**

11. Refer to WSKY's Response to the Commission Staff's First Information request, Item 13.
- a. Provide the requested information for the test period for Utilities, Inc.
 - b. For each debt instrument listed in response to Item 11(a), state the amount of the proceeds of the debt instrument that were allocated or used for WSKY operations at Middlesboro, Kentucky and describe the use(s) of the amount allocated or used.
 - c. For each debt instrument listed in response to Item 11(a), state the amount of the proceeds of the debt instrument that were allocated or used for WSKY operations at Clinton, Kentucky and describe the use(s) of the amount allocated or used.

Response: Witness – Brian Shrake:

- a. Please see attached schedule for UIs debt amortization schedule as of 9/30/10. UIs debt is used for general working capital, operating and maintenance expenses and future capital investment.
- b. The company allocates its debt based on rate base. The company does not split out Clinton and Middlesboro rate base for the calculation of the allocation. As of 9/30/2010 \$2.9 million of UIs debt was allocated to WSCK. UI used the debt allocated to WSCK for general working capital, operating and maintenance expenses and capital investment.
- c. Please see the response above.

U.I. Workpapers
Amortization of Debt Expense

		prc JE		After JE's							
JDE	Legacy Account	Description	9/30/2010	12/31/2009	Difference	JE Needed	Balance	Amort 2008	Amort 2009	Amort 2010	Amort Remaining
2890	1812000	Debt Expense being Amortized	1,652,891.15	2,508,973.56	(856,082.43)	(19,168.46)	1,652,891.15			42,434.36	1,083,971.51
2895	1812010	Amortization of Debt Exp	(326,153.62)	(1,033,447.11)	707,293.49	(19,168.46)	(345,322.08)			187,587.20	161,533.40
		Net	1,326,737.53	1,475,526.47	(148,788.94)	(19,168.46)	1,307,569.07			26,053.79	1,960.26
										232,620.04	1,247,465.17

- CK with TB

Date	Additions	Amort. Rate	Gross	Accum. Amort.	Amort 2006	Amort 2007	Amort 2008	Amort 2009	Amort 2010	Amort Remaining
7/06	\$180 Million Debt (amort over 30 years)	0.0333	1,273,158.02	146,751.15	19,449.08	42,434.36	42,434.36	42,434.36	42,434.36	1,083,971.51
11/09	Revolver Renew fees (amort over 2 years)		375,174.39					26,053.79	187,587.20	161,533.40
11/09	Adtl legal fees (booked in Aug 10, will be amortized starting Oct 10)		4,558.74					68,488.15	2,598.48	1,960.26
			1,652,891.15	146,751.15	19,449.08	42,434.36	42,434.36	68,488.15	232,620.04	1,247,465.17

Total

Net Book Value at 12/31

Period Amortization

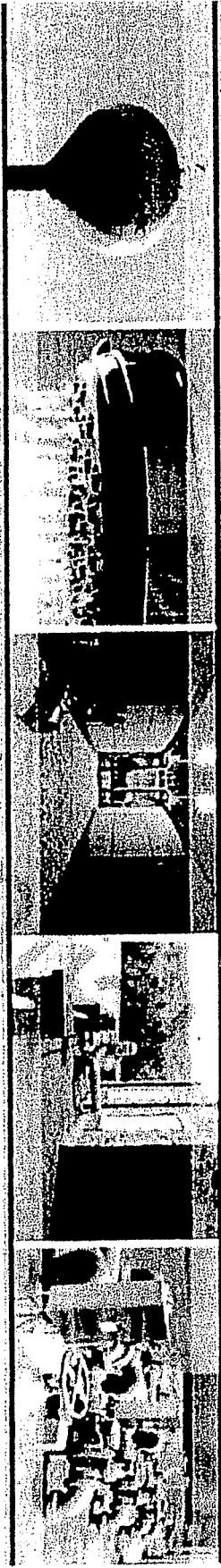
**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 12**

12. a. State the date on which WSKY's offices in Middlesboro, Kentucky were permanently closed.
- b. Provide all studies and analyses that WSKY conducted regarding the costs and benefits of closing the office in Middlesboro, Kentucky.
- c. State the effects of the closing of WSKY's office in Middlesboro on Water Service's test-period operating expenses.
- d. Describe the services that were provided from WSKY's office in Middlesboro, Kentucky and the effect of the permanent closing of this office on those services.

Response: Witness – Brian Shrake:

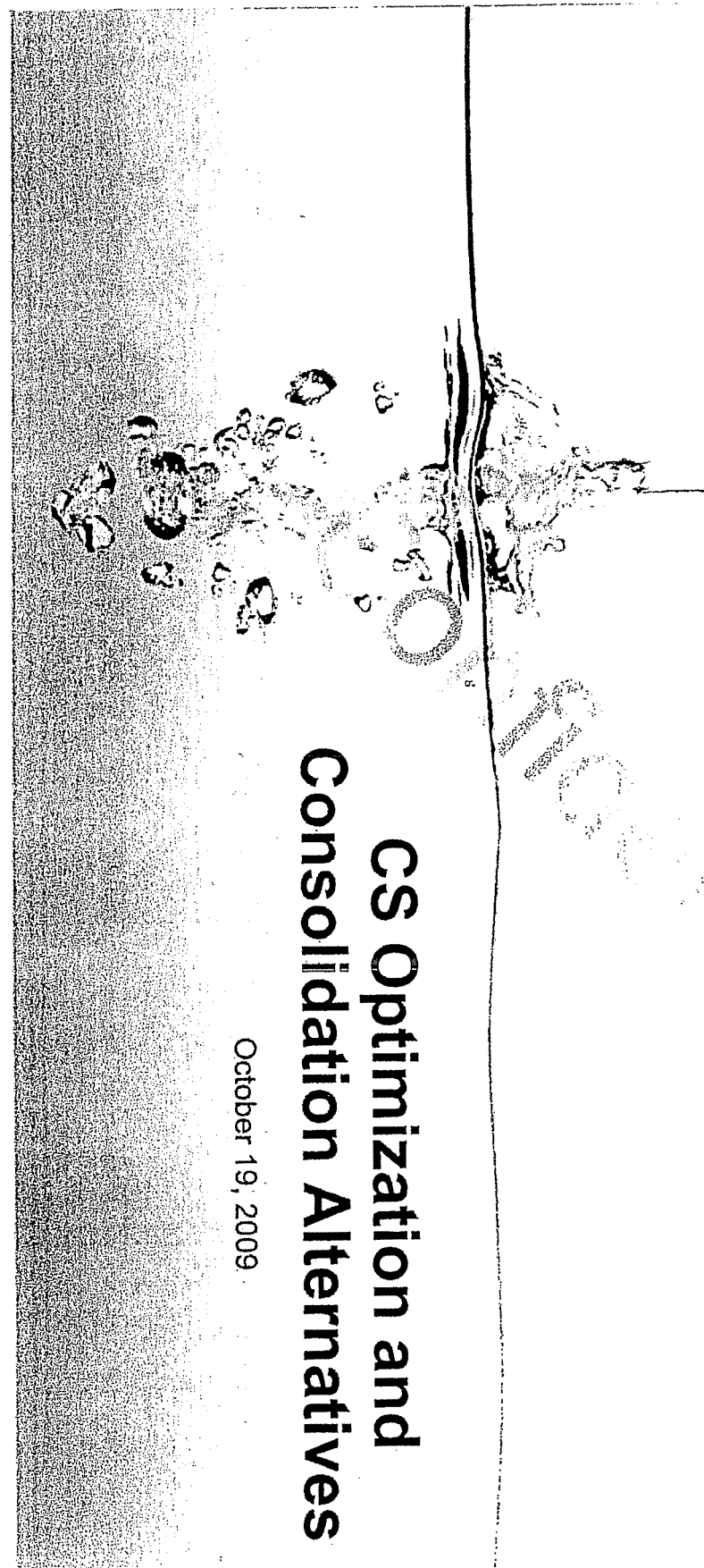
- a. March 31, 2010
- b. Please See "Confidential PSC DR 2-12 Attachment 1"
- c. The Pro-forma salaries and benefits expense of Customer Service personnel for WSKY went from \$106,618 in the previous rate case to \$42,599. The new centralized billing and customer care system (CC&B) gave the company the ability to consolidate its customer service functions and reduced the need for the previous number of customer care personnel.
- d. The office handled inbound customer calls, walk-up payments, and payment processing. The effect on inbound company calls should have been minimal due to the calls being automatically routed to the new regional customer care centers and transparent to the customer. The experience for walkup payments should now actually be improved. Customers previously had to pay their water bill at our office and their sewer bill at the City of Middlesboro Office, now they go to one place to pay both. Also they receive one bill as opposed to two. Payment processing is now handled internally and by a third party vendor and should be unaffected.

Confidential PSC DR 2-12
Attachment 1



CS Optimization and Consolidation Alternatives

October 19, 2009



**Water Service Corporation of
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Case No. 2010-00476
PSC DR 2 Item 13**

13. Refer to the Application, Exhibit 4, Schedule B, page 1. Describe how each item listed in the Column entitled "Proposed Increase" was calculated. Show the calculations.

Response: Witness – Brian Shrake:

- For the revenue adjustment in the row titled "Service Revenues – Water" please see the attached summary schedule "PSC DR 2-13" the retention factor of .9984170 in column (b) reflects utility commission tax of .1583% ($1-.001583$). The retention factor of .06194179 for the \$250,714 calculated on Schedule E of the filing reflects a State income tax of 6% and a Federal income tax of 34% on top of the utility commission tax, $((1-.001583)*(1-.06)*(1-.34))$. The adjustment of \$448,723 on Schedule B is the difference between the revenue requirement of \$2,497,410 calculated on "PSC DR 2-13" and the pro forma revenue of 2,048,687 Calculated on Schedule D of the filing.
- The credit of 20,091 on the row titled Uncollectible Accounts is the difference between the Pro forma uncollectible accounts 91,727 calculated on w/p [a] of the filing and the estimated customer accounts 111,818 calculated on w/p [a] of the filing.
- The debit of \$1,236 on the row titled "Taxes Other Than Income" is calculated on w/p [e] of the submitted filing.
- The debit of \$136,754 on the row titled "Income Taxes – Federal" is the difference between the pro-forma federal income tax expense \$ (7,599) and the income tax calculated under the proposed rates \$129,156 on w/p [g] of the filing
- The debit of \$136,754 on the row titled "Income Taxes – Federal" is the difference between the pro-forma federal income tax expense \$ (7,599) and the income tax calculated under the proposed rates \$129,156 on w/p [g] of the filing
- The debit of \$25,178 on the row titled "Income Taxes – State" is the difference between the pro-forma state income tax expense \$ (931) and the income tax calculated under the proposed rates \$24,247 on w/p [g] of the filing

Water Service Corporation of Kentucky
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PSC DR 2 Item 13
Summary Calculation of Revenue Requirement

<u>Item</u>	<u>Operating Ratio Method</u> (a)	<u>Retention Factor</u> (b)	<u>Revenue Requirement</u> (c)
Operating revenue deductions:			
Maintenance expenses	\$866,383		
General expenses	657,286		
Depreciation	276,422		
Amortization of CIAC	(4,349)		
Clinton Expense reduction	(103,253)		
Property tax	91,803		
Payroll tax	<u>54,277</u>		
 Total	 1,838,569	 0.9984170	 \$1,841,484
 Net operating income for return:			
Debt service return	191,934	0.9984170	192,238
Equity return:			
SIT @ 6%, FIT @ 34%	250,714	0.6194179	<u>404,757</u>
 Revenue requirement			 \$2,438,479
 Net operating income for a return	 \$ 250,714		
 Operating revenue deductions requiring a return	 <u>1,838,569</u>		
 Return	 <u>88.00%</u>		
		<u>Water</u>	
Uncollectibles rate		4.477%	
Revenues		1.000000	
Less: uncollectibles		<u>0.044774</u>	
Service revenues		<u>0.955226</u>	
 Total revenue requirement		 2,438,479	
Less: miscellaneous revenues excl. late pay		<u>52,887</u>	
Revenues excluding miscellaneous		2,385,592	
Factor		<u>0.955226</u>	
Required Service revenues		<u>2,497,410</u>	

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 14**

14. Refer to the Application, Exhibit 16, Allocation of Expenses. WSKY provided a schedule that listed in detail Water Service Corporation's expenses allocated to WSKY for the 12-month period ended September 30, 2010.
- a. Provide a schedule that lists the allocated expenses by month for the test period. For each item listed, identify the expense account list in Exhibit 4, Schedule B, page 1 in which the expense is reported.
 - b. Provide a schedule of WSKY's direct expenses by month for the test period. For each item listed, identify the expense account in Exhibit 4, Schedule B, page 1 in which the expense is reported.

Response: Witness – Brian Shrake:

- a. Please see attached Schedule "PSC DR 2-14a"
- b. Please see attached Schedule "PSC DR 2-14b"

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2 Item 14a
Direct expenses by Month

Account	October	November	December	January	February	March	April	May	June	July	August	September	Total
5435 PURCHASED WATER	7,300.00	6,900.00	7,300.00	7,100.00	6,400.00	7,800.00	6,900.00	7,300.00	(200.00)	7,100.00	7,100.00	7,100.00	78,100.00
5465.10 ELEC PWR - W	(5,084.67)	10,758.79	6,740.68	7,502.19	7,010.12	6,913.35	7,360.98	5,337.66	5,526.10	5,392.02	6,554.71	6,471.58	70,483.51
5465 ELEC PWR - WATER	(5,084.67)	10,758.79	6,740.68	7,502.19	7,010.12	6,913.35	7,360.98	5,337.66	5,526.10	5,392.02	6,554.71	6,471.58	70,483.51
5470.10 ELEC PWR - S	(59.50)	70.18	434.24	275.10	2,460.91	1,863.33	762.32	676.74	390.94	836.02	881.15	559.91	9,151.34
5470 ELEC PWR - SWR S	(59.50)	70.18	434.24	275.10	2,460.91	1,863.33	762.32	676.74	390.94	836.02	881.15	559.91	9,151.34
5470 ELEC PWR - SWR S	3,718.01	2,401.25	3,363.81	2,851.00	3,864.21	558.79	616.90	387.25	5,964.49	5,656.87	4,182.03	4,667.79	38,232.40
5480 CHLORINE	5,314.00	942.22	18,153.90	2,582.97	3,063.75	2,607.48	1,935.29	12,515.92	7,869.37	3,977.50	6,711.39	5,147.07	70,820.84
5490 OTHER TREATMENT		350.00											350.00
5495 METER READING	9,679.99	30,451.62	15,747.68	8,429.19	2,154.24	3,792.10	3,794.61	2,036.23	3,389.70	2,157.84	3,963.48	4,111.68	89,708.36
5510 UNCOLLECTIBLE A							364.29	886.97	112.07	329.30			1,692.63
5545 CUSTOMER SERVIC											25.40		25.40
5690 TUITION											49.95		49.95
5750 INTERNET SUPPLI			49.95	49.95	49.95	49.95	49.95	49.95	99.90	82.50	412.12	0.25	1,894.54
5785 ADVERTISING/MAR	478.00		451.25	4,007.68		105.50	1.00	239.00	207.17	390.00	412.12	0.25	5,630.68
5790 BANK SERVICE CH			498.00	4,007.68		50.00	235.00	300.00					1,350.00
5810 MEMBERSHIPS	110.00	110.00	190.00		60.00	60.00	190.00				330.00	110.00	807.11
5820 TRAINING EXPENS		84.38		393.76			(0.21)	222.21		(0.03)	107.56	(0.56)	698.01
5825 OTHER MISC EXPE	308.05	132.98	278.41	(62.89)		1.26	40.20	32.86		131.44	67.86	23.31	581.84
5855 ANSWERING SERVI			326.37									184.28	184.28
5860 CLEANING SUPPLI													4,543.87
5865 COPY MACHINE	169.94	170.93	772.87	215.31	421.85	1,018.30	809.44		82.70	396.32	486.21		395.66
5880 OFFICE SUPPLY S	154.08	419.89	328.61	165.58	175.01	226.74	354.91	264.13	410.25	686.88	354.05	568.13	4,166.26
5890 PUBL SUBSCRIPTI	1,483.98	404.04	83.15	542.04	151.56	213.45	147.41	821.98	425.61	296.44	10.58	13.96	4,472.73
5895 SHIPPING CHARGE	244.66	275.30	1,044.95	81.63	338.03	213.45	147.41	90.73	70.43	17.21	252.12	195.87	2,971.79
5900 OTHER OFFICE EX	51.88	136.03	197.12	48.60	716.76	338.31	276.85	162.04	(66.26)	89.72	113.08	18.46	1,812.73
5930 OFFICE ELECTRIC	9.85		135.40	48.60		135.98	82.69	100.82	52.73				787.33
5935 OFFICE GAS	1,742.47	2,732.66	1,498.59	944.32	3,829.02	2,835.07	2,014.67	2,914.57	2,488.15	2,810.53	2,109.08	2,142.71	28,061.84
5940 OFFICE WATER	128.06	28.13	134.03	29.17	58.34	307.70	29.31	650.00	1,150.00	650.00	1,150.00		855.03
5945 OFFICE TELECOM	(1,540.00)	750.00	500.00	200.73	698.21	490.87	339.04	303.78	342.18	102.89	369.05	294.31	3,310.00
5950 OFFICE GARBAGE	161.66	734.06	200.73	203.49	698.21	490.87	339.04	303.78	342.18	102.89	369.05	294.31	4,240.27
5955 OFFICE LANDSCAP	52.00	52.00	52.00	177.00	211.07	52.00	52.00	52.00	54.00	54.00	54.00	54.00	916.07
5960 OFFICE ALARM SY	360.00	200.00	670.00	100.00	520.00	520.00	639.31	260.00	1,005.00	390.80	520.00	100.00	4,765.11
5965 OFFICE MAINTENA	6.85	4.11			8.90		6.85						35.61
5970 OFFICE CLEANING			8.90										290.00
5980 OTHER OFFICE UT													488.40
6050 OTHER OUTSIDE S	2,699.56	7,041.59	4,861.96	4,736.23	4,736.23	4,676.09	4,809.55	4,466.54	4,466.54	4,466.54	4,463.56	4,460.58	55,884.98
6065 RATE CASE AMORT	300.00	385.00	341.00	410.50	406.00	400.00	410.00	406.00	410.50	402.50	107.50	402.50	4,383.50
6090 RENT	968.32	969.06	970.30	1,423.46	1,655.44	1,609.74	1,675.92	1,674.42	1,707.37	2,080.55	2,068.50	2,118.37	18,921.45
6140 SALARIES-REGULA	4,712.20	4,031.12	3,615.99	668.46	1,630.00	1,620.00	109.00	(434.00)	34,956.13	34,523.69	35,130.43	34,507.57	397,509.66
6145 SALARIES-CUSTOM	35,020.50	33,407.62	33,302.10	32,719.85	28,892.64	32,595.73	32,602.73	29,850.67	3,566.20	2,722.50	2,609.44	2,610.38	223,640.08
6150 SALARIES-OPERAT	636.93	586.88	645.89	29.00	1,010.00	2,800.36	2,455.09	3,566.20	2,722.50	2,609.44	(4,149.22)	(6,029.21)	(48,917.77)
6155 SALARIES-OPERAT	(1,851.88)	(5,098.15)	(3,120.08)	(3,174.50)	(1,269.80)	(3,646.14)	(761.68)	(4,109.13)	(49.50)	319.53	115.42		1,480.85
6165 CAPITALIZED TIM		222.33	90.73										408.40
6185 TRAVEL LODGING													140.00
6190 TRAVEL AIRFARE													949.11
6195 TRAVEL TRANSPOR													(0.43)
6200 TRAVEL MEALS													1,011.30
6215 FUEL	934.19												(25.00)
6220 AUTO REPAIR/TIR													16,937.00
6230 OTHER TRANS EXP	1,827.00	914.75	2,261.00	32.50	814.00	962.50	3,404.00	246.79	2,714.00	1,673.25	2,211.50	122.50	16,937.00
6255 TEST-WATER	646.13	(374.74)	950.38		(13.98)	619.63	188.35		604.32	184.13	310.69	87.40	3,449.10
6260 TEST-EQUIP/CHEM													

Water Service Corporation of Kentucky
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Account	October	November	December	January	February	March	April	May	June	July	August	September	Total
6270 TEST-SEWER	192.25	242.25	726.75	499.00	249.50	785.00	228.75	53.25	500.75	168.00	312.75	536.00	4,494.25
6285 WATER-MAINT SUP	1,104.82	1,063.64	1,502.99	35.45	248.53	1,002.83	344.84	217.74	253.42	549.84	1,273.83	636.23	8,234.16
6290 WATER-MAINT REP	1,414.43	1,308.85	1,672.66	1,411.67	151.66	15.00	3,840.00		661.45	5,000.00	6,050.72	7,500.00	26,859.59
6295 WATER-MAIN BREA	(300.00)			4.20								270.31	635.96
6300 WATER-ELEC EQUI	(501.08)	2.17	1,187.92	(288.48)		786.09		751.58	486.13	282.54	1,845.58	(311.97)	5,513.56
6310 WATER-OTHER MAI	10.33	68.66	1,986.28	176.17		851.91	480.00		325.00				1,420.90
6320 SEWER-MAINT SUP		960.00	165.00	280.95	(0.10)								1,720.85
6325 SEWER-MAINT REP													130.36
6345 SEWER-OTHER MAI	386.05	713.32	15,875.98	898.43	898.39	898.43	898.42	898.41	581.27	581.27	581.25	581.27	23,792.49
6355 DEFERRED MAINT	755.04	1,213.28	1,363.40		838.34	755.36	765.48	770.10	774.02	784.84	803.36	1,295.59	10,098.81
6360 COMMUNICATION E		25.00											25.00
6370 OPER CONTRACTED	0.04			34.75	(12.00)		564.17						0.04
6380 REPAIRS & MAINT	(407.18)	15.08	1,913.96										2,108.78
6385 UNIFORMS													966.97
6390 WEATHER/HURRICA													4,300.00
6400 SEWER RODDING	300.00		600.00	400.00	300.00	600.00	1,800.00	300.00					4,300.00
6445 DEPREC-ORGANIZA	213.52	213.52	213.52	213.52	213.52	213.52	213.52	213.52	213.52	213.52	213.52	213.52	2,562.24
6455 DEPREC-STRUCT &	188.05	188.05	188.05	188.05	188.05	188.05	188.05	188.05	188.34	188.34	188.34	188.34	2,258.05
6460 DEPREC-STRUCT &	752.37	752.37	752.37	752.37	752.37	752.37	752.37	753.40	753.40	753.40	753.40	753.40	9,033.59
6470 DEPREC-STRUCT &	216.00	216.00	216.00	216.00	216.00	216.00	216.00	216.00	216.00	216.00	216.00	216.00	2,592.00
6485 DEPREC-WELLS &	791.73	791.73	791.73	791.73	791.73	791.73	791.73	791.73	791.73	791.73	791.73	791.73	9,500.76
6495 DEPREC-SUPPLY M	9.74	9.74	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03	129.78
6510 DEPREC-ELEC PUM	992.63	992.63	992.63	992.63	992.63	992.63	992.63	992.63	992.63	992.63	992.63	992.63	11,916.18
6515 DEPREC-ELEC PUM	9.30	9.30	9.30	9.30	9.30	9.30	9.30	9.30	9.30	9.30	9.30	9.30	111.60
6520 DEPREC-WATER TR	947.00	947.00	947.00	947.00	947.00	948.21	949.17	952.62	954.21	954.92	956.00	956.72	11,407.57
6525 DEPREC-DIST RES	871.00	871.00	871.00	871.00	871.12	871.20	871.20	871.60	871.60	871.60	871.60	871.60	10,455.64
6530 DEPREC-TRANS &	4,901.27	4,906.74	4,910.49	4,915.42	4,917.48	4,920.35	4,925.62	4,928.64	4,933.40	4,936.57	4,940.83	4,959.93	59,096.74
6535 DEPREC-SERVICE	1,122.51	1,122.51	1,129.56	1,130.00	1,130.01	1,130.03	1,130.03	1,129.58	1,137.27	1,137.27	1,137.27	1,138.12	13,574.22
6540 DEPREC-METERS	1,129.99	1,129.99	1,132.15	1,134.47	1,134.53	1,148.62	1,148.99	1,149.23	1,149.96	1,150.75	1,167.30	1,181.34	13,757.32
6545 DEPREC-METER IN	550.84	551.14	552.53	552.53	554.71	554.71	556.64	559.32	576.07	576.13	578.44	582.98	6,743.86
6550 DEPREC-HYDRANTS	636.26	636.26	636.26	636.26	636.26	636.26	636.26	636.80	636.80	636.80	636.80	636.80	7,638.36
6580 DEPREC-OFFICE S	120.62	120.62	120.62	120.62	120.62	120.62	120.62	120.62	120.62	120.62	120.62	120.62	1,447.44
6585 DEPREC-OFFICE F	105.09	105.09	105.09	105.09	105.09	105.09	105.09	105.09	105.09	105.09	105.09	105.09	1,261.08
6595 DEPREC-TOOL SHO	431.62	431.62	431.62	431.62	431.62	431.62	431.62	431.62	431.62	431.62	431.62	431.62	5,179.44
6600 DEPREC-LABORATO	72.21	72.21	72.21	75.17	76.90	76.85	74.64	74.64	75.30	75.30	75.30	75.30	896.03
6610 DEPREC-COMMUNIC	73.59	73.59	73.59	73.59	73.59	73.59	73.59	73.59	73.59	73.59	73.59	73.59	883.08
6620 DEPREC-OTHER TA	116.63	116.63	116.63	116.63	116.63	116.63	116.63	116.63	116.63	116.63	116.63	116.63	1,399.56
6710 DEPREC-SEWER FO	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	4.68
6715 DEPREC-SEWER GR	0.17	0.17	2.22	2.22	2.22	2.22	2.22	2.22	2.22	2.22	2.22	2.22	22.54
6725 DEPREC-SERVICES													0.39
6745 DEPREC-PUMP EQP	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.26	0.26	0.26	0.26	0.26	1.56
6760 DEPREC-TREAT/DI													4.68
6905 DEPREC-AUTO TRA	1,313.19	1,313.21	1,313.20	787.92	787.92	787.92	787.92	787.92	787.92	787.92	787.92	787.92	11,030.88
6960 AMORT OF UTIL PA	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(305.04)	(3,660.48)
7160 AMORT-OTHER TAN	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(124.21)	(1,490.52)
7165 AMORT-WATER-TAP	(0.37)	(0.37)	(0.37)	(1.91)	(1.91)	(3.44)	(3.44)	(3.44)	(4.98)	(4.98)	(8.06)	(11.13)	(45.94)
7520 STATE UNEMPLOYM	204.85		233.56		6,761.00		194.52			233.53			866.46
7535 FRANCHISE TAX													6,776.00
7545 PERSONAL PROPER	12,545.42	12,347.38											27,376.10
7550 PROPERTY/OTHER	(10,162.42)	(17,152.11)	26,138.75	4,752.02	104.00	4,983.63	6,248.07	6,865.00	6,865.00	4,240.66	(5,879.57)	6,865.00	33,868.03
7555 REAL ESTATE TAX		7,187.73		2,112.98									22,045.28

Water Service Corporation of Kentucky

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Direct expenses by Month

Account	Schedule B Category	October	November	December	January	February	March	April	May	June	July	August	September	Total
7570 UTILITY/COMMISS	Taxes Other Than Income										2,624.34			2,624.34
7595 DEF INCOME TAX-F	Income Taxes - Federal			71,135.00										71,135.00
7600 DEF INCOME TAXES	Income Taxes - State			15,747.00										15,747.00
7605 INCOME TAXES-FED	Income Taxes - Federal			(176,483.00)										(176,483.00)
7610 INCOME TAXES-STA	Income Taxes - State			(7,834.77)										(7,834.77)
7735.11 S/T INT EXP	Interest on Debt	78.43		(12,505.66)	125.62	136.80	137.91	134.57	141.47	146.65	146.65	165.36	171.58	(11,120.62)

Water Service Corporation of Kentucky
Case No. 2010-00476
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Allocated expenses by Month

Account	Schedule B Category	October	November	December	January	February	March	April	May	June	July	August	September	Total
5480 CHLORINE	Chemicals			(7,739.84)										(7,739.84)
5495 METER READING	Meter Reading	(3.44)	144.71	(1.66)	(1.91)	309.78	(1.96)	(0.10)	(1.92)	5.84	294.27	150.41	8.08	142.31
5525 BILL STOCK	Office Supplies & Other Office Exp.	141.87	329.55	301.55	2,347.00	2,771.99	3,033	3,115	6.30	23.97	345.34	8.73	354.08	452.15
5530 BILLING COMPUTE	Office Supplies & Other Office Exp.	231.31	2,515.30	326.31	2,347.00	2,771.99	3,033	3,115	6.30	23.97	345.34	8.73	354.08	452.15
5535 BILLING ENVELOP	Office Supplies & Other Office Exp.	1,322.93	16.36	16.18	24.71	13.81	1,807.49	1,807.49	1,807.49	1,807.49	1,807.49	1,807.49	1,807.49	1,807.49
5540 BILLING POSTAGE	Office Supplies & Other Office Exp.	11.00	1,641.62	1,233.76	1,821.89	1,825.40	1,810.82	1,807.40	1,807.40	1,807.49	1,808.16	1,822.32	2,217.98	21,245.57
5545 CUSTOMER SERVIC	Office Supplies & Other Office Exp.	1,640.88	789.28	1,402.44	1,712.56	(1,543.62)	1,811.48	1,479.22	1,830.15	1,404.98	1,493.41	1,422.35	1,450.44	14,616.54
5625 401K PROFIT SHA	Pension & Other Benefits	1,363.85												
5630 HEALTH & DENTAL	Pension & Other Benefits	(1.46)	(4.00)											(5.46)
5635 DENTAL INS REIM	Pension & Other Benefits	(1,905.01)	(1,865.56)	(4,404.84)	(2,118.25)	(2,152.19)	(3,718.51)	(1,398.04)	(2,325.62)	(4,691.22)	(1,287.30)	(2,164.09)	(3,238.63)	(31,269.26)
5645 EMPLOYEE INS DE	Pension & Other Benefits	98.30	59.14	250.60	55.96	62.34	28.88	65.71	12.85	63.60	14.80	84.49	69.95	866.62
5650 HEALTH COSTS &	Pension & Other Benefits	6,723.04	6,492.12	13,463.47	7,083.17	11,321.54	7,287.13	8,400.96	9,319.25	7,785.28	7,971.95	8,598.54	8,362.25	102,808.70
5655 HEALTH INS REIM	Pension & Other Benefits	52.05	200.96	244.75	116.20	139.91	187.42	118.45	113.97	40.75	108.81	111.31	11.78	1,444.36
5660 OTHER EMP BENEF	Pension & Other Benefits	1,281.09	1,281.67	860.80	458.82	488.62	554.54	472.21	1,134.86	1,114.85	363.95	460.22	949.39	8,276.90
5665 PENSION / 401K	Pension & Other Benefits	722.93		779.17										4,842.52
5670 TERM LIFE INS	Pension & Other Benefits	(49.49)	(50.90)	(68.15)	(58.59)	(58.22)	(58.42)	(56.62)	(55.26)	(66.35)	(53.38)	(53.07)	(52.50)	(680.95)
5675 TERM LIFE INS-O	Pension & Other Benefits	(7.78)	(7.60)	(10.67)	(7.63)	(7.38)	(7.04)	(4.65)	(8.86)	(9.06)	(6.55)	(6.42)	(6.31)	(89.95)
5680 DEPEND LIFE INS	Pension & Other Benefits	5,636.39	4,716.83	6,018.46	4,179.51	5,175.64	4,995.51	5,084.64	5,667.79	4,249.39	4,038.57	3,934.95	5,356.54	59,054.22
5690 TUITION	Insurance	3,719.48	4,676.76	3,066.63	4,372.88	2,823.23	3,729.66	4,368.66	4,813.35	5,037.90	4,365.79	3,917.30	4,422.25	49,313.89
5715 INSURANCE-OTHER	Insurance	(297.81)	182.86	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5735 COMPUTER MAINT	Office Supplies & Other Office Exp.	182.86	182.95	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5740 COMPUTER SUPPLI	Office Supplies & Other Office Exp.	182.86	182.95	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5745 COMPUTER AMORT	Office Supplies & Other Office Exp.	182.86	182.95	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5750 INTERNET SUPPLI	Office Supplies & Other Office Exp.	182.86	182.95	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5755 MICROFILMING	Office Supplies & Other Office Exp.	182.86	182.95	(457.09)	153.36	248.47	18.77	290.06	267.27	181.96	224.07	451.77	205.78	2,783.95
5785 ADVERTISING/MAR	Miscellaneous	206.17	319.40	55.52	141.89	434.22	54.54	23.62	140.73	165.98	175.95	191.72	184.01	2,093.75
5790 BANK SERVICE CH	Miscellaneous	13.71	9.96	41.41	39.33	22.29	9.34	42.32	13.16	7.20	19.66	4.23	2.63	225.24
5805 LICENSE FEES	Miscellaneous	18.33	496.30	20.81	146.76	6.72	(6.67)	17.91	14.08	13.14	22.99	56.75	19.24	156.08
5815 PENAL/TIES/FINES	Miscellaneous	668.19	14.95	16.86	0.28	0.28	509.09	228.47	87.53	(63.85)	407.54	3,363.19	97.26	6,815.98
5820 TRAINING EXPENS	Miscellaneous	(14.78)	20.27	2.32	0.69	3.56	5.02	6.19	(1.66)	4.28	10.31	12.23	11.54	28.57
5825 OTHER MISC EXPE	Office Supplies & Other Office Exp.	7.96	14.95	16.86	0.28	0.28	509.09	228.47	87.53	(63.85)	407.54	3,363.19	97.26	6,815.98
5860 CLEANING SUPPLI	Office Supplies & Other Office Exp.	1.44	13.09	8.63	10.11	15.67	2.94	6.46	3.91	8.35	66.00	84.00	101.82	727.94
5865 COPY MACHINE	Office Supplies & Other Office Exp.	34.30	10.99	79.53	37.79	137.64	(35.51)	66.82	34.87	25.55	2.78	1.30	81.61	81.61
5870 HOLIDAY EVENTS/	Office Supplies & Other Office Exp.	39.92	58.43	7.38	4.13	4.31	1.29	1.29	34.87	25.55	2.78	1.30	81.61	81.61
5875 KITCHEN SUPPLIE	Office Supplies & Other Office Exp.	54.54	44.59	53.64	44.25	75.86	75.44	47.03	36.87	71.39	119.12	82.97	79.50	785.20
5880 OFFICE SUPPLY S	Office Supplies & Other Office Exp.	102.97	501.79	215.16	163.43	81.10	124.74	105.82	219.36	184.11	(247.51)	64.22	16.64	1,531.83
5885 PRINTING/BLUEPR	Office Supplies & Other Office Exp.	41.60	40.37	48.65	48.56	52.37	44.45	44.33	39.52	56.96	138.79	138.79	58.33	613.93
5890 PUBL SUBSCRPTI	Office Supplies & Other Office Exp.	0.75	10.65	45.70	8.71	13.97	32.69	13.97	8.71	6.34	7.31	7.31	2.64	170.48
5895 SHIPPING CHARGE	Office Supplies & Other Office Exp.	197.78	199.86	231.18	205.77	405.21	460.76	340.75	(448.84)	186.75	253.06	202.64	191.91	2,426.83
5900 OTHER OFFICE EX	Office Utilities	30.60	31.86	135.74	34.74	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5930 OFFICE ELECTRIC	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5935 OFFICE GAS	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5940 OFFICE WATER	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5945 OFFICE TELECOM	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5950 OFFICE GARBAGE	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5955 OFFICE LANDSCAP	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80
5960 OFFICE ALARM SY	Office Utilities	28.45	10.74	28.45	30.19	81.72	11.58	30.42	7.60	30.44	50.22	34.05	24.58	174.80

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5965 OFFICE MAINTENA	Office Utilities	123.98	31.52	76.53	117.44	44.05	95.72	114.57	142.35	68.95	8.21	22.03	223.86	1,069.21
5970 OFFICE CLEANING	Office Utilities	61.73	61.76	65.61	65.50	65.63	65.10	64.98	64.99	64.98	65.01	65.52	64.97	775.78
5980 OTHER OFFICE UT	Office Utilities						1.10						1.10	2.20
6010 AUDIT FEES	Outside Services - Other	(1,148.00)	428.62	1,878.67	582.58	583.71	579.04	577.95	2,075.88	525.43	768.37	715.16	709.17	8,276.58
6015 EMPLOY FINDER F	Outside Services - Other	221.25	197.82	522.05	178.75	179.09	166.69	210.16	210.22	100.71	100.75	101.54	133.52	2,322.55
6025 LEGAL FEES	Outside Services - Other	339.70	369.53	354.89	296.65	304.22	133.87	297.95	412.84	666.25	80.30	34.95	171.57	2,541.26
6035 PAYROLL SERVICE	Outside Services - Other	570.24	181.01	(213.46)	177.52	177.86	(1.58)	176.11	158.53	139.12	139.77	384.44	187.23	2,921.63
6040 TAX RETURN REVI	Outside Services - Other	27.60	22.33	7.85	481.63	761.12	628.74	529.40	620.30	269.60	176.11	177.57	176.08	2,127.82
6045 TEMP EMPLOY - C	Outside Services - Other	278.94	840.91	1,144.76	149.25	1,607.11	584.51	704.70	927.92	470.59	207.51	431.60	284.28	4,271.96
6050 OTHER OUTSIDE S	Outside Services - Other	1,450.00	1,450.00	1,450.00	1,450.00	3,350.00	3,200.00	2,100.00	2,100.00	(400.00)	525.02	392.24	343.53	7,969.48
6090 RENT	Rent	3,167.08	2,722.45	2,954.88	2,913.26	2,762.89	2,694.39	2,665.47	2,525.34	2,850.03	2,848.80	2,866.45	2,809.18	33,780.22
6110 SALARIES-ACCTG/	General Salaries and Wages	3,035.06	3,036.43	11,902.86	2,809.18	1,583.28	3,048.69	2,900.91	2,420.12	2,757.62	2,758.65	2,780.27	2,757.01	41,790.08
6120 SALARIES-OFFICE	General Salaries and Wages	386.96	387.13	411.25	410.60	411.39	408.11	509.36	564.70	389.32	389.46	392.51	389.23	5,050.02
6125 SALARIES-FR	General Salaries and Wages	654.17	663.87	715.30	694.90	691.94	718.55	715.18	686.80	658.51	639.08	611.62	620.27	8,070.19
6130 SALARIES-MIS	General Salaries and Wages	3,297.23	3,139.92	3,367.99	3,004.61	2,704.66	2,622.38	2,764.90	2,735.51	2,823.34	4,413.68	4,450.52	4,787.49	40,112.23
6135 SALARIES-LEADER	Maintenance Salaries and Wages	973.29	959.63	1,019.79	917.29	386.75	38.78	556.07	1,048.89	363.41	556.30	560.66	555.97	7,936.83
6140 SALARIES-REGULA	General Salaries and Wages			3,568.92	2,825.55	51.54	2,839.97	2,160.73	3,236.37	2,181.14	2,191.25	2,242.13	2,160.93	23,458.53
6145 SALARIES-CUSTOM	General Salaries and Wages					746.15	1,405.00	801.63	827.00	825.22	818.63	709.40	708.84	6,841.87
6146 SALARIES-BILLIN	General Salaries and Wages					163.91	162.59	195.86	169.64	169.60	169.66	171.00	169.56	1,371.82
6147 SALARIES-CORP S	General Salaries and Wages					1,155.77	885.08	644.48	(722.08)	587.69	703.60	61.17	61.06	5,319.20
6150 SALARIES-OPERAT	Maintenance Salaries and Wages	552.99	552.87	571.23	1,091.17	1,155.77	885.08	644.48	(722.08)	587.69	703.60	61.17	61.06	6,894.80
6155 SALARIES-OPERAT	General Salaries and Wages	839.69	838.26	885.53	1,113.93	1,738.85	703.84	368.41	(785.67)	346.13	29.78		(12.41)	(1,508.88)
6165 CAPITALIZED TIM	Operating Exp. Charged to Plant	(1,112.02)	1,924.16	93.44	(6.73)	(1,409.22)	1,387.93	(2,069.49)		(334.32)				
6185 TRAVEL LODGING	Miscellaneous	97.10	79.68	235.08	37.99	97.92	632.39	404.03	62.23	78.35	23.70	73.33	48.78	1,870.58
6190 TRAVEL AIRFARE	Miscellaneous	14.16	71.95	292.97	89.41	125.08	99.65	37.20	37.83	83.94	17.82	64.73	26.59	961.33
6195 TRAVEL TRANSPOR	Miscellaneous	15.09	27.62	65.74		7.36	46.81	8.69	6.81	6.86	18.83	15.40	9.96	229.17
6200 TRAVEL MEALS	Miscellaneous	11.57	31.68	115.28	13.13	5.19	216.17	40.47	42.98	26.01	27.59	52.39	26.84	609.21
6205 TRAVEL ENTERTAI	Miscellaneous	1.73		73.24			5.70	156.43						237.10
6207 TRAVEL OTHER	Miscellaneous			0.42										0.42
6215 FUEL	Transportation	1,864.42	2,068.05	1,773.66	2,036.86	1,615.37	2,039.99	2,402.97	2,119.13	2,393.46	1,960.78	2,092.47	1,902.03	24,269.19
6220 AUTO REPAIR/TIR	Transportation	2,092.50	2,971.43	6,666.94	4,843.15	209.23	85.79	236.98	2,265.55	1,166.47	707.56	698.16	988.60	21,884.36
6225 AUTO LICENSES	Transportation			(1.94)			(0.13)		1.05		35.91	(1.15)		33.74
6355 DEFERRED MAINT	Maintenance and Repair					4.64		(4.60)			6.19	3.12	3.09	12.40
6360 COMMUNICATION E	Maintenance and Repair										5.05		4.14	12.98
6385 UNIFORMS	Maintenance and Repair													13.63
6390 WEATHER/HURRICA	Maintenance and Repair													341.57
6580 DEPREC-OFFICE S	Depreciation	145.63	145.74	154.30	154.12	154.40	153.65	27.74	39.87	13.28	75.39	83.57	101.72	341.57
6585 DEPREC-OFFICE F	Depreciation	68.57	68.64	72.77	72.69	72.83	72.47	72.38	72.50	75.51	91.56	90.52	89.88	1,830.58
6610 DEPREC-COMMUNIC	Depreciation	18.99	19.00	20.15	20.13	32.20	26.05	25.99	26.04	62.49	84.38	58.68	808.97	1,203.07
6905 DEPREC-AUTO TRA	Depreciation	(6,838.16)	(6,838.06)	19,083.59	1,268.49	1,268.56	1,268.29	1,268.22	1,416.51	1,416.49	1,416.49	1,416.82	1,416.49	17,563.74
6920 DEPREC-COMPUTER	Depreciation	6,577.47	6,986.58	8,013.97	7,344.74	7,331.22	7,173.55	7,102.07	7,129.42	7,080.12	7,094.83	7,140.21	7,095.90	86,070.08
7510 FICA EXPENSE	Taxes Other Than Income	3,644.58	3,570.69	4,708.41	3,661.86	3,403.81	5,710.29	3,194.96	2,844.07	4,316.06	2,958.55	3,554.61	3,218.11	44,786.00
7515 FEDERAL UNEMPLO	Taxes Other Than Income	2.12	1.19	122.39	365.05	225.25	43.70	8.23	17.17	26.65	8.33			820.08
7520 STATE UNEMPLOYM	Taxes Other Than Income	17.67	15.00	583.97	1,804.69	1,345.02	457.68	90.70	60.74	97.46	56.21	15.74	5.21	4,550.09
7535 FRANCHISE TAX	Taxes Other Than Income	0.56	58.69	121.44	121.44	8.76	104.39	4.07	4.07	104.35	104.35	10.76	146.68	413.02
7550 PROPERTY/OTHER	Taxes Other Than Income	150.80	(630.24)	26.42	26.42	(809.29)	147.00	42.30	142.65	146.70	42.40	137.15	146.68	(457.43)
7555 REAL ESTATE TAX	Taxes Other Than Income		833.36	54,416.44		948.68	47,243.69			44,103.22				1,782.04
7710 INTEREST EXPENSE	Interest on Debt													190,946.87

Water Service Corporation of Kentucky
Case No. 2010-00476
PSC DR 2 Item 14b
Allocated expenses by Month

Account	Schedule B Category	October	November	December	January	February	March	April	May	June	July	August	September	Total
7735.12 S/T INT EXP	Interest on Debt	(9.76)	(11.97)	(47.31)	(20.11)	(14.20)	0.21	(13.86)	(9.71)	(10.51)	(12.02)	(23.44)	(13.52)	(186.20)

**Water Service Corporation of
Kentucky
Case No. 2010-00476
PSC DR 2 Item 15**

15. Provide each monthly invoice that Water Service Corporation issued to WSKY for the 12-month period ending September 30, 2010.

Response: Witness – Brian Shrake:

Water Service Corporation does not send invoices to its operating subsidiaries. Expenses an rate base are allocated monthly from each WSC cost center based on each cost centers respective allocation factors.

