

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
PUBLIC SERVICE COMMISSION DATA REQUEST NO. 1
ITEMS 1-34

Witness Responsible:

M. Miller

34. a. Provide separate detailed comparisons, using the 1971 and 1989 contracts (or the current contract), of allocated charges expensed by Kentucky-American in the base period, and the projected allocated amount expensed in the forecasted period, in the format shown in Schedule 10a.
- b. Provide a detailed analysis of the Service Company charges directly billed to Kentucky-American and expensed during the base period, and the projected expenses for the forecasted period in the format shown in Schedule 10b.
- c. Provide a separate detailed analysis of the Service Company charges allocated or directly billed to Kentucky-American and capitalized during the base period, and the projected amounts for the forecasted period.

Response:

- a. Please see attached.
- b. Please see attached.
- c. Attached is a schedule of Service Company amounts that were charged to specific work orders and were capitalized for the year 2003. This information is representative of charges for the base period and forecasted test period.
For electronic version, see [KAW_R_PSCDR1#34_052004.pdf](#)

KENTUCKY-AMERICAN WATER COMPANY
CASE No. 2004-00103
SERVICE COMPANY CONTRACT COMPARISON
From 8/1/2003 To 7/31/2004

ALLOCATED CHARGES

Data: X Base Period — Forecasted
Type of Filing: X Original — Updated _____ Revised
Workpaper Reference No (s): _____

Item 34A
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Witness Responsible:
Michael Miller

DESCRIPTION	1971 <u>Contract</u>	<u>Difference</u>	1989 <u>Contract</u>
<u>ADMINISTRATIVE</u>			
REGIONAL OFFICE	\$121,032	\$18,672	\$139,704
GENERAL OFFICE	<u>466,141</u>	<u>69,066</u>	<u>535,207</u>
TOTAL ADMINISTRATIVE	587,172	87,738	674,910
<u>ENGINEERING</u>			
REGIONAL OFFICE	4,465	235	4,700
GENERAL OFFICE	<u>800</u>	<u>42</u>	<u>842</u>
TOTAL ENGINEERING	5,265	277	5,542
<u>CUSTOMER RELATIONS</u>			
REGIONAL OFFICE	0	0	0
GENERAL OFFICE	<u>29,381</u>	<u>0</u>	<u>29,381</u>
TOTAL CUSTOMER RELATIONS	29,381	0	29,381
<u>EMPLOYEE RELATIONS</u>			
REGIONAL OFFICE	44,417	5,544	49,960
GENERAL OFFICE	<u>125,229</u>	<u>17,151</u>	<u>142,381</u>
TOTAL EMPLOYEE RELATIONS	169,646	22,695	192,341
<u>WATER QUALITY</u>			
REGIONAL OFFICE	0	0	0
GENERAL OFFICE	<u>107,513</u>	<u>7,092</u>	<u>114,605</u>
TOTAL WATER QUALITY	107,513	7,092	114,605
<u>SECRETARIAL</u>			
REGIONAL OFFICE	523	(108)	415
GENERAL OFFICE	<u>23,091</u>	<u>(4,765)</u>	<u>18,326</u>
TOTAL SECRETARIAL	23,613	(4,873)	18,740
<u>ACCOUNTING</u>			
REGIONAL OFFICE	0	0	0
GENERAL OFFICE	<u>211,314</u>	<u>(3,940)</u>	<u>207,374</u>
TOTAL ACCOUNTING	211,314	(3,940)	207,374
<u>TREASURY</u>			
REGIONAL OFFICE	138,289	1,115	139,404
GENERAL OFFICE	<u>103,227</u>	<u>470</u>	<u>103,697</u>
TOTAL TREASURY	241,516	1,585	243,101
<u>DATA PROCESSING - GENERAL</u>			
REGIONAL OFFICE	4,253	(16)	4,237
GENERAL OFFICE	<u>662,741</u>	<u>(91,275)</u>	<u>571,466</u>
TOTAL DP	666,994	(91,291)	575,703
<u>INTERNAL AUDITING</u>			
	<u>18,534</u>	<u>(162)</u>	<u>18,372</u>
<u>TOTAL</u>			
REGIONAL OFFICE	312,977	25,442	338,419
GENERAL OFFICE	1,085,229	84,954	1,170,183
DATA PROCESSING	662,741	(91,275)	571,466
TOTAL	2,060,948	19,121	2,080,068
CUSTOMER BILLING	<u>7,056</u>	<u>(1,673)</u>	5,383
AUTH/WATER QUALNAR ACCTS	<u>347,845</u>		<u>347,845</u>
<u>CONSTRUCTION/MAINTENANCE</u>			
VARIOUS WO'S	<u>7,781</u>	<u>3,295</u>	<u>11,076</u>
GRAND TOTAL - ACCOUNT 923.1	\$2,423,630	\$20,743	\$2,444,373

KENTUCKY-AMERICAN WATER COMPANY
CASE No. 2004-00103
SERVICE COMPANY CONTRACT COMPARISON
From 12/1/2004 To 11/30/2005

ALLOCATED CHARGES

Data: Base Period X Forecasted
Type of Filing: X Original Updated Revised
Workpaper Reference No (s):

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Witness Responsible:
Michael Miller

<u>DESCRIPTION</u>	<u>1971</u> <u>Contract</u>	<u>Difference</u>	<u>1989</u> <u>Contract</u>
<u>ADMINISTRATIVE</u>			
REGIONAL OFFICE	\$125,110	\$19,302	\$144,412
GENERAL OFFICE	<u>481,850</u>		<u>553,243</u>
TOTAL ADMINISTRATIVE	606,960	90,695	697,655
<u>ENGINEERING</u>			
REGIONAL OFFICE	4,615	243	4,858
GENERAL OFFICE	827	44	871
TOTAL ENGINEERING	5,442	287	5,729
<u>CUSTOMER RELATIONS</u>			
REGIONAL OFFICE	0	0	0
GENERAL OFFICE	<u>30,371</u>	0	<u>30,371</u>
TOTAL CUSTOMER RELATIONS	30,371	0	30,371
<u>EMPLOYEE RELATIONS</u>			
REGIONAL OFFICE	45,913	5,731	51,644
GENERAL OFFICE	<u>129,450</u>	<u>17,729</u>	<u>147,179</u>
TOTAL EMPLOYEE RELATIONS	175,363	23,460	198,823
<u>WATER QUALITY</u>			
REGIONAL OFFICE	0	0	-
GENERAL OFFICE	<u>111,137</u>	<u>7,330</u>	<u>118,467</u>
TOTAL WATER QUALITY	111,137	7,330	118,467
<u>SECRETARIAL</u>			
REGIONAL OFFICE	540	(111)	429
GENERAL OFFICE	<u>23,869</u>	<u>(4,926)</u>	<u>18,943</u>
TOTAL SECRETARIAL	24,409	(5,037)	19,372
<u>ACCOUNTING</u>			
REGIONAL OFFICE	0	0	
GENERAL OFFICE	<u>218,435</u>		<u>214,362</u>
TOTAL ACCOUNTING	218,435	(4,073)	214,362
<u>TREASURY</u>			
REGIONAL OFFICE	142,949	1,153	144,102
GENERAL OFFICE	<u>106,705</u>	<u>486</u>	<u>107,191</u>
TOTAL TREASURY	249,654	1,639	251,293
<u>DATA PROCESSING -GENERAL</u>			
TOTAL DP	<u>1,440,255</u>	<u>(174,150)</u>	<u>1,266,105</u>
INTERNAL AUDITING	<u>19,158</u>	<u>(167)</u>	<u>18,991</u>
<u>TOTAL</u>			
REGIONAL OFFICE	338,285	26,151	364,436
GENERAL OFFICE	1,102,644	87,983	1,190,627
DATA PROCESSING	1,440,255	(174,150)	1,266,105
AUTHORIZATIONS	0	0	0
TOTAL	<u>2,881,184</u>		<u>2,821,168</u>
CUSTOMER BILLING	<u>7,056</u>		<u>5,383</u>
AUTH/WATER QUAL/VAR ACCTS	<u>359,567</u>	0	<u>359,567</u>
CONSTRUCTION/MAINTENANCE		<u>3,407</u>	<u>11,450</u>
VARWUS WO'S			
GRAND TOTAL - ACCOUNT 923.1	<u> </u>	<u>(\$58,282)</u>	<u>\$3,197,568</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE No. 2004-00103
SERVICE COMPANY CONTRACT COMPARISON
From Base Period To Forecasted Period

DIRECT BILLED CHARGES

Data: Base Period Forecasted
Type of Filing: Original Updated Revised
Workpaper Reference No (s): _____

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Witness Responsible:
Michael Miller

<u>DESCRIPTION</u>	<u>Base Period</u>	<u>Forecasted Period</u>
<u>ADMINISTRATIVE</u>		
REGIONAL OFFICE	\$15,420	\$15,940
GENERAL OFFICE	<u>59,071</u>	<u>61,062</u>
TOTAL ADMINISTRATIVE	74,491	77,002
<u>ENGINEERING</u>		
REGION OFFICE	12,934	13,370
GENERAL OFFICE	<u>2,114</u>	<u>2,185</u>
TOTAL ENGINEERING	15,048	15,555
<u>CUSTOMER RELATIONS</u>		
REGION OFFICE	0	0
GENERAL OFFICE	<u>177</u>	<u>183</u>
TOTAL CUSTOMER RELATIONS	177	183
<u>EMPLOYEE RELATIONS</u>		
REGION OFFICE	0	0
GENERAL OFFICE	<u>12,046</u>	<u>12,452</u>
TOTAL EMPLOYEE RELATIONS	12,046	12,452
<u>WATER QUALITY</u>		
REGION OFFICE	0	
GENERAL OFFICE	<u>20,225</u>	<u>20,907</u>
TOTAL WATER QUALITY	20,225	20,907
<u>SECRETARIAL</u>		
REGION OFFICE	363	375
GENERAL OFFICE	<u>965</u>	<u>998</u>
TOTAL SECRETARIAL	1,328	1,373
<u>ACCOUNTING</u>		
REGION OFFICE	0	0
GENERAL OFFICE	<u>69,124</u>	<u>71,453</u>
TOTAL ACCOUNTING	69,124	71,453
<u>TREASURY</u>		
REGION OFFICE	16,932	17,503
GENERAL OFFICE	<u>34,565</u>	<u>35,730</u>
TOTAL TREASURY	51,497	53,233
<u>DATA PROCESSING - GENERAL</u>		
REGION OFFICE	1,412	1,459
GENERAL OFFICE	<u>190,489</u>	<u>196,908</u>
TOTAL DP	191,901	198,367
<u>INTERNAL AUDITING</u>		
	<u>1,279</u>	<u>1,322</u>
<u>TOTAL</u>		
REGION OFFICE	47,061	48,647
GENERAL OFFICE	198,287	204,970
DATA PROCESSING	190,489	196,908
TOTAL	435,837	450,525
CUSTOMER BILLING	<u>18,878</u>	<u>19,514</u>
AUTH/WATER QUAL/VAR ACCTS	<u>108,564</u>	<u>112,222</u>
<u>CONSTRUCTION/MAINTENANCE</u>		
VARIOUS WO'S	<u>19,104</u>	<u>19,748</u>
GRAND TOTAL - ACCOUNT 923.1	<u>\$582,382</u>	<u>\$602,009</u>

KENTUCKY-AMERICAN WATER COMPANY
CASE No. 2004-00103
CAPITALIZED SERVICE COMPANY CHARGES

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Witness Responsible:
Michael Miller

<u>Month</u>	2003 Amount <u>Capitalized</u>
Jan-03	\$0
Feb-03	0
Mar-03	479
Apr-03	3,797
May-03	6,847
Jun-03	11,027
Jul-03	3,037
Aug-03	6
Sep-03	10
Oct-03	730
Nov-03	1,701
Dec-03	<u>5,118</u>
Total Charges Capitalized - 2003	<u>\$32,752</u>

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Witness Responsible:
Michael Miller

WORK ORDER	DESCRIPTION	MONTHS												TOTAL
		3	4	5	6	7	8	9	10	11	12			
12010642	IRP - Production	3.98	23	82	145	29								282.98
12011223	LM-SCADA Improvements	0.94							1.7					2.64
18009404	Permits/Approvals - JBTP Imp.			28.67										28.87
50005616	Pretreat & Chem Improv												34.15	3415
50015942	Monitoring Sys								3.44					3.44
50019994	LM-SCADA Improvements													
50019996	LM-SCADA Improvements													
50021902	STRT-Plant Improvements	1.19												1.19
50026047	KNAW-Invest Item H		6.21											6.21
50026280	Dam Improvements								0.96					0.96
50026427	Const New Eardley Bstr PP 1				42.77									42.77
50027031	Offices & Operations Centers									8.75				8.75
50027702	PW-Smoketown Rd Pump Station					15.3								15.30
50027776	Process Plant - Additions					1								1.00
50027780	NEDC-Invest Item H							0.79						0.79
50027787	Process Plant - Additions				2.55									2.55
50028846	Process Plant - Additions				9	2			2	7.96	25	70		115.96
50033827	Process Plant - Additions													
60001122	Dam Improvements	0.37												0.37
	Total	6.48	29.21	108.87	199.32	47.3	0	2.79	14.08	33.75	104.15			545.73

WORK ORDER	DESCRIPTION	PAYROLL												TOTAL
		3	4	5	6	7	8	9	10	11	12			
12010642	IRP - Production	239	1,272	4,205	6,663	1,437								13,906
12011223	LM-SCADA Improvements	85							71					155
18009404	Permits/Approvals - JBTP Imp.			1,867										1,867
50005616	Pretreat & Chem Improv											1,716		1,716
50015942	Monitoring Sys								119					119
50019994	LM-SCADA Improvements													0
50019996	LM-SCADA improvements													0
50021902	STRT-Plant Improvements	115												115
50026047	KNAW-Invest item H		503											503
50026280	Dam Improvements								32					32
50026427	Const New Eardley Bstr PP 1				2,904									2,904
50027031	Offices & Operations Centers									485				485
50027702	PW-Smoketown Rd Pump Station					942								942
50027776	Process Plant - Additions					69								89
50027780	NEDC-Invest Item H								(4)					(4)
50027787	Process Plant - Additions				180									180
50028846	Process Plant - Additions				386	91			(6)	185	988	2,807		4,451
50033827	Process Plant - Additions													0
60001122	Dam Improvements	30												30
	Total	\$469	\$1,774	\$6,162	\$10,133	\$2,539	\$0	(\$10)	\$407	\$1,473	\$4,523	\$27,470		

WORK ORDER	DESCRIPTION	EXPENSES												TOTAL
		3	4	5	6	7	8	9	10	11	12			
12010642	IRP - Production	8	582	685	841	255								2,372
12011223	LM-SCADA Improvements	2							69					71
18009404	Permits/Approvals - JBTP Imp													0
50005616	Pretreat & Chem Improv													0
50015942	Monitoring Sys													0
50019994	LMSCADA Improvements		720			112								832
50019996	LEX-SCADA Improvements		720			112								832
50021902	STRT-Plant Improvements													0
50026047	KNAW-Invest Item H													0
50026280	Dam Improvements													0
50026427	Const New Eardley Bstr PP 1													0
50027031	Offices & Operations Centers													0
50027702	PW-Smoketown Rd Pump Station													0
50027776	Process Plant - Additions													0
50027780	NEDC-Invest Item H													0
50027787	Process Plant - Additions													0
50028846	Process Plant - Additions				52	19			20	254	228	595		1,168
50033827	Process Plant - Additions							6						6
60001122	Dam Improvements													0
	Total	\$10	\$2,022	\$885	\$893	\$498	\$8	520	\$324	\$228	\$595	\$5,281		

WORK ORDER	DESCRIPTION	TOTAL												TOTAL
		3	4	5	6	7	8	9	10	11	12			
12010642	IRP - Production	247	1,854	4,980	7,504	1,892								16,278
12011223	LM-SCADA Improvements	87							140					227
18009404	Permits/Approvals JBTP imp.			1,867										1,867
50005616	Pretreat & Chem Improv											1,716		1,716
50015942	Monitoring Sys													119
50019994	LMSCADA Improvements		720			112				119				832
50019996	LEX-SCADA Improvements		720			112								832
50021902	STRT-Plant Improvements	115												115
50026047	KNAW-Invest Item H		503											503
50026280	Dam Improvements								32					32
50026427	Const New Eardley Bstr PP 1				2,904									2,904
50027031	Offices & Operations Centers									485				485
50027702	PW-Smoketown Rd Pump Station					942								942
50027776	Process Plant - Additions					69								69
50027780	NEDC-Invest Item H								(4)					(4)
50027787	Process Plant - Additions				180									180
50028846	Process Plant - Additions				438	110			14	440	1,216	3,402		5,619
50033827	Process Plant - Additions							8						6
60001122	Dam Improvement	30												30
	Total	\$479	\$3,797	\$6,847	\$11,027	\$3,037	\$6	\$10	\$730	\$1,701	\$5,118	\$32,751		