

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

13. Refer to WSKY's Responses to the Commission's Second Request, Item 14.

a. Provide evidence to support WSKY's statement that the 2007 Affiliate Agreement ensures that the expenses incurred by the Service Company allocated to WSKY are reasonable and appropriate.

b. WSKY states that the "company regularly reviews costs from various cost centers" to ensure that "all costs are reasonable and appropriate." Identify the corporate level at which the referenced review occurs.

c. In Case No. 2008-00563, the Commission noted that the 2007 Affiliate Agreement was the product of a less-than-arm's-length transaction and that it lacked a review clause "that would serve as a check and balance system to allow only those reasonable costs that relate to the Water Service operations to be allocated to Water Service." Identify the new procedures that Utilities, Inc. or Water Service Corporation have implemented since November 9, 2009, to address the Commission's concerns.

RESPONSE: The response should be supplemented to reflect that Helen Lupton is a sponsoring witness to the response previously provided.

WITNESSES: Lowell Yap and Helen Lupton