

**Case No. 2013-00237**

**Exhibit 16**

Water Service Corporation of Kentucky  
Docket 2013-00237  
Allocated Expenses and Rate Base  
For the Test Year Ended December 31, 2012

Account		Total Test
Number	Description	Year
		Charges

**Expenses**

5480	CHLORINE	9,170
5505	AGENCY EXPENSE	628
5525	BILL STOCK	747
5535	BILLING ENVELOPES	1,327
5540	BILLING POSTAGE	20,542
5545	CUSTOMER SERVICE PRINTING	1
5625	401K PROFIT SHARING	21,871
5630	HEALTH ADMIN AND STOP LOSS	16,014
5635	DENTAL	3,667
5645	EMPLOYEE INS DEDUCTIONS	(24,113)
5650	HEALTH COSTS & OTHER	427
5655	HEALTH INS CLAIMS	90,265
5660	OTHER EMP BENEFITS	799
5665	PENSION / 401K MATCH	7,557
5670	TERM LIFE INS	5,227
5675	TERM LIFE INS-OPT	(637)
5680	DEPEND LIFE INS-OPT	(403)
5690	TUITION	223
5715	INSURANCE-OTHER	63,192
5735	COMPUTER MAINTENANCE	39,419
5740	COMPUTER SUPPLIES	840
5750	INTERNET SUPPLIER	3,814
5785	ADVERTISING/MARKETING	72
5790	BANK SERVICE CHARGE	2,455
5795	CONTRIBUTIONS	340
5805	LICENSE FEES	67
5810	MEMBERSHIPS	243
5815	PENALTIES/FINES	3
5820	TRAINING EXPENSE	918
5825	OTHER MISC EXPENSE	733
5855	ANSWERING SERVICE	879
5860	CLEANING SUPPLIES	100
5865	COPY MACHINE	92
5870	HOLIDAY EVENTS/PICNICS	102
5875	KITCHEN SUPPLIES	107
5880	OFFICE SUPPLY STORES	556

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5885	PRINTING/BBLUEPRINTS	175
5890	PUBL SUBSCRIPTIONS/TAPES	134
5895	SHIPPING CHARGES	1,218
5900	OTHER OFFICE EXPENSES	1,029
5930	OFFICE ELECTRIC	600
5935	OFFICE GAS	99
5940	OFFICE WATER	33
5945	OFFICE TELECOM	33,237
5950	OFFICE GARBAGE REMOVAL	318
5955	OFFICE LANDSCAPE / MOW / P	404
5960	OFFICE ALARM SYS PHONE EXP	153
5965	OFFICE MAINTENANCE	870
5970	OFFICE CLEANING SERVICE	828
5975	OFFICE MACHINE/HEAT&COOL	605
5980	OTHER OFFICE UTILITIES	3
6010	AUDIT FEES	10,637
6015	EMPLOY FINDER FEES	942
6025	LEGAL FEES	348
6035	PAYROLL SERVICES	2,279
6040	TAX RETURN REVIEW	4,334
6045	TEMP EMPLOY - CLERICAL	1,453
6050	OTHER OUTSIDE SERVICES	7,459
6090	RENT	2,460
6110	SALARIES-ACCTG/FINANCE	32,510
6115	SALARIES-ADMIN	1,764
6120	SALARIES-OFFICERS/STKHLDR	46,296
6125	SALARIES-HR	8,330
6130	SALARIES-MIS	9,544
6135	SALARIES-LEADERSHIP OPS	31,131
6140	SALARIES-REGULATORY	6,818
6145	SALARIES-CUSTOMER SERVICE	29,938
6146	SALARIES-BILLING	5,557
6147	SALARIES-CORP SERVICE ADMI	6,006
6150	SALARIES-OPERATIONS FIELD	364
6155	SALARIES-OPERATIONS OFFICE	20,396
6165	CAPITALIZED TIME ADJUSTMEN	(10,373)
6185	TRAVEL LODGING	1,880
6190	TRAVEL AIRFARE	1,417
6195	TRAVEL TRANSPORTATION	476

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6200	TRAVEL MEALS	1,410
6205	TRAVEL ENTERTAINMENT	558
6207	TRAVEL OTHER	133
6215	FUEL	33,995
6220	AUTO REPAIR/TIRES	12,777
6230	OTHER TRANS EXPENSES	16
6360	COMMUNICATION EXPENSE	233
6390	WEATHER/HURRICANE/FUEL EXP	2,326
6580	DEPREC-OFFICE STRUCTURE	1,903
6585	DEPREC-OFFICE FURN/EQPT	1,111
6610	DEPREC-COMMUNICATION EQPT	1,786
6905	DEPREC-AUTO TRANS	43,847
6920	DEPREC-COMPUTER	88,027
7510	FICA EXPENSE	42,157
7515	FEDERAL UNEMPLOYMENT TAX	792
7520	STATE UNEMPLOYMENT TAX	5,293
7535	FRANCHISE TAX	106
7545	PERSONAL PROPERTY/ICT TAX	14,570
7550	PROPERTY/OTHER GENERAL TAX	(1)
7555	REAL ESTATE TAX	1,566
7595	DEF INCOME TAX-FEDERAL	145
7600	DEF INCOME TAXES-STATE	34
7605	INCOME TAXES-FEDERAL	(144)
7710	INTEREST EXPENSE-INTERCO	178,793
7735	S/T INT EXP CHARGES	(312)
7750	INTEREST DURING CONSTRUCTIO	(41)
<b>Total Expenses</b>		<u>959,995</u>

**Rate Base**

1045	LAND & LAND RIGHTS GEN PL	2,637
1175	OFFICE STRUCT & IMPRV	77,541
1180	OFFICE FURN & EQPT	38,425
1190	TOOL SHOP & MISC EQPT	582
1205	COMMUNICATION EQPT	11,174
1555	TRANSPORTATION EQPT WTR	573,846

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1580	MAINFRAME COMPUTER WTR	30,157
1585	MINI COMPUTERS WTR	88,454
1590	COMP SYS COST WTR	636,707
1595	MICRO SYS COST WTR	18,844
1970	ACC DEPR-OFFICE STRUCTURE	(39,836)
1975	ACC DEPR-OFFICE FURN/EQPT	(33,012)
1985	ACC DEPR-TOOL SHOP & MISC	(589)
2000	ACC DEPR-COMMUNICATION EQ	(3,253)
2300	ACC DEPR-TRANSPORTATION W	(515,174)
2320	ACC DEPR-MAINFRAME COMP W	(23,778)
2325	ACC DEPR-MINI COMP WTR	(83,881)
2330	COMP SYS AMORTIZATION WTR	(393,537)
2335	MICRO SYS AMORTIZATION WT	(18,844)
<b>Total Rate Base</b>		<b>366,465</b>