

WOOD CREEK WATER DISTRICT

1670 East Hal Rogers Parkway
P.O. Box 726
London, Kentucky 40743-0726

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COMMISSION

February 10, 2014

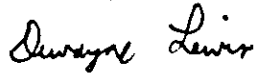
Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Case No. 2013-00170
Wood Creek Water District
Wastewater Division

In accordance with the PSC Order dated November 12, 2013, please find enclosed the revised accounting procedures and internal controls for Wood Creek Water District.

Please contact me if there are any questions or if you need additional information 606-260-0366.

Sincerely,



Dewayne Lewis
Wood Creek Water District

WOOD CREEK WATER DISTRICT

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REVISED ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

In order to properly allocate shared operating expenses between Wood Creek District's water and sewer divisions, the following procedures and controls will be placed in service: Management will divide the number of customers for each division by the sum of both divisions' customers to establish an allocation factor and then apply this factor to each shared operating expense. Shared operating expenses include items such as administrative salaries, materials and supplies, and transportation expenses.

Also, for calculating and reporting depreciation, The District will begin using the PSC Approved Service Lives for the assets of Wood Creek Sewer Division. A copy of these approved service lives is attached hereto.

These revised Procedures and Controls are formally adopted at this regular monthly Board of Commissioners meeting on February 10, 2014.

Signed:  Date: 2-10-14
Chairman

Attest:  Date: 2-10-14
Officer

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00170 DATED NOV 12 2013

Proposed Modifications to the Service Lives of
Certain Assets of Wood Creek Water District (Sewer Operations)

Asset Class	Wood Creek District Acct. No.	Commission On Rural Water Range	Previous Assigned Service Life	PSC Approved Service Life
Pumps	544	20 - 50 years	7 years	35 years
56,264 Service Lines	548	10 years	40 years	10 years
Services	591	10 years	20 years	10 years
Electric Pumping Equipment	577	20 - 50 years	20 years	35 years
Electric Pumping Equipment	592	7 years	20 years	7 years