

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

3. Does WSCK have any wholesale customers? If so, please provide, for each of the past five years,
 - a. The volume of water sold to wholesale customers, by customer, and
 - b. The amount of revenue received from each wholesale customer.

RESPONSE:

- a. Pineville Utility Commission (January and February 2012) 7,294,770 Gallons.
- b. Pineville Utility Commission \$15,673.51

Witness – Lowell Yap

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

4. What is the total revenue WSCK is seeking? For this question, please do not reference other documents but do provide the specified number.

RESPONSE: WSCK is seeking \$2,369,433 total revenue.

Witness – Lowell Yap

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

5. What is the total revenue increase WSC is seeking? For this question, please do not reference other documents, but do provide the specified number.

RESPONSE: WSCK is seeking \$224,654 total annual revenue increase.

Witness – Lowell Yap

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

6. For WSCK, what was the average monthly cost of billing a residential customer during the test period? For this question, please do not reference other documents but do provide the specified number.

RESPONSE: The average cost to bill a residential customer is \$2.86. *(This is calculated by taking the billing costs found on the TB/12 months, divided by the number of billing units found on schedule D/12 months.)*

Witness – Lowell Yap

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

7. Please provide a five-year history of the actual operations and maintenance expenses by account.

RESPONSE: Please see the attached Excel file "DR 7 WSCK IS 2008-2012" with income statements for the previous five calendar years.

Witness – Lowell Yap

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

8. What is the uncollectable rate WSCK used to calculate uncollectible expense?
 - a. How did WSCK determine this was the appropriate rate to use?

RESPONSE: We reserve (move accounts receivable to bad debt) a certain percentage of a customer's accounts-receivable balance depending on the age of their receivable. For example, balances between 90-180 days old, we will reserve 20% of the balance. Whereas, balances that are more than 181 days old, we will reserve 85% of the balance. Once collection efforts have been made and our billing system generates a direct write-off of the customer's balance, we will adjust the bad debt accrual accordingly. Meaning, once we compare what the accounts-receivable reserve balance should be (after the direct write-off) against what it was (before the direct write-off), we would remove the difference (move bad debt back to accounts receivable).

Witness – Lowell Yap

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9. Provide a description and dollar amount for the three largest expense increases – in order from greatest to least – WSCCK has incurred since their last general rate case.

RESPONSE: The three largest increases to pro forma proposed expenses since the last rate case are as follows:

- Income Taxes – \$73,304
- Chemicals - \$44,108
- Purchased Power - \$15,476

Witness – Lowell Yap

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

13. Reference testimony of Bruce T. Haas.

- a. Is it accurate that Mr. Haas is the UI Regional Director of Operations for the Midwest Region consisting of Illinois, Indiana, Kentucky and Tennessee?
- b. Is it true that Mr. Haas business address is in South Carolina and not Illinois, Indiana, Kentucky or Tennessee?
- c. Is Mr. Haas responsible for all WSCK facilities?
- d. Is Mr. Haas responsible for all WSCK maintenance?
- e. Is Mr. Haas responsible for making sure that WSCK customers receive least-cost water service?

RESPONSE: a. Yes.
b. Yes.
c. Yes.
d. Yes.
e. Yes.

Witness – Bruce Hass

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

14. Has WSCK or WSC identified any area of its operation that present potential cost savings over the next 5 years? If so, what areas and what are the potential savings in annual expenses?

RESPONSE: Yes. We are currently investigating the installation and retro-fitting of the settling basins with "plate settlers" instead of the existing "tube-type settlers" installed at the Middlesboro Water Treatment Plant. The improved water quality would help to ensure that Stage II requirements are met and also increase the flow rate capabilities of the facilities. This would possibly result in chemical savings based upon the efficiencies of the settling basins, however, the chemical savings impact is unknown at this time. In addition, we are investigating the installation of AMR's in the distribution system which would result in O&M savings for meter reading within the system.

Witness – Bruce Haas

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

16. On an ongoing basis please provide invoices, receipts or other supportive documentation for all costs associated with rate cases expenses referenced in WSKC response to PSC DR-13c.

RESPONSE: Please see the attached general ledger (Excel file "AG DR1 16 RC Exp Summary 2013.11.20") summarizing the rate case expense incurred through November 20, 2013 along with any invoices booked through that date. Legal invoices have been redacted to protect attorney-client privileged information.

Witness – Lowell Yap



AUS Consultants, Inc.
 155 Gaither Drive, Suite A
 Mt. Laurel, NJ 08054
 856 234 9200

Invoice Number 130582
 Invoice Date July 11, 2013
 PO Number
 Contract FIN
 Project 12-0402
 Page 1
 Incorporated FID# 22-1943906
 www.ausinc.com
 Consultant:
 GARY D. SHAMBAUGH
 GSHAMBAUGH@FW-AUSINC.COM

Utilities, Inc.
 Water Serv. Corp of Kentucky
 2335 Sanders Road
 Northbrook, IL 60062

Batch 1160534
 Doc 536731

2013063.2910

	Current Hours	Rate	Current Amount
Professional Services			
GARY D. SHAMBAUGH	84.00	210.00	17,640.00
DAVID A. SHEFFER	1.00	165.00	165.00
Administrative Services			
Administrative Staff			275.00
Out of Pocket Expenses			
Production Costs			218.50
Invoice Total			<u>18,298.50</u>

OK *[Signature]*
 OK

Please make check payable to:
 AUS Consultants
 155 Gaither Drive, Suite A
 Mt. Laurel, NJ 08054

Invoice due upon presentation

70UTH10



GARY D. SHAMBAUGH
Principal & Director

AUS CONSULTANTS

215 Brainerd Avenue, Suite 100
Dunwoody, GA 30328
770-251-9000 • 770-251-9001
gshambaugh@aushc.com

July 12, 2013

Mr. Steve Lubertozzi
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

RE: Ref. No. 12-0402
Financial Consulting (Kentucky)

Dear Mr. Lubertozzi:

Please find enclosed our invoice in the amount of \$18,298.50 for professional services and/or expenses incurred and rendered from May 27, 2013 through June 29, 2013 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

A handwritten signature in cursive script that reads 'Gary D. Shambaugh'.

Gary D. Shambaugh

GDS:sm
enclosure

3007048

Batch 161865
Doc 541191



AUS Consultants, Inc.
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054
856 234 9200

Invoice Number 130838
Invoice Date August 05, 2013
PO Number
Contract FIN
Project 12-0402
Page 1
Incorporated FID# 22-1943906
www.ausinc.com
Consultant:
GARY D. SHAMBAUGH
GSHAMBAUGH@WFW-AUSINC.COM

Steve Lubertozzi
Utilities, Inc.
Water Serv. Corp of Kentucky
2335 Sanders Road
Northbrook, IL 60062

2013063.2910

	Current Hours	Rate	Current Amount
Professional Services			
GARY D. SHAMBAUGH	7.50	225.00	1,687.50
Invoice Total			<u>1,687.50</u>

OK
DU

Please make check payable to:
AUS Consultants
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054

Invoice due upon presentation

70UTI10

RECEIVED
AUG 19 2014



GARY D. SHAMBAUGH
Principal & Director

AUS CONSULTANTS

275 Shadow Lane, Suite 100
Cary, NC 27513
719.753.6380 • Tel
719.753.6381 • Fax
gshambaugh@aus.com

August 6, 2013

Mr. Steve Lubertozi
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

RE: Ref. No. 12-0402
Financial Consulting (Kentucky)

Dear Mr. Lubertozi:

Please find enclosed our invoice in the amount of \$1,687.50 for professional services and/or expenses incurred and rendered from June 30, 2013 through July 28, 2013 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

A handwritten signature in cursive script that reads 'Gary D. Shambaugh'.

Gary D. Shambaugh

GDS:sm
enclosure

Batch 164147
Doc 548599



AUS Consultants, Inc.
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054
856 234 9200

Invoice Number 131116
Invoice Date September 04, 2013
PO Number
Contract FIN
Project 12-0402
Page 1
Incorporated FID# 22-1943906
www.ausinc.com
Consultant:
GARY D. SHAMBAUGH
GSHAMBAUGH@FPW-AUSINC.COM

Steve Lobertozzi
Utilities, Inc.
Water Serv. Corp of Kentucky
2335 Sanders Road
Northbrook, IL 60062

WSC-KY 2013 RC

2013063-2910

	Current Hours	Rate	Current Amount
Professional Services			
SELBY P. CONES III	1.00	140.00	140.00
GARY D. SHAMBAUGH	6.50	225.00	1,462.50
Administrative Services			
Administrative Staff			150.00
Out of Pocket Expenses			
Production Costs			29.50
Invoice Total			<u>1,782.00</u> DK

Please make check payable to:
AUS Consultants
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054

Invoice due upon presentation



GARY D. SHAMBAUGH
Principal & Director

AUS CONSULTANTS

275 Dunwoody Avenue, Suite 100
Cary, NC 27513
919.286.4144 • Tel.
919.286.0801 • Fax
gshambaugh@aus.com

September 6, 2013

Mr. Steve Lubertozzi
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

RE: Ref. No. 12-0402
Financial Consulting (Kentucky)

Dear Mr. Lubertozzi:

Please find enclosed our invoice in the amount of \$1,782.00 for professional services and/or expenses incurred and rendered from July 29, 2013 through August 25, 2013 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

A handwritten signature in black ink that reads 'Gary D. Shambaugh'.

Gary D. Shambaugh

GDS:sm
enclosure

Batch 164147
Doc 548599



AUS Consultants, Inc.
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054
856 234 9200

Invoice Number 131116
Invoice Date September 04, 2013
PO Number
Contract FIN
Project 12-0402
Page 1
Incorporated FID# 22-1943906
www.ausinc.com
Consultant:
GARY D. SHAMBAUGH
GSHAMBAUGH@FPW-AUSINC.COM

Steve Lobertozzi
Utilities, Inc.
Water Serv. Corp of Kentucky
2335 Sanders Road
Northbrook, IL 60062

WSC-KY 2013 RC

2013063-2910

	Current Hours	Rate	Current Amount
Professional Services			
SELBY P. CONES III	1.00	140.00	140.00
GARY D. SHAMBAUGH	6.50	225.00	1,462.50
Administrative Services			
Administrative Staff			150.00
Out of Pocket Expenses			
Production Costs			29.50
Invoice Total			<u>1,782.00</u> DK

Please make check payable to:
AUS Consultants
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054

Invoice due upon presentation



GARY D. SHAMBAUGH
Principal & Director

AUS CONSULTANTS

275 Dunwoody Avenue, Suite 100
Cary, NC 27513
919.286.4144 • Tel.
919.286.0801 • Fax
gshambaugh@aus.com

September 6, 2013

Mr. Steve Lubertozzi
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

RE: Ref. No. 12-0402
Financial Consulting (Kentucky)

Dear Mr. Lubertozzi:

Please find enclosed our invoice in the amount of \$1,782.00 for professional services and/or expenses incurred and rendered from July 29, 2013 through August 25, 2013 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

A handwritten signature in cursive script that reads 'Gary D. Shambaugh'.

Gary D. Shambaugh

GDS:sm
enclosure

3608308

Doc 166172
554754



Baryenbruch & Company, LLC
Management Consultants

October 10, 2013

Steven M. Lubertozi
Chief Regulatory Officer
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

Water Service Corporation of Kentucky
2013 Project Phoenix Testimony

2013063.2910

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Fees			
August 2013	13.0		
September 2013	5.0		
Total	18.0	\$260	\$4,680
Expenses			
Total Invoice			<u>\$4,680</u>

OK DU

terms: net 30

<u>Date</u>	<u>Hours</u>
8/19	1.0
8/24	5.0
8/25	3.0
8/27	2.0
8/28	2.0
9/3	1.0
9/18	1.5
9/21	1.0
9/23	0.5
9/27	1.0
Total	18.0

RECEIVED
SEP 11 2013

3007048

Batch 16662

Doc 556757



AUS Consultants, Inc.
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054
856 234 9200

Invoice Number 131451
Invoice Date October 04, 2013
PO Number
Contract PIN
Project 12-0402
Page 1
Incorporated FID# 22-1943906
www.ausinc.com
Consultant:
GARY D. SHAMBAUGH
GSHAMBAUGH@WFW-AUSINC.COM

Steve Lubentozzi
Utilities, Inc.
Water Serv. Corp of Kentucky *Rate Case 2013*
2335 Sanders Road
Northbrook, IL 60062

2013063-2910

	Current Hours	Rate	Current Amount
Professional Services			
SELBY P. JONES III	2.00	160.00	320.00
GARY D. SHAMBAUGH	10.00	225.00	2,250.00
Out of Pocket Expenses			
Production Costs			9.75
Travel & Related Expenses			1,406.67
Invoice Total			<u>3,986.42</u> <i>OK DU</i>

Please make check payable to:
AUS Consultants
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054

Invoice due upon presentation

70UTI10

RECEIVED
SEP 23 2013



DW ✓

GARY D. SHAMBAUGH
President & Director

AUS CONSULTANTS

277 Grandview Avenue, Suite 100
Camp Hill, PA 17011
717.228.8800 • Te
717.262.9931 • Fax
gshambaugh@a.usc.com

October 8, 2013

Mr. Steve Lubertozi
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

RE: Ref. No. 12-0402
Financial Consulting (Kentucky)

Dear Mr. Lubertozi:

Please find enclosed our invoice in the amount of \$3,986.42 for professional services and/or expenses incurred and rendered from August 26, 2013 through September 29, 2013 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

Gary D. Shambaugh

GDS:sm
enclosure



STURGILL, TURNER, BARKER & MOLONEY, PLLC

333 West Vine Street, Suite 1400

Lexington, Kentucky 40507

Telephone: (859) 255-8581

Telefax: (859) 231-0851

Employer I.D. No. 61-0576615

www.sturgillturner.com

STATEMENT OF SERVICES

John Stover, General Counsel
Utilities, Inc.
2335 Sanders Rd
Northbrook, IL 60062

Statement Date: 07/18/2013
Account No: 64592.0004 M
Statement No: 80876

2013 Rate Case

				Hours	
05/20/2013	MTO	L120	A106	Communicate (with client) - discussions with D. Neyzelman and L. Yap regarding rate application filing requirements including providing various documents for their review.	1.80
06/04/2013	MTO	P270	A106	Communicate (with client) - respond to questions from L. Yap regarding [REDACTED]	0.20
06/10/2013	MTO	L120	A108	Communicate (other external) with Gary Shambaugh [REDACTED]	0.30
	MTO	L120	A102	Research PSC decisions [REDACTED]	3.80
06/11/2013	MTO	L120	A104	Review [REDACTED] rate case [REDACTED]	1.70
	MTO	L120	A105	Communicate (in firm) with law clerk to explain additional research she should conduct [REDACTED]	0.20
	MTO	L120	A103	Draft summary of my findings on comparable information from rate cases [REDACTED]	1.30
	KLH	L120	A104	Review - input data into Excel from other water utility companies	2.20

2013 Rate Case

				Hours		
06/12/2013	MTO	L120	A102	Additional research on recent rate cases [REDACTED] [REDACTED]	1.50	
06/13/2013	MTO	L120	A108	Communicate (other external) - respond to questions from Gary Shambaugh [REDACTED] [REDACTED]	0.30	
06/18/2013	MTO	P270	A103	Draft application for rate adjustment.	4.00	
	MTO	P270	A104	Review proposed testimony [REDACTED] [REDACTED]	3.80	
	MTO	P270	A103	Draft proposed customer notices for publication in Middlesboro and Clinton newspapers	0.50	
06/19/2013	MTO	P270	A106	Communicate (with client) with L. Yap and D. Neyzelman [REDACTED] [REDACTED]	0.40	
	MTO	P270	A104	Review previous WSCK rate case orders [REDACTED] [REDACTED]	0.50	
	MTO	P270	A104	Review [REDACTED] proposed written testimony questions.	3.50	
06/20/2013	MTO	P270	A102	Research whether the PSC allows rate recovery [REDACTED] [REDACTED]	2.20	
	MTO	P270	A108	Communicate (other external) with Gary Shambaugh [REDACTED] [REDACTED] [REDACTED]	0.40	
06/25/2013	MTO	P270	A103	Draft/revise proposed testimony [REDACTED] [REDACTED] communicate with L. Yap and S. Lubertozzi regarding issues related to the rate case.	3.50	
				For Current Services Rendered	32.10	6,815.50

Utilities, Inc.

Page. 3
07/18/2013
Account No. 64592-0004M
Invoice No. 80876

2013 Rate Case

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	29.90	\$225.00	\$6,727.50
Kristi L. Henderson	2.20	40.00	88.00
Total Current Work			6,815.50
Balance Due			<u>\$6,815.50</u>

Task Code Recapitulation

			Costs
L120	Analysis/Strategy	<u>2540.50</u>	<u>0.00</u>
L100	Do not Use-See L110-L190 Case Assessment, Development & Admin	2,540.50	0.00
P270	Regulatory Reviews	<u>4275.00</u>	<u>0.00</u>
P200	Fact Gathering/Due Dilligence	4,275.00	0.00

To ensure proper credit to your account
Please write Account 64592.0004 on your check
Please remit amount due by 08/17/2013 Thank you



STURGILL, TURNER, BARKER & MOLONEY, PLLC

333 West Vine Street, Suite 1400

Lexington, Kentucky 40507

Telephone: (859) 255-8581

Telefax: (859) 231-0851

Employer I.D. No. 61-0576615

www.sturgillturner.com

STATEMENT OF SERVICES

John Stover, General Counsel
 Utilities, Inc.
 2335 Sanders Rd
 Northbrook, IL 60062

Statement Date: 08/05/2013
 Account No: 64592.0004 M
 Statement No: 81116

2013 Rate Case

				Hours		
07/09/2013	MTO	P270	A103	Draft/revise comments and questions regarding G. Shambaugh's testimony and communication with him regarding the same.	0.90	
07/10/2013	MTO	P270	A104	Begin reviewing [REDACTED] proposed by other utilities for approval by the PSC.	1.80	
07/11/2013	MTO	P270	A101	Review additional proposals [REDACTED] communicate with J. Williams [REDACTED] communicate with G. Shambaugh [REDACTED]	3.00	
07/15/2013	MTO	P270	A104	Review the revised prepared testimony [REDACTED]	0.30	
	MTO	P270	A106	Communicate with Agreement Spenard and S. Lubertozzi regarding teleconference to discuss recovery certain expenses	0.20	
07/16/2013	MTO	P270	A106	Communicate (with client) with B. Haas regarding his testimony and supporting affidavit.	0.10	
	MTO	P270	A104	Review AG's motion to intervene.	0.10	
				For Current Services Rendered	6.40	1,440.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	6.40	\$225.00	\$1,440.00

Total Current Work 1,440.00

Utilities, Inc.

Page. 2
08/05/2013
Account No. 64592-0004M
Invoice No. 81116

2013 Rate Case

Previous Balance \$6,815.50

Balance Due \$8,255.50

Task Code Recapitulation

			Costs
P270	Regulatory Reviews	1440.00	0.00
P200	Fact Gathering/Due Dilligence	<u>1,440.00</u>	<u>0.00</u>

To ensure proper credit to your account
Please write Account 64592.0004 on your check
Please remit amount due by 09/04/2013 Thank you



STURGILL, TURNER, BARKER & MOLONEY, PLLC

333 West Vine Street, Suite 1400

Lexington, Kentucky 40507

Telephone: (859) 255-8581

Telefax: (859) 231-0851

Employer I.D. No. 61-0576615

www.sturgillturner.com

STATEMENT OF SERVICES

John Stover, General Counsel
Utilities, Inc.
2335 Sanders Rd
Northbrook, IL 60062

Statement Date: 09/05/2013
Account No: 64592.0004 M
Statement No: 81507

2013 Rate Case

				Hours
08/01/2013	MTO	L120	A106	
			Communicate (with client) regarding status of rate case	0.20
08/02/2013	MTO	P270	A108	
			Communicate (other external) with PSC Staff regarding the filing date of the rate case application and the data request.	0.20
	MTO	P270	A104	
			Review PSC Staff's initial data request and communicate with UI Staff regarding the same.	0.30
08/15/2013	MTO	L110	A103	
			Draft/revise - begin drafting testimony [REDACTED]	1.50
08/16/2013	MTO	P270	A103	
			Draft/revise public notice [REDACTED]	0.30
	MTO	P270	A106	
			Communicate (with client) - with L. Yap and D. Nezyelman regarding [REDACTED]	0.20
	MTO	P270	A106	
			Communicate (with client) - provide information to John Williams [REDACTED]	0.30
08/19/2013	MTO	P270	A106	
			Communicate (with client) - Respond to SML's questions [REDACTED]	0.30
	MTO	P270	A106	
			Communicate (with client) with John Williams [REDACTED]	0.20

2013 Rate Case

				Hours	
08/21/2013	MTO	L120	A106	Communicate (with client) regarding [REDACTED] [REDACTED]	0.30
08/27/2013	MTO	P270	A108	Communicate (other external) with Pat Baryenbruch [REDACTED] [REDACTED]	0.60
	MTO	P270	A103	Draft/revise - [REDACTED] tariff pages	0.40
08/29/2013	MTO	P270	A106	Communicate (with client) - phone call with D. Neyzelman and L. Yap regarding rate filing.	0.20
	MTO	P270	A104	Review testimony from G. Shambaugh; [REDACTED] [REDACTED]; draft proposed testimony [REDACTED]; review and suggest revisions to application [REDACTED] [REDACTED]	7.30
				For Current Services Rendered	12.30
					<u>2,767.50</u>

Recapitulation

Timekeeper	Hours	Hourly Rate	Total
M. Todd Osterloh	12.30	\$225.00	\$2,767.50
Total Current Work			2,767.50
Previous Balance			\$8,255.50
08/12/2013	Thank you for your payment.		-6,478.00
Balance Due			<u>\$4,545.00</u>

Task Code Recapitulation

			Costs
L110	Fact Investigation/Development	337.50	0.00
L120	Analysis/Strategy	112.50	0.00
L100	Do not Use-See L110-L190 Case Assessment, Development & Admin	450.00	0.00
P270	Regulatory Reviews	2317.50	0.00
P200	Fact Gathering/Due Dilligence	2,317.50	0.00

To ensure proper credit to your account
 Please write Account 64592.0004 on your check
 Please remit amount due by 10/05/2013 Thank you



STURGILL, TURNER, BARKER & MOLONEY, PLLC

333 West Vine Street, Suite 1400

Lexington, Kentucky 40507

Telephone: (859) 255-8581

Telefax: (859) 231-0851

Employer I.D. No. 61-0576615

www.sturgillturner.com

STATEMENT OF SERVICES

John Stover, General Counsel
 Utilities, Inc.
 2335 Sanders Rd
 Northbrook, IL 60062

Statement Date: 10/03/2013
 Account No: 64592.0004 M
 Statement No: 82030

2013 Rate Case

				Hours	
09/03/2013	MTO	P270	A106	Communicate (with client) with L. Yap regarding the rate adjustment application.	0.20
09/18/2013	MTO	P270	A104	Review Hickman County Fiscal Court's Motion to Intervene.	0.10
	MTO	P270	A106	Communicate (with client) regarding Hickman County's motion to intervene [REDACTED]	0.10
09/23/2013	MTO	P270	A104	Review application materials [REDACTED]	1.70
09/26/2013	MTO	P280	A106	Coordination of application materials [REDACTED] revise application [REDACTED]	1.20
09/27/2013	MTO	P270	A103	Finalize preparation of rate case application; communication with L. Yap regarding filing.	2.00
09/30/2013	MTO	P270	A108	Communicate (other external) -- communications with PSC staff regarding their questions over whether confidentiality was being sought for certain documents that were marked confidential	0.10
				For Current Services Rendered	5.40
					1,215.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	5.40	\$225.00	\$1,215.00

Utilities, Inc.

2013 Rate Case

Page. 2
10/03/2013
Account No. 64592-0004M
Invoice No. 82030

Costs

09/27/2013	L110	E101	390 Document Reproduction	78.00
			E101 (653) Document Reproduction	78.00
			Total Costs Thru 09/30/2013	78.00
			Total Current Work	1,293.00
			Previous Balance	\$4,545.00
09/25/2013			Thank you for your payment.	-1,440.00
			Balance Due	<u>\$4,398.00</u>

Task Code Recapitulation

			Costs
L110	Fact Investigation/Development	0.00	78.00
L100	Do not Use-See L110-L190 Case Assessment, Development & Admin	0.00	78.00
P270	Regulatory Reviews	945.00	0.00
P280	Other	270.00	0.00
P200	Fact Gathering/Due Dilligence	1,215.00	0.00

To ensure proper credit to your account
Please write Account 64592.0004 on your check
Please remit amount due by 11/02/2013 Thank you



Invoice Number 2-419-55663	Invoice Date Oct 02, 2013	Account Number [REDACTED]	Page 5 of 6
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Tracking ID: 796764625348 continued

FedEx Use [REDACTED] **Total Charge** USD **\$9.33**

Picked up: Sep 25, 2013 **Cust. Ref.:** 102104 **Ref.#2:**
Payor: Shipper **Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 9.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$ 3751.57
- Distance Based Pricing, Zone 5
- Package Delivered to Recipient Address - Release Authorized

Automation	INET	Sender	Recipient
Tracking ID	796766911228	Joe Sills	John Johansen
Service Type	FedEx 2Day	Utilities, Inc.	Carolina Water Service
Package Type	FedEx Box	2335 Sanders	1320 Rays Bridge Road
Zone	05	NORTHBROOK IL 60062 US	CARTHAGE NC 28377 US
Packages	1		
Rated Weight	2.0 lbs, 0.9 kgs	Transportation Charge	16.55
Delivered	Sep 27, 2013 11:46	Automation Bonus Discount	-1.66
Svc Area	A6	Fuel Surcharge	0.99
Signed by	see above	DAS Extended Comm	2.15
FedEx Use	[REDACTED]	Earned Discount	-6.62
		Total Charge	USD \$11.41

Picked up: Sep 26, 2013 **Cust. Ref.:** WSC of KY 2013063 **Ref.#2:**
Payor: Shipper **Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 9.50% to this shipment.
- Distance Based Pricing, Zone 3

Automation	INET	Sender	Recipient
Tracking ID	796778427021	Lowell Yap	M. Todd Osterloh
Service Type	FedEx First Overnight	Utilities, Inc.	Sturgill, Turner, Barker & Mol
Package Type	FedEx Envelope	2335 Sanders Road	333 West Vine Street
Zone	03	NORTHBROOK IL 60062 US	LEXINGTON KY 40507 US
Packages	1		
Rated Weight	N/A	Transportation Charge	50.60
Delivered	Sep 27, 2013 08:45	Fuel Surcharge	4.81
Svc Area	A4		
Signed by	M.CURRY		
FedEx Use	[REDACTED]	Total Charge	USD \$55.41

Picked up: Sep 27, 2013 **Cust. Ref.:** 102101 **Ref.#2:**
Payor: Shipper **Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 9.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$ 3751.57
- Distance Based Pricing, Zone 5
- Package Delivered to Recipient Address - Release Authorized

Automation	INET	Sender	Recipient
Tracking ID	796788136187	Anca Delmundo	Judy
Service Type	FedEx Priority Overnight	Utilities, Inc.	The Pipe Connection
Package Type	FedEx Envelope	2335 Sanders Road	1507 HILLMON GROVE RD
Zone	05	NORTHBROOK IL 60062 US	CAMERON NC 28326 US
Packages	1		
Rated Weight	N/A	Transportation Charge	29.65
Delivered	Sep 30, 2013 09:37	Fuel Surcharge	2.02
Svc Area	A6	Earned Discount	-12.16
Signed by	see above	Automation Bonus Discount	-2.97
FedEx Use	[REDACTED]	Residential Delivery	3.20
		DAS Extended Resi	3.50
		Total Charge	USD \$23.24

Invoice Number

2-434-28670

Invoice Date

Oct 16, 2013

Account NumberPage
4 of 5**Picked up:** Oct 09, 2013**Cust. Ref.:** 102104**Ref.#2:****Payor:** Shipper**Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 10.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$3657.83
- Distance Based Pricing, Zone 4

Automation INET
Tracking ID 796862070127
Service Type FedEx Express Saver
Package Type Customer Packaging
Zone 04
Packages 1
Rated Weight 9.0 lbs, 4.1 kgs
Delivered Oct 11, 2013 14:53
Svc Area A9
Signed by G.PEACOCK
FedEx Use

Sender
Hardik Dave
Utilities, Inc.
2335 Sanders Road
NORTHBROOK IL 60062 US

Recipient
Gary Peacock
CWS Systems
319 Buffalo Creek Road
LAKE LURE NC 28746 US

Transportation Charge	21.95
Automation Bonus Discount	-2.20
Fuel Surcharge	1.38
DAS Extended Comm	2.15
Earned Discount	-6.78
Total Charge	USD \$14.50

Picked up: Oct 09, 2013**Cust. Ref.:** 10204**Ref.#2:****Payor:** Shipper**Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 10.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$3657.83
- Distance Based Pricing, Zone 4
- FedEx has audited this shipment for correct packages, weight, and service. Any changes made are reflected in the invoice amount.
- We calculated poor charges based on a dimensional weight of 5.0 lbs, 12" x 9" x 7", using a dimensional factor of 166.

Automation INET
Tracking ID 796872760939
Service Type FedEx Express Saver
Package Type Customer Packaging
Zone 04
Packages 1
Actual Weight 2.0 lbs, 0.9 kgs
Rated Weight 5.0 lbs, 2.3 kgs
Delivered Oct 14, 2013 14:47
Svc Area A1
Signed by JENKINS
FedEx Use

Sender
Hardik Dave
Utilities, Inc.
2335 Sanders Road
NORTHBROOK IL 60062 US

Recipient
Shona
5701 WESTPARK DR STE 101
CHARLOTTE NC 28217 US

Transportation Charge	15.50
Automation Bonus Discount	-1.55
Fuel Surcharge	0.81
Earned Discount	-6.20
Total Charge	USD \$8.56

Picked up: Oct 10, 2013**Cust. Ref.:** WSC of KY 2013083**Ref.#2:****Payor:** Shipper**Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 10.50% to this shipment.
- Distance Based Pricing, Zone 3

Automation INET
Tracking ID 796882611630
Service Type FedEx First Overnight
Package Type FedEx Envelope
Zone 03
Packages 1
Rated Weight N/A
Delivered Oct 11, 2013 08:05
Svc Area A4
Signed by M.CURRY
FedEx Use

Sender
Lowell Yap
Utilities, Inc.
2335 Sanders Road
NORTHBROOK IL 60062 US

Recipient
M. Todd Osterloh
Sturgill, Turner, Barker & Mol
333 West Vine Street
LEXINGTON KY 40507 US

Transportation Charge	50.60
Fuel Surcharge	5.31
Total Charge	USD \$55.91

Picked up: Oct 10, 2013**Cust. Ref.:** 102101**Ref.#2:****Payor:** Shipper**Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 10.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$3657.83
- Distance Based Pricing, Zone 5
- Package Delivered to Recipient Address - Release Authorized

Automation INET
Tracking ID 796886067987
Service Type FedEx Priority Overnight
Package Type FedEx Envelope
Zone 05
Packages 1

Sender
Anca Delmundo
Utilities, Inc.
2335 Sanders Road
NORTHBROOK IL 60062 US

Recipient
Judy
The Pipe Connection
1507 HILLMON GROVE RD
CAMERON NC 28326 US

Continued on next page



CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

18. Please provide all contracts related to antenna leases and,
- a. The actual Test Year revenues
 - b. The 2012 contractual lease payments
 - c. The 2013 contractual lease payments and,
 - d. The effective date of any annual increase in 2012 and/or 2013.

RESPONSE: There are no antenna leases.

Witness – Bruce Haas

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

30. Please provide the date(s), location(s), attendance sign-in records, agendas, meeting notes and minutes for any public meetings held by WSCK, Utilities, Inc., and or Corix Utilities for customers in the City of Clinton and the City of Middlesboro for calendar years 2012 and 2013.

RESPONSE: There have been none to date.

Witness – Bruce Haas

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

31. Please provide the date(s), location(s), attendance sign-in records, agendas, meeting notes and minutes for any stakeholder meetings with local officials or other stakeholder groups.

RESPONSE: Regional Manager James Leonard routinely meets with Mayor and City Administrator of Clinton, as well as the Mayor of Middlesboro, to discuss any upcoming matters.

Witness – Bruce Haas

CASE NO. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

32. Please provide results of on any customer satisfaction surveys conducted.

RESPONSE: There were none conducted.

Witness – Bruce Haas

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

33. Please provide information regarding the number of water service interruptions, the average employee response time to water service interruptions, customer complaints and response time as these matters relate to commitments made in case No. 2012-00133.

RESPONSE:

Middlesboro

Eight Service Interruptions. Employees responded immediately to each of these, within the hour that they received notice.

Nine Customer Complaints. Within 2 to 4 hours.

Clinton

No Service Interruptions

Five Customer Complaints. Within 2 to 4 hours

Witness – Bruce Haas

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

36. Notwithstanding any prior request, please identify each capital project (and its corresponding cost) scheduled or anticipated to be completed, in process, or commenced during the period from 30 September 2010 until 31 December 2014 that is for the primary purpose of complying with a provision of the Safe Drinking Water Act (for example, a capital project necessary in order to meet Stage 2 of the Disinfectants and Disinfection By-products Rule).

RESPONSE: There is \$100,000 Allocated in the 4th quarter of 2014 to begin installing Plate Settlers at the Middlesboro WTP.

Witness – Bruce Haas

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO THE ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

42. Regarding w/p [b], please a) identify any positions listed on this schedule that are currently vacant, and b) identify the costs included in the "Other" category.

RESPONSE – There were no vacancies in Kentucky operations in 2012 or 2013.