

**Attorney General's
Second Requests for Information to
Water Service Corporation of Kentucky
Case No. 2013-00237**

1. Do Corix Utilities or UI have any subsidiaries that have experienced losses in the past five years?
 - a. If so, has WSCK in any been allocated costs to cover the loss sustained by the other subsidiary?
 - b. What is the total cost to WSCK to cover other subsidiary losses?
2. Does the Company have interconnections with other water companies? If so, please identify all other water systems with which WSCK is interconnected.
3. Please state if any bonuses (as opposed to incentive compensation) have been included in the Company's claim in this case. If so, then please identify, by employee, the amount of bonuses included in the claim and explain how the amount of bonuses paid is determined.
4. Regarding the Excel file "PSC DR 2-2b" provided in response to PSC DR 2-2b, please:
 - a. Describe what is meant by the "Retention Factor" and
 - b. Provide all calculations supporting the two Retention Factors shown in the referenced file.
5. Regarding the Company's response to PSC DR 2-3, please:
 - a. Itemize the operating expenses of \$1,840,500,
 - b. Reconcile the operating expenses of \$1,840,500 to the operating expenses shown in Schedule B.
6. Regarding the response to PSC DR 2-7a, is the Company proposing to change depreciation rates? If so, when does WSKY plan to file testimony supporting the proposed new depreciation rates?
7. Regarding the work-paper "w/p-r Expense Reports" referenced in response to PSC DR 2-14d, for each "Company" identified please itemize all costs that are included in the total of \$180,442.66.
8. Regarding the response to PSC DR 2-15 and the statement that "WSCK is able to provide a sample of invoices from the general ledgers provided in the attachment", have these invoices been provided?
 - a. If yes, please state where these invoices can be found.
 - b. If no, please provide the referenced invoices.
9. Regarding the response to PSC DR 2-19b, please identify the "...following 4 questions..."

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10. Regarding the re-designed customer bills identified in the response to PSC DR 2-20d, provide examples of the old and new customer billing formats.
11. Regarding the Project Phoenix cost per customer identified in the response to PSC DR 2-21, please provide the following:
- a. Identify all of the component systems of Project Phoenix,
 - b. For each component, please provide the total cost per component,
 - c. For each component, please provide the cost per customer per component.

Please include all workpapers with cells intact and supporting calculations with your response.

12. Regarding the response to AG 1-3, please:
- a. Clarify that Pineville Utility Commission is the only wholesale customer WSCK has had in the past five years.
 - b. Confirm that the January and February 2012 sales to Pineville Utility Commission were the only wholesale sales made by the Company over the past five years.
13. Regarding the response to AG 1-12, please quantify the total amount of the revenue requirement included in the Company's claim for Project Phoenix, and itemize the components included in the revenue requirement associated with the project (e.g. quantify separately amounts for depreciation, return, operating costs, etc.). Please do not reference another response but instead provide the information requested.
14. Regarding the response to AG 1-23, please explain why there are no meeting minutes for "meetings where discussion and approval of the application to seek a rate increase" was discussed.
- a. If there were no meetings held, please:
 - i. Explain why the board of directors did not meet to discuss and approve the application to seek a rate increase; and
 - ii. Describe the process by which the decision was made to seek a rate increase.
 - b. If the board of directors met to discuss approval of the application to seek a rate increase but no meeting minutes were kept, please explain why.

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15. Regarding the response to AG 1-33, please categorize the customer complaints that were received in Middlesboro and Clinton.
16. Responses to AG 1-40 and AG 1-41 state "Neither Utilities, Inc., nor any other affiliated entity charges costs directly to WSCK." Please reconcile this statement with the direct charges of individuals providing rate case services to WSCK listed in Workpaper D of the response to PSC DR 1-3.
17. Regarding the response to AG DR 1-43, please break out the amounts paid in 2012 W2 Wages into the components of base salary, bonus, overtime, and other.
18. Regarding the response to AG 1-46, please explain how the percentages shown in the table were determined. Please include all workpapers with cells intact and supporting calculations with your response.
19. Regarding the response to AG 1-51, was the information provided in this response the authorized number of employees or the actual number of employees? Please update to reflect both actual and authorized employees, as originally requested.
20. Regarding the response to AG 1-56, if incentive compensation was not included in the Company's revenue requirement claim, then please explain where and how these costs have been removed. Please include all workpapers with cells intact and supporting calculations with your response.
21. The response to AG 1-70 referenced "... the following files that describe changes in benefits for all full time employees from 2011-2014." However, it does not appear that such files were provided. Please provide the referenced files.
22. Please reconcile test year uncollectibles of \$37,553 shown in Exhibit 4, Schedule B with the response to AG 1-74 that shows 2012 write-offs of \$73,995.
23. Regarding the response to AG 1-99, please:
 - a. Confirm that pro forma revenue is based on actual test year meter counts;
 - b. If pro forma revenue is based on actual test year meter counts, then please state if it reflects average or end of test year meters;
 - c. If pro forma revenue is not based on actual test year meter counts, then please describe how the billing units were determined,
 - d. State if consumption (usage) revenue reflects total actual test year consumption, test year consumption per customer, or some other consumption estimate.

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24. Regarding the "AG DR 1-108 Amortization Schedule" identified in the Company's response to AG 1-108, please:
- a. Provide a brief description for each item that is being amortized, and
 - b. Confirm that the "Depreciation Expense" shown on this file is the amortization expense being requested in this case. Note that this question refers only to amortizations associated with the costs on the referenced attachment and is not seeking information about the depreciation of plant assets.
25. The Company's response to AG 1-105b references the response provided to AG DR 1-102. AG DR 1-102 references the Company's response to Staff's Initial Request for Information, Item 25. However, the response to Staff 1-25 does not show the amount of any payment made by WSKC to the parent company or other entity relating to the tax sharing agreement over the past five years, as requested in AG 1-105b. Please provide the information requested in AG 1-105b.