

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

26. a. List and describe each good or service that has been provided to WSKY by an affiliated company.
- b. Describe the benefits that WSKY derives from having an affiliate providing the good or service identified in Item 26(a).
- c. List and describe each goods or service that WSKY provides to an affiliated company

Response:

- a) Enclosed please find a copy of all goods and services provided by WSC to WSCK. This data is contained in an Excel file titled DR-26, bate-stamped as WSCK_R_PSCDR1_No 26 000001.
- b) There are numerous benefits derived from the services provided by WSC:
1. WSCK has access to a large pool of human resources from which to draw upon. There are experts in various critical areas, such as construction, engineering operations, accounting, data processing, billing, regulation, customer service, etc. Affiliation with WSC affords WSCK's customers UI's combination of expertise and level of experience in a cost effective manner. All of these services are essential to operations of WSCK. Any charge that can be directly assigned to WSCK will be charged as such, while other expenses that cannot be directly assigned "without excessive effort and expense" are allocated among the various UI subsidiaries. If WSCK were to operate as a "stand-alone" company, it could not afford its own regulatory counsel, accountants, data processors, billing professionals, etc. WSC creates economies of scale which could not be achieved by any of the companies on "stand-alone" basis.

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2. Capital is available for improvements and expansion at a favorable cost. With increasingly more stringent health and environmental standards, ready access to capital will prove vital to continued quality service in the water and sewer utility business.
 3. Affiliation can share software and computer costs, thereby saving them time and money by not having to hire consultants, and not having separate accounting and billing software systems for each individual company. Water Service's professional staff handles all areas of operations for WSCK and all of UI's affiliated companies.
- c) WSCK does not provide services to any affiliated companies.

Witness – Lowell Yap.

**Services Provided by
Water Service Corporation**

Accounting Studies	Employee Pensions & Benefits	Office Gas	Sales/Use Tax Exp.	Operators - Other Office Exp
AFLAC	Engineering Fees	Office Telephone	Sal-IL Customer Service	Operators - Publications/Subs
Agency Expense	Envelopes	Office Telephone - Long Dist	Sal-IL Office	Operators Transp Reimb
Answering Serv	ESOP Contributions	Office Utilities - Other	Sal-IL Office Exempt	Gasoline
Audit Fees	FICA Expense	Office Water	SUTA-IL	Auto Repairs & Tires
Bank Serv Charges	Franchise Tax	Operators - Memberships	SUTA-NC	Auto Licenses
Bill Stock	FUTA	Operators - Memberships	Tax Return Review	Other Trans. Exp.
Cap Sal - Admin	Health Costs & Other	Operators - Other Office Exp	Temp Empl.	Depreciation - Computer
Cleaning Supplies	Health Ins. Premiums	Operators Telephones	Term Life Ins.	Temp Empl.
Computer Maint	Health Ins. Reimb	Other Emp Pens & Benefits	Term Life Ins. - OPT	Publ Subscriptions & Tapes
Computer Maint	Income Taxes - Federal	Other Insurance	UPS & Air Freight	Answering Serv
Computer Salaries	Interest - Intero.	Other Insurance	Xerox	Computer Supplies
Computer Supplies	Interest During Const	Other Misc General	Chemicals	Printing & Blueprints
Computer Supplies	Interest Income	Other Office Expense	Publ Subscriptions & Tapes	Postage
Computer Supplies - Billing	Internet Supplier	Other Office Maint	Printing & Blueprints	UPS & Air Freight
Computer Supplies - Billing	Internet Supplier	Other Outside Services	UPS & Air Freight	Xerox
Computer-Amort & Prog. Cost	Landscaping, Mowing, Snow	Other Trans. Exp.	Reim of Off Emp Exp.	Off Supply Stores
Computer-Amort & Prog. Cost	Legal Fees	Payroll Services	Memberships - Office Employee	Reim of Off Emp Exp.
Decor & Repaint Structures	Meals & Related Exp	Pension Contributions	Other Office Expense	Cleaning Supplies
Deferred Inc. Taxes - Federal	Memberships	Postage	Operations Telephone - LD	Other Office Expense
Dental Ins. Reimbursements	Microfilming	Printing & Blueprints	Memberships - Company	Office Telephone
Dental Premiums	Microfilming	Printing Customer Service	Meals & Related Exp	Office Telephone - LD
Depend Life Ins.- OPT & AFLAC	Misc. Income	Publ Subscriptions & Tapes	Bank Serv Charges	Alarm System Phone Expense
Depreciation - Computer	Non-Utility Salaries	Real Estate Tax	Other Misc General	Office Cleaning Serv
Depreciation - Computer	Off Supply Stores	Reim of Off Emp Exp.	Operators Exp	Office Education/Train Exp
Depreciation - Office Furn.	Office Cleaning Serv	Rental Income	Communication Exp	Other Misc General
Depreciation - Office Struct.	Office Comp Phone Line	Repair Off Mach & Heating	Operators Ed Exp	
Depreciation - Telephones	Office Comp Phone Line	S/T Int Exp Other	Uniform Rent & Cleaning	
Director Fees	Office Education/Train Exp	Salaries - Office	Operators - Postage	
Disability Insurance	Office Electric	Salaries - Operations	Oper. - Office Supply Stores	
Employ Finder Fees	Office Fax Phone Line	Sal-Computer	Operators - Memberships	
Employee Ins. Deductions	Office Garbage Removal	Sale of Trans Equipment	Operators - Cleaning Supplies	

Land & Land Rights
Office Structure & Improv.
Office Furniture & Equip.
Telephones
Tools Shop & Misc. Eqpt
Communication Eqpt
A/D - Office Structures
A/D - Office Furniture & Equip.
A/D - Telephones
A/D - Tools Shop & Misc. Eqpt
A/D - Communication Eqpt
Water Plant in Progress
Other Plant in Progress
Def Chgs - Emp Fees
Def Chgs - Other
Misc. Regulatory Comm. Exp.
Mainframe Computer
Mini Computer
Comp System Cost
Micro System Cost
A/D - Mainframe Computer
A/D - Mini Computer
Comp System Amortization
Micro System Amortization
Accumulated Deferred Income Taxes