

Case No. 2013-00237

Exhibit 4

WATER SERVICE CORPORATION OF KENTUCKY

Schedule A

Case No. 2013 - 00237

Balance Sheet
Test Year 12/31/2012

<u>ASSETS</u>		<u>LIABILITIES AND OTHER CREDITS</u>	
Plant In Service		Capital Stock and Retained Earnings	
Water	\$ 10,657,790	Common Stock and Paid In Capital	\$ 5,068,941
Sewer	-	Retained Earnings	(822,379)
Total	<u>\$ 10,657,790</u>	Total	<u>\$ 4,246,562</u>
Accumulated Depreciation-Water	(5,010,382)	Current and Accrued Liabilities	
Accumulated Depreciation-Sewer	-	Accounts Payable-Trade	343,219
Total	<u>\$ (5,010,382)</u>	Taxes Accrued	(21,952)
Net Utility Plant	<u>\$ 5,647,408</u>	Deferred Credits	56,299
		Customer Deposits - Interest	5,274
		A/P - Assoc. Companies	1,209,997
		Deferred Revenue	-
		Total	<u>\$ 1,592,837</u>
Plant Acquisition Adjustment-Water	(146,420)	Advances In Aid of Construction	
Plant Acquisition Adjustment-Sewer	-	Water	113,080.53
Total	<u>\$ (146,420)</u>	Sewer	-
		Total	<u>\$ 113,080.53</u>
Construction Work In Process-Water	(0)	Contributions In Aid of Construction	
Construction Work In Process-Sewer	-	Water	165,216
Total	<u>\$ (0)</u>	Sewer	-
Current Assets		Total	<u>\$ 165,216</u>
Cash	23,078	Accumulated Deferred Income Tax	
Accounts Receivable - Net	1,065,126	Unamortized ITC	-
Other Current Assets	14,019	Deferred Tax - Federal	598,244
Total	<u>\$ 1,102,223</u>	Deferred Tax - State	67,338
Deferred Charges	<u>180,066</u>	Total	<u>\$ 665,582</u>
TOTAL ASSETS	<u><u>\$ 6,783,277</u></u>	TOTAL LIABILITIES AND OTHER CREDITS	<u><u>\$ 6,783,277</u></u>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	2,066,451	37,361	2,103,813	228,789 [k]	2,332,602
Service Revenues - Sewer	-	-	-	-	-
Miscellaneous Revenues	78,995	-	78,995	-	78,995
Uncollectible Accounts	(37,353)	(675) [b]	(38,028)	(4,136) [b]	(42,164)
Total Operating Revenues	2,108,093	36,686	2,144,779	224,654	2,369,433
Maintenance Expenses					
Salaries and Wages	460,338	58,761 [c]	519,099	-	519,099
Purchase Water/Sewer	85,200	-	85,200	-	85,200
Purchased Power	95,111	-	95,111	-	95,111
Maintenance and Repair	98,163	-	98,163	-	98,163
Maintenance Testing	34,092	-	34,092	-	34,092
Meter Reading	-	-	-	-	-
Chemicals	145,421	-	145,421	-	145,421
Transportation	46,788	(12,014)	34,774	-	34,774
Operating Exp. Charged to Plant	(132,210)	(31,659) [d]	(163,869)	-	(163,869)
Outside Services - Other	30,001	-	30,001	-	30,001
Total	862,903	15,089	877,992	-	877,992
General Expenses					
Salaries and Wages	229,319	(55,671) [c]	173,648	-	173,648
Office Supplies & Other Office Exp.	79,610	-	79,610	-	79,610
Regulatory Commission Exp.	99,563	(25,903) [e]	73,660	-	73,660
Pension & Other Benefits	122,141	38,575 [c]	160,716	-	160,716
Rent	6,254	-	6,254	-	6,254
Insurance	63,192	-	63,192	-	63,192
Office Utilities	54,273	-	54,273	-	54,273
Miscellaneous	25,119	(12,945)	12,173	-	12,173
Total	679,471	(55,944)	623,526	-	623,526
Depreciation	316,070	(34,242) [f]	281,828	-	281,828
Amortization of PAA	(3,660)	3,660 [f]	-	-	-
Taxes Other Than Income	135,765	8,297 [g]	144,063	(169) [g]	143,894
Expense Reduction Related to Clinton Sewer Operations	(153,285)	32,576 [h]	(120,708)	-	(120,708)
Income Taxes - Federal	23,450	31,042 [i]	54,491	71,853 [i]	126,345
Income Taxes - State	20,913	(10,683) [i]	10,230	13,489 [i]	23,719
Amortization of CIAC	(1,918)	(2,312) [f]	(4,229)	-	(4,229)
Total	337,335	28,339	365,674	85,174	450,848
Total Operating Expenses	1,879,709	(12,516)	1,867,193	85,174	1,952,367
Net Operating Income	228,384	49,202	277,586	139,480	417,066
Other Income	-	-	-	-	-
Interest During Construction	(1,730)	-	(1,730)	-	(1,730)
Interest on Debt	180,121	(8,312) [j]	171,809	-	171,809
Net Income	49,994	57,514	107,508	139,480	246,987

- [a] Intentionally left blank.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to annualized and pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of the end of the year.
- [d] Operating expense charged to plant has been adjusted for projected increases in salaries, taxes, and benefits for operators.
- [e] Regulatory commission expense has been adjusted.
- [f] Depreciation and Amortization Expense are annualized. Depreciation expense represents gross depreciable plant at the end of the year multiplied by their respective depreciation rates
- [g] Taxes other than Income is adjusted for annualized payroll taxes and Utility Commission Taxes.
- [h] Income taxes are computed on taxable income at current rates
- [i] Expenses for Clinton sewer operations have been reduced to actual expense reductions.
- [j] Interest on debt is computed using a 52.44% / 47.56% debt / equity ratio and a 6.60% cost of debt;
- [k] Revenues are annualized at proposed rates using the actual test year bills.
- [l] Adjustment to Miscellaneous expense - w/p [r].

	Per Books	Pro Forma Adjustments		As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 228,384	49,202		\$ 277,586	139,480	\$ 417,066
Gross Plant In Service	\$ 10,657,790	(275,137) [a]		10,382,653	-	\$ 10,382,653
Accumulated Depreciation	(5,010,382)	362,489 [a]		(4,647,893)	-	(4,647,893)
Net Plant In Service	5,647,408	87,352		5,734,760	-	5,734,760
Cash Working Capital	209,767	(4,069) [c]		205,698	-	205,698
Contributions In Aid of Construction	(165,216)	(4,793) [a][b]		(170,009)	-	(170,009)
Advances in Aid of Construction	(113,081)	32,355 [a][b]		(80,726)	-	(80,726)
Accumulated Deferred Income Taxes	(665,582)	-		(665,582)	-	(665,582)
Customer Deposits	(56,299)	-		(56,299)	-	(56,299)
Reduction for Transportation Equipment	-	(6,355) [d]		(6,355)	-	(6,355)
Total Rate Base	\$ 4,856,998	\$ 104,489		\$ 4,961,487	\$ -	\$ 4,961,487
Return on Rate Base	4.70%			5.59%		8.41%

Explanation of Adjustments to Rate Base

- [a] Gross plant in service and Accumulated Depreciation adjustments per wp [appendix]. Net CIAC and AIAC are adjusted per w/p [p-5].
- [b] Accumulated depreciation, CIAC, and AIAC have been restated to reflect a 2% depreciation rate from the time the assets or liabilities were put in service.
- [c] Working capital is calculated based on pro forma maintenance expenses, pro forma general expenses, and taxes other than income.
- [d] Transportation equipment has been reduced due to operator time for Clinton sewer operations.

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year/ Annualized/ Proposed Revenues
Test Year Ended December 31, 2012

Schedule D

	Actual Gallons Consumed (000's)	# of Bills	Billable Gallons (000's)	Rates per 1,000 gal.	Revenue	Test Year Revenue	Total # of Bills	Total Billable Gallons (000's)	Proposed Rates	Proposed Revenues
First 6,000		814		\$26.97	\$ 21,954	\$ 21,954	814		\$ 29.90	\$ 24,341
Next 4,000			1,736	\$3.61	6,267	6,267		1,736	4.00	6,948
Next 15,000			3,900	\$3.29	12,831	12,831		3,900	3.65	14,226
Next 25,000			2,481	\$3.12	7,742	7,742		2,481	3.46	8,583
Next 50,000			915	\$2.79	2,553	2,553		915	3.09	2,830
Over 100,000			23	\$2.55	59	59		23	2.83	65
Total Commercial 1" Meter	12,954	814	9,055		\$ 51,405	\$ 51,405	814	9,055		\$ 56,995
Average Commercial 1" Bill						\$ 63.15				\$ 70.02
Residential 1" Meter	3,118									
First 6,000		276		\$26.97	\$ 7,444	\$ 7,444	276		\$ 29.90	\$ 8,253
Next 4,000			404	\$3.61	1,458	1,458		404	4.00	1,617
Next 15,000			425	\$3.29	1,398	1,398		425	3.65	1,550
Next 25,000			209	\$3.12	652	652		209	3.46	723
Next 50,000			233	\$2.79	650	650		233	3.09	721
Over 100,000			643	\$2.55	1,640	1,640		643	2.83	1,818
Total Residential 1" Meter	3,118	276	1,914		\$ 13,242	\$ 13,242	276	1,914		\$ 14,682
Average Residential 1" Bill						\$ 47.98				\$ 53.20
Governmental 1" Meter	541									
First 6,000		36		\$26.97	\$ 971	\$ 971	36		\$ 29.90	\$ 1,077
Next 4,000			93	\$3.61	336	336		93	4.00	372
Next 15,000			217	\$3.29	714	714		217	3.65	792
Next 25,000			50	\$3.12	156	156		50	3.46	173
Next 50,000			-	\$2.79	-	-		-	3.09	-
Over 100,000			-	\$2.55	-	-		-	2.83	-
Total Governmental 1" Meter	541	36	360		\$ 2,177	\$ 2,177	36	360		\$ 2,413
Average Governmental 1" Bill						\$ 60.46				\$ 67.04
Industrial 1" Meter	161									
First 6,000		12		\$26.97	\$ 324	\$ 324	12		\$ 29.90	\$ 359
Next 4,000			12	\$3.61	43	43		12	4.00	48
Next 15,000			37	\$3.29	122	122		37	3.65	135
Next 25,000			40	\$3.12	125	125		40	3.46	138
Next 50,000			19	\$2.79	53	53		19	3.09	59
Over 100,000			-	\$2.55	-	-		-	2.83	-
Total Industrial 1" Meter	161	12	108		\$ 667	\$ 667	12	108		\$ 739
Average Industrial 1" Bill						\$ 55.54				\$ 61.58
Commercial 1.5" Meter	8,956									
First 11,200		211		\$51.22	\$ 10,807	\$ 10,807	211		\$ 56.79	\$ 11,983
Next 13,800			1,432	\$3.29	4,711	4,711		1,432	3.65	5,224
Next 25,000			2,460	\$3.12	7,675	7,675		2,460	3.46	8,510
Next 50,000			1,986	\$2.79	5,541	5,541		1,986	3.09	6,144
Over 100,000			1,088	\$2.55	2,774	2,774		1,088	2.83	3,076
Total Commercial 1.5" Meter	8,956	211	6,966		\$ 31,509	\$ 31,509	211	6,966		\$ 34,936
Average Commercial 1.5" Bill						\$ 149.33				\$ 165.57
Governmental 1.5" Meter	2,887									
First 11,200		60		\$51.22	\$ 3,073	\$ 3,073	60		\$ 56.79	\$ 3,407
Next 13,800			344	\$3.29	1,132	1,132		344	3.65	1,255
Next 25,000			602	\$3.12	1,878	1,878		602	3.46	2,082

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year/ Annualized/ Proposed Revenues
Test Year Ended December 31, 2012

Schedule D

	Actual Gallons Consumed (000's)	# of Bills	Billable Gallons (000's)	Rates per 1,000 gal.	Revenue	Test Year Revenue	Total # of Bills	Total Billable Gallons (000's)	Proposed Rates	Proposed Revenues
Next 50,000			553	\$2.79	1,543	\$ 1,543		553	\$ 3.09	\$ 1,711
Over 100,000			911	\$2.55	2,323	\$ 2,323		911	\$ 2.83	\$ 2,576
Total Governmental 1.5" Meter	2,887	60	2,410		\$ 9,949	\$ 9,949	60	2,410		\$ 11,031
Average Governmental 1.5" Bill					\$ 165.82					\$ 183.85
Industrial 1.5" Meter	1,187									
First 11,200		24		\$51.22	\$ 1,229	\$ 1,229	24		\$ 56.79	\$ 1,363
Next 13,800			267	\$3.29	878	\$ 878		267	\$ 3.65	\$ 974
Next 25,000			385	\$3.12	1,201	\$ 1,201		385	\$ 3.46	\$ 1,332
Next 50,000			170	\$2.79	474	\$ 474		170	\$ 3.09	\$ 526
Over 100,000			56	\$2.55	143	\$ 143		56	\$ 2.83	\$ 158
Total Industrial 1.5" Meter	1,187	24	878		\$ 3,926	\$ 3,926	24	878		\$ 4,353
Average Industrial 1.5" Bill					\$ 163.58					\$ 181.37
Commercial 2" Meter	26,670									
First 17,600		345		\$78.80	\$ 27,186	\$ 27,186	345		\$ 87.37	\$ 30,142
Next 7,400			792	\$3.29	2,606	\$ 2,606		792	\$ 3.65	\$ 2,889
Next 25,000			3,752	\$3.12	11,706	\$ 11,706		3,752	\$ 3.46	\$ 12,979
Next 50,000			5,230	\$2.79	14,592	\$ 14,592		5,230	\$ 3.09	\$ 16,179
Over 100,000			11,396	\$2.55	29,060	\$ 29,060		11,396	\$ 2.83	\$ 32,220
Total Commercial 2" Meter	26,670	345	21,170		\$ 85,149	\$ 85,149	345	21,170		\$ 94,409
Average Commercial 2" Bill					\$ 246.81					\$ 273.65
Industrial 2" Meter	835									
First 17,600		48		\$78.80	\$ 3,782	\$ 3,782	48		\$ 87.37	\$ 4,194
Next 7,400			43	\$3.29	141	\$ 141		43	\$ 3.65	\$ 157
Next 25,000			212	\$3.12	661	\$ 661		212	\$ 3.46	\$ 733
Next 50,000			238	\$2.79	664	\$ 664		238	\$ 3.09	\$ 736
Over 100,000			8	\$2.55	20	\$ 20		8	\$ 2.83	\$ 23
Total Industrial 2" Meter	835	48	501		\$ 5,270	\$ 5,270	48	501		\$ 5,843
Average Industrial 2" Bill					\$ 109.79					\$ 121.73
Governmental 2" Meter	6,537									
First 17,600		192		\$78.80	\$ 15,130	\$ 15,130	192		\$ 87.37	\$ 16,775
Next 7,400			293	\$3.29	964	\$ 964		293	\$ 3.65	\$ 1,069
Next 25,000			1,521	\$3.12	4,746	\$ 4,746		1,521	\$ 3.46	\$ 5,262
Next 50,000			1,595	\$2.79	4,450	\$ 4,450		1,595	\$ 3.09	\$ 4,934
Over 100,000			1,019	\$2.55	2,598	\$ 2,598		1,019	\$ 2.83	\$ 2,881
Total Governmental 2" Meter	6,537	192	4,428		\$ 27,888	\$ 27,888	192	4,428		\$ 30,920
Average Governmental 2" Bill					\$ 145.25					\$ 161.04
Commercial 3" Meter	4,137									
First 68,400		36		\$220.05	\$ 7,922	\$ 7,922	36		\$ 243.98	\$ 8,783
Next 31,600			768	\$2.79	2,143	\$ 2,143		768	\$ 3.09	\$ 2,376
Over 100,000			1,481	\$2.55	3,777	\$ 3,777		1,481	\$ 2.83	\$ 4,187
Total Commercial 3" Meter	4,137	36	2,249		\$ 13,841	\$ 13,841	36	2,249		\$ 15,346
Average Commercial 3" Bill					\$ 384.47					\$ 426.29
Governmental 3" Meter	11,626									
First 68,400		50		\$220.05	\$ 11,003	\$ 11,003	50		\$ 243.98	\$ 12,199
Next 31,600			448	\$2.79	1,250	\$ 1,250		448	\$ 3.09	\$ 1,386

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year/ Annualized/ Proposed Revenues
Test Year Ended December 31, 2012

Schedule D

	Actual Gallons Consumed (000's)	# of Bills	Billable Gallons (000's)	Rates per 1,000 gal.	Revenue	Test Year Revenue	Total # of Bills	Total Billable Gallons (000's)	Proposed Rates	Proposed Revenues
Over 100,000			9,959	\$2.55	25,395	\$ 25,395		9,959	\$ 2.83	\$ 28,157
Total Governmental 3" Meter	11,626	50	10,407		\$ 37,648	\$ 37,648	50	10,407		41,742
Average Governmental 3" Bill						\$ 752.96				\$ 834.84
Industrial 3" Meter	8,953									
First 68,400		12		\$220.05	\$ 2,641	\$ 2,641	12		\$ 243.98	\$ 2,928
Next 31,600			384	\$2.79	1,071	\$ 1,071		384	\$ 3.09	\$ 1,188
Over 100,000			7,753	\$2.55	19,770	\$ 19,770		7,753	\$ 2.83	\$ 21,920
Total Industrial 3" Meter	8,953	12	8,137		\$ 23,482	\$ 23,482	12	8,137		26,036
Average Industrial 3" Bill						\$ 1,956.84				\$ 2,169.65
Commercial 4" Meter	1,930									
First 127,500		12		\$378.43	\$ 4,541	\$ 4,541	12		\$ 419.58	\$ 5,035
Over 127,500			438	\$2.55	1,117	\$ 1,117		438	\$ 2.83	\$ 1,238
Total Commercial 4" Meter	1,930	12	438		\$ 5,658	\$ 5,658	12	438		6,273
Average Commercial 4" Bill						\$ 471.51				\$ 522.78
Governmental 4" Meter	373									
First 127,500		12		\$378.43	\$ 4,541	\$ 4,541	12		\$ 419.58	\$ 5,035
Over 127,500			-	\$2.55	-	\$ -		-	\$ 2.83	\$ -
Total Governmental 4" Meter	373	12	-		\$ 4,541	\$ 4,541	12	-		\$ 5,035
Average Governmental 4" Bill						\$ 378.43				\$ 419.58
Industrial 4" Meter	1,258									
First 127,500		12		\$378.43	\$ 4,541	\$ 4,541	12		\$ 419.58	\$ 5,035
Over 127,500			20	\$2.55	51	\$ 51		20	\$ 2.83	\$ 57
Total Industrial 4" Meter	1,258	12	20		\$ 4,592	\$ 4,592	12	20		\$ 5,092
Average Industrial 4" Bill						\$ 382.68				\$ 424.30
Commercial 6" Meter	1,809									
First 281,500		24		\$771.41	\$ 18,514	\$ 18,514	24		\$ 855.30	\$ 20,527
Over 281,500			-	\$2.55	-	\$ -		-	\$ 2.83	\$ -
Total Commercial 6" Meter	1,809	24	-		\$ 18,514	\$ 18,514	24	-		\$ 20,527
Average Commercial 6" Bill						\$ 771.41				\$ 855.30
Industrial 6" Meter	40,289									
First 281,500		12		\$771.41	\$ 9,257	\$ 9,257	12		\$ 855.30	\$ 10,264
Over 281,500			36,911	\$2.55	94,123	\$ 94,123		36,911	\$ 2.83	\$ 104,359
Total Industrial 6" Meter	40,289	12	36,911		\$ 103,380	\$ 103,380	12	36,911		\$ 114,623
Average Industrial 6" Bill						\$ 8,615.00				\$ 9,551.88
Middlesboro Municipal Fire Protection	-	3,420	-	\$ 4.43	\$ 15,151	\$ 15,151	3,420	-	\$ 4.91	\$ 16,798
Total Middlesboro Municiple Fire	-	3,420	-		\$ 15,151	\$ 15,151	3,420	-		\$ 16,798
Average Middlesboro Municiple Fire						\$ 4.43				\$ 4.91
Middlesboro Private Fire Protection	-	912	-	\$ 19.93	\$ 18,176	\$ 18,176	912	-	\$ 22.10	\$ 20,153
Total Middlesboro Private Fire	-	912	-		\$ 18,176	\$ 18,176	912	-		\$ 20,153
Average Middlesboro Private Fire						\$ 19.93				\$ 22.10

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year/ Annualized/ Proposed Revenues
Test Year Ended December 31, 2012

Schedule D

	Actual Gallons Consumed (000's)	# of Bills	Billable Gallons (000's)	Rates per 1,000 gal.	Revenue	Test Year Revenue	Total # of Bills	Total Billable Gallons (000's)	Proposed Rates	Proposed Revenues
TOTAL MIDDLESBORO	403,951	73,805	314,704		\$ 1,820,355	\$ 1,820,355	73,805	314,704		\$ 2,018,318

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year/ Annualized/ Proposed Revenues
Test Year Ended December 31, 2012

Schedule D

	Actual Gallons Consumed (000's)	# of Bills	Billable Gallons (000's)	Rates per 1,000 gal.	Revenue	Test Year Revenue	Total # of Bills	Total Billable Gallons (000's)	Proposed Rates	Proposed Revenues
First 11,200		24		\$80.59	\$ 1,934	\$ 1,934	24		\$ 89.35	\$ 2,144
Next 13,800			168	\$6.23	1,047	1,047		168	\$ 6.91	\$ 1,160
Next 25,000			300	\$5.68	1,704	1,704		300	\$ 6.30	\$ 1,889
Next 50,000			600	\$5.04	3,024	3,024		600	\$ 5.59	\$ 3,353
Over 100,000			530	\$4.40	2,332	2,332		530	\$ 4.88	\$ 2,586
Total Governmental 1.5" Meter	1,761	24	1,598		\$ 10,041	\$ 10,041	24	1,598		\$ 11,133
Average Governmental 1.5" Bill						\$ 418.37				\$ 463.86
Residential 2" Meter	304									
First 17,600		12		\$120.48	\$ 1,446	\$ 1,446	12		\$ 133.58	\$ 1,603
Next 7,400			72	\$6.23	449	449		72	\$ 6.91	\$ 497
Next 25,000			30	\$5.68	170	170		30	\$ 6.30	\$ 189
Next 50,000			-	\$5.04	-	-		-	\$ 5.59	\$ -
Over 100,000			-	\$4.40	-	-		-	\$ 4.88	\$ -
Total Residential 2" Meter	304	12	102		\$ 2,065	\$ 2,065	12	102		\$ 2,289
Average Residential 2" Bill						\$ 172.06				\$ 190.77
Commercial 2" Meter	1,471									
First 17,600		16		\$120.48	\$ 1,928	\$ 1,928	16		\$ 133.58	\$ 2,137
Next 7,400			72	\$6.23	449	449		72	\$ 6.91	\$ 497
Next 25,000			225	\$5.68	1,278	1,278		225	\$ 6.30	\$ 1,417
Next 50,000			319	\$5.04	1,608	1,608		319	\$ 5.59	\$ 1,783
Over 100,000			649	\$4.40	2,856	2,856		649	\$ 4.88	\$ 3,166
Total Commercial 2" Meter	1,471	16	1,265		\$ 8,118	\$ 8,118	16	1,265		\$ 9,000
Average Commercial 2" Bill						\$ 507.35				\$ 562.52
Governmental 2" Meter	4,157									
First 17,600		60		\$120.48	\$ 7,229	\$ 7,229	60		\$ 133.58	\$ 8,015
Next 7,400			288	\$6.23	1,794	1,794		288	\$ 6.91	\$ 1,989
Next 25,000			846	\$5.68	4,805	4,805		846	\$ 6.30	\$ 5,328
Next 50,000			1,395	\$5.04	7,031	7,031		1,395	\$ 5.59	\$ 7,795
Over 100,000			947	\$4.40	4,167	4,167		947	\$ 4.88	\$ 4,620
Total Governmental 2" Meter	4,157	60	3,476		\$ 25,026	\$ 25,026	60	3,476		\$ 27,747
Average Governmental 2" Bill						\$ 417.10				\$ 462.46
Clinton Municipal Fire Protection	-	648	-	\$ 4.43	\$ 2,871	\$ 2,871	648	-	\$ 4.91	\$ 3,183
Total Clinton Municipality Fire	-	648	-		\$ 2,871	\$ 2,871	648	-		\$ 3,183
Average Clinton Municipality Fire						\$ 4.43				\$ 4.91
Clinton Private Fire Protection	-	144	-	\$ 19.93	\$ 2,870	\$ 2,870	144	-	\$ 22.10	\$ 3,182
Total Clinton Private Fire	-	144	-		\$ 2,870	\$ 2,870	144	-		\$ 3,182
Average Clinton Private Fire						\$ 19.93				\$ 22.10
TOTAL CLINTON	35,715	8,613	26,467		\$ 283,399	\$ 283,458	8,613	26,467		\$ 314,284
Total WSC KY	439,666	82,418	341,171		2,103,753	2,103,813	82,418	341,171		2,332,602

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Test Year 12/31/2012
Calculation of Revenue Requirement
Operation Ratio Method

Schedule E

Pro Forma Operating revenue	2,182,808
Divided by: Pro Forma Operating Expenses	<u>1,798,552</u>
Operating Ratio	<u>121%</u>
Pro Forma Operating Expenses	
Maintenance expenses	877,992
General expenses	623,526
Depreciation	281,828
Amortization of CIAC	(4,229)
Clinton Expense reduction	(120,708)
Property tax	82,392
Payroll tax	57,751
Total Pro Forma Operating Expenses	<u>1,798,552</u>
Divided by: Operating ratio	<u>88.0%</u>
Subtotal	2,043,809
Less Pro Forma Operating Expense	<u>1,798,552</u>
Operating Margin allowed in revenue requirement	<u>245,257</u>

WATER SERVICE CORPORATION OF KENTUCKY

w/p [a]

Case No. 2013 - 00237**Uncollectible Accounts****Test Year Ended December 31, 2012**

	<u>Water</u>
Test Year / Present Revenues	<u>\$ 2,066,451</u>
Uncollectible Accounts	\$ 37,353
WSCKY Bad Debt	<u>\$ 37,353</u>
Uncollectible %	<u>1.81%</u>
Annualized revenues	<u>\$ 2,103,813</u>
Uncollectible %	<u>1.81%</u>
Annualized Uncollectible Accounts	38,028
Proposed Revenues	<u>\$ 2,332,602</u>
Uncollectible %	<u>1.81%</u>
Uncollectible Accounts	<u>\$ 42,164</u>

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Calculation of Salary and Benefits
Test Year 12/31/2012

w/p [b]

Confidential

	Position	Total Annualized Salary	[1]	FICA 7.65%	FUTA 7,000 @ .8%	SUTA 9,300 @ 3.3%	Total Taxes	12/31/2012 Health Insurance	401(k) at 3%	Company Contribution at 4%	12/31/2012 Other	Total Benefits
Maintenance												
Maintenance 1	Field Tech III	50,756		3,883	56	307	4,246	7,482	1,523	2,030	454	11,488
Maintenance 2	Operator II	39,907		3,053	56	307	3,416	7,482	1,197	1,596	454	10,729
Maintenance 3	Field Tech I	32,332		2,473	56	307	2,836	7,482	970	1,293	454	10,199
Maintenance 4	Regional Manager	73,655		5,635	56	307	5,998	7,482	2,210	2,946	454	13,091
Maintenance 5	Lead Operator	51,470		3,937	56	307	4,300	7,482	1,544	2,059	454	11,538
Maintenance 6	Field Tech I	34,134		2,611	56	307	2,974	7,482	1,024	1,365	454	10,325
Maintenance 7	Operator II	40,127		3,070	56	307	3,433	7,482	1,204	1,605	454	10,744
Maintenance 8	Field Tech I	26,858		2,055	56	307	2,418	7,482	806	1,074	454	9,815
Maintenance 9	Field Tech I	33,866		2,591	56	307	2,954	7,482	1,016	1,355	454	10,306
Maintenance 10	Operator II	42,966		3,287	56	307	3,650	7,482	1,289	1,719	454	10,943
Maintenance 11	Administrative Assistant	38,883		2,975	56	307	3,338	7,482	1,166	1,555	454	10,657
Supervisory												
Supervisory 1	Regional Director	124,819		8,859	56	307	9,222	7,482	3,745	4,993	454	16,673
Supervisory 2	Regional Vice President	184,998		9,732	56	307	10,095	7,482	5,550	7,400	454	20,885
Supervisory 3	Executive Assistant	69,913		5,348	56	307	5,711	7,482	2,097	2,797	454	12,829
Supervisory 4	Regional Finance Manager	72,407		5,539	56	307	5,902	7,482	2,172	2,896	454	13,004
Supervisory 5	Regional Compliance & Safety Manager	60,864		4,656	56	307	5,019	7,482	1,826	2,435	454	12,196
Total Operator Salary		<u>977,957</u>		<u>69,704</u>	<u>896</u>	<u>4,910</u>	<u>75,510</u>	<u>119,710</u>	<u>29,339</u>	<u>39,118</u>	<u>7,256</u>	<u>195,423</u>
Operator Allocation												
Maintenance 1	Field Tech III	50,756		3,883	56	307	4,246	7,482	1,523	2,030	454	11,488
Maintenance 2	Operator II	39,907		3,053	56	307	3,416	7,482	1,197	1,596	454	10,729
Maintenance 3	Field Tech I	32,332		2,473	56	307	2,836	7,482	970	1,293	454	10,199
Maintenance 4	Regional Manager	73,655		5,635	56	307	5,998	7,482	2,210	2,946	454	13,091
Maintenance 5	Lead Operator	51,470		3,937	56	307	4,300	7,482	1,544	2,059	454	11,538
Maintenance 6	Field Tech I	34,134		2,611	56	307	2,974	7,482	1,024	1,365	454	10,325
Maintenance 7	Operator II	40,127		3,070	56	307	3,433	7,482	1,204	1,605	454	10,744
Maintenance 8	Field Tech I	26,858		2,055	56	307	2,418	7,482	806	1,074	454	9,815
Maintenance 9	Field Tech I	33,866		2,591	56	307	2,954	7,482	1,016	1,355	454	10,306
Maintenance 10	Operator II	42,966		3,287	56	307	3,650	7,482	1,289	1,719	454	10,943
Maintenance 11	Administrative Assistant	38,883		2,975	56	307	3,338	7,482	1,166	1,555	454	10,657
Supervisory												
Supervisory 1	Regional Director	27,058		1,920	12	67	1,999	1,622	812	1,082	98	3,614
Supervisory 2	Regional Vice President	12,908		679	4	21	704	522	387	516	32	1,457
Supervisory 3	Executive Assistant	4,878		373	4	21	398	522	146	195	32	895
Supervisory 4	Regional Finance Manager	5,052		386	4	21	412	522	152	202	32	907
Supervisory 5	Regional Compliance & Safety Manager	4,247		325	4	21	350	522	127	170	32	851
Total Operator Allocation		<u>519,099</u>		<u>39,254</u>	<u>644</u>	<u>3,528</u>	<u>43,426</u>	<u>86,010</u>	<u>15,573</u>	<u>20,764</u>	<u>5,214</u>	<u>127,561</u>

[1] Salaries Annualized to include an estimated 3.0% raise effective 4/01/2013

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Calculation of Salary and Benefits
Test Year 12/31/2012

w/p [b]

Confidential

	Salaries (operations)		Salaries (non-operations)		Payroll Taxes		Benefits		
	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%		
Oper. (see above)	-				43,426	-	127,561	-	
Office (see wp-b CSR)		37,233	-		3,585	-	11,416	-	
WSC - per WSC w/p		134,652	-		10,740	-	21,739	-	
Total	-	171,885	-		57,751	-	160,716	-	909,450
Test Year	-	227,555	-		49,454	-	122,141	-	859,488
Adjustments (Water/Sewer)	-	(55,671)	-		8,297	-	38,575	-	49,962
	W S	W	S		W	S	W	S	

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Calculation of Health and Other Benefits
Test Year 12/31/2012

W/p [b-1]

<u>Account Number</u>	<u>Account Name</u>	<u>Balance 12/31/12</u>	<u>Average Full Time Head Count for the 12 months ended 12/31/12</u>	<u>Benefits per employee</u>
5630	HEALTH & DENTAL PREMIUMS	573,961		
5635	DENTAL INS REIMBURSEMENTS	131,370		
5640	EMP PENSIONS & BENEFITS	-		
5645	EMPLOYEE INS DEDUCTIONS	(864,247)		
5650	HEALTH COSTS & OTHER	15,294		
5655	HEALTH INS REIMBURSEMENTS	3,233,626		
	Total Health Insurance	<u>3,090,004</u>	413	7,482
5660	OTHER EMP BENEFITS	28,223		
5670	TERM LIFE INS	187,547		
5675	TERM LIFE INS-OPT	(22,819)		
5680	DEPEND LIFE INS-OPT	(14,443)		
5685	SUPPLEMENTAL LIFE INS	-		
5690	TUITION	8,797		
	Total Other Benefits	<u>187,305</u>	413	454

<u>Month</u>	<u>Full time employee Head Count</u>
1/31/2012	410
2/28/2012	415
3/31/2012	415
4/30/2012	414
5/31/2012	412
6/30/2012	414
7/31/2012	412
8/31/2012	411
9/30/2012	410
10/31/2012	410
11/30/2012	415
12/31/2012	418
12 month Average	<u>413</u>

Water Service Corporation of Kentucky
Case No. 2013 - 00237
Calculation of Capitalized Time Allocation
Test Year Ended December 31, 2012

w/p [b-2]

Confidential

	Total Capitalized Time [a]	Percentage Allocated WSC KY [b]	WSC KY Capitalized Time Adjustment [c]
Maintenance			
Maintenance 1	(17,537)	100.00%	(17,537)
Maintenance 2	(1,583)	100.00%	(1,583)
Maintenance 3	(5,257)	100.00%	(5,257)
Maintenance 4	(24,040)	100.00%	(24,040)
Maintenance 5	(8,688)	100.00%	(8,688)
Maintenance 6	(5,899)	100.00%	(5,899)
Maintenance 7	(4,914)	100.00%	(4,914)
Maintenance 9	(15,750)	100.00%	(15,750)
Maintenance 10	(8,168)	100.00%	(8,168)
Maintenance 11	(11,948)	100.00%	(11,948)
Supervisory			
Supervisory 1	(104,603)	21.68%	(22,676)
Supervisory 2	(89,132)	6.98%	(6,219)
Supervisory 3	-	6.98%	-
Supervisory 4	(540)	6.98%	(38)
Supervisory 5	-	6.98%	-
Total Operator Capitalized Time	(298,060)		(132,717)
Office			
CSR 1	(80)	2.78%	(2)
CSR 2	(360)	2.78%	(10)
CSR 3	(3,255)	2.78%	(90)
CSR 5	(199)	2.78%	(6)
CSR 7	(293)	2.78%	(8)
CSR 14	(2,101)	2.78%	(58)
CSR 10	(2,220)	2.78%	(62)
CSR 12	(3,059)	2.78%	(85)
CSR 15	(319)	2.78%	(9)
CSR 16	(408)	2.78%	(11)
CSR 18	(2,041)	2.78%	(57)
CSR 21	(1,149)	2.78%	(32)
CSR 23	(2,515)	2.78%	(70)
CSR 26	(13,999)	2.78%	(389)
CSR 28	(2,195)	2.78%	(61)
CSR 30	(2,006)	2.78%	(56)
CSR 31	(448)	2.78%	(12)
CSR 17	(293)	2.78%	(8)
CSR 20	(757)	2.78%	(21)
CSR 22	(276)	2.78%	(8)
CSR 29	(1,830)	2.78%	(51)
CSR 32	(438)	2.78%	(12)
CSR 34	(566)	2.78%	(16)
CSR 35	(1,135)	2.78%	(31)
CSR 37	(1,105)	2.78%	(31)
CSR 38	(2,578)	2.78%	(72)
CSR 40	(224)	2.78%	(6)
Total Office Capitalized Time	(45,849)		(1,272)

Water Service Corporation of Kentucky
Case No. 2013 - 00237
Calculation of Capitalized Time Allocation
Test Year Ended December 31, 2012

w/p [b-2]

Confidential

	Total Capitalized Time [a]	Percentage Allocated WSC KY [b]	WSC KY Capitalized Time Adjustment [c]
WSC			
WSC 1	(9,409)	2.78%	(261)
WSC 2	(38,498)	2.78%	(1,068)
WSC 3	(1,188)	2.78%	(33)
WSC 4	(41,125)	2.78%	(1,141)
WSC 5	(16,200)	2.78%	(450)
WSC 6	(33,018)	2.78%	(916)
WSC 7	(71,692)	2.78%	(1,990)
WSC 8	(62,379)	2.78%	(1,731)
WSC 9	(35,120)	2.78%	(975)
WSC 10	(14,378)	2.78%	(399)
WSC 11	(610)	2.78%	(17)
WSC 12	(1,127)	2.78%	(31)
WSC 13	(57,540)	2.78%	(1,597)
WSC 14	(703)	2.78%	(20)
WSC 15	(2,124)	2.78%	(59)
WSC 16	(149,830)	2.78%	(4,158)
WSC 17	(24,268)	2.78%	(674)
WSC 18	(3,564)	2.78%	(99)
WSC 19	(12,258)	2.78%	(340)
WSC 20	(49,572)	2.78%	(1,376)
WSC 21	(3,987)	2.78%	(111)
WSC 22	(29,670)	2.78%	(823)
WSC 23	(18,937)	2.78%	(526)
WSC 24	(9,644)	2.78%	(268)
WSC 25	(1,483)	2.78%	(41)
WSC 26	(7,314)	2.78%	(203)
WSC 27	(52,774)	2.78%	(1,465)
WSC 28	(5,232)	2.78%	(145)
WSC 29	(12,213)	2.78%	(339)
WSC 30	(28,494)	2.78%	(791)
WSC 31	(128,147)	2.78%	(3,557)
WSC 32	(22,164)	2.78%	(615)
WSC 33	(378)	2.78%	(10)
WSC 34	(13,266)	2.78%	(368)
WSC 35	(26,488)	2.78%	(735)
WSC 36	(1,409)	2.78%	(39)
WSC 37	(31,180)	2.78%	(865)
WSC 38	(59,220)	2.78%	(1,644)
Total WSC Capitalized Time	(1,076,599)		(29,879)
Total Capitalized Time Adjustment			
Operator Capitalized Time			(132,717)
Office Capitalized Time			(1,272)
Wsc Capitalized Time			(29,879)
Total Capitalized Time Adjustment			(163,869)

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Calculation of Customer Service Salary and benefits
Test Year 12/31/2012
Using 05/24/13 Paystub Salaries

w/p [b-3]

Confidential

Line	Customer Service Personnel [A]	Position	State [B]	Total Annualized Salary [C]	FICA 7.65% [D]	FUTA 7,000 @ .8% [E]	SUTA [F]	Total Taxes [G]	12/31/2012 Health Insurance [E]	401k at 3% [F]	Company Contribution at 4% [G]	12/31/2012 Other [H]	Total Benefits [I]	
1.	CSR 1	CSR II	FL	31,467	2,407	56	366 [1]	2,829	7,482	944	1,259	454	10,138	
2.	CSR 2	CSR I	NC	25,251	1,932	56	878 [2]	2,866	7,482	758	1,010	454	9,703	
3.	CSR 3	CSR II	FL	35,432	2,711	56	366 [1]	3,133	7,482	1,063	1,417	454	10,416	
4.	CSR 4	CSR II	FL	33,211	2,541	56	366 [1]	2,963	7,482	996	1,328	454	10,260	
5.	CSR 5	Contact Center Supervisor	FL	37,698	2,884	56	366 [1]	3,306	7,482	1,131	1,508	454	10,574	
6.	CSR 6	Customer Relations Specialist	FL	56,347	4,311	56	366 [1]	4,733	7,482	1,690	2,254	454	11,880	
7.	CSR 7	CSR I	NV	25,335	1,938	56	975 [3]	2,969	7,482	760	1,013	454	9,709	
8.	CSR 8	Collections Specialist	NC	26,848	2,054	56	878 [2]	2,988	7,482	805	1,074	454	9,815	
9.	CSR 9	Collections Supervisor	NV	39,655	3,034	56	1,036 [3]	4,126	7,482	1,190	1,586	454	10,711	
10.	CSR 10	CSR II	FL	27,587	2,110	56	366 [1]	2,532	7,482	828	1,103	454	9,866	
11.	CSR 11	CSR I	NV	25,997	1,989	56	1,001 [3]	3,046	7,482	780	1,040	454	9,755	
12.	CSR 12	Collections Specialist	NC	28,863	2,208	56	1,036 [3]	3,300	7,482	866	1,155	454	9,956	
13.	CSR 13	CSR II	NV	29,457	2,253	56	1,036 [3]	3,345	7,482	884	1,178	454	9,997	
14.	CSR 14	CSR I	NC	25,376	1,941	56	878 [2]	2,875	7,482	761	1,015	454	9,712	
15.	CSR 15	Collections Specialist	FL	27,189	2,080	56	366 [1]	2,502	7,482	816	1,088	454	9,839	
16.	CSR 16	Billing Specialist	FL	28,046	2,145	56	366 [1]	2,567	7,482	841	1,122	454	9,899	
17.	CSR 17	CSR I	NV	25,299	1,935	56	974 [3]	2,965	7,482	759	1,012	454	9,706	
18.	CSR 18	CSR II	FL	29,032	2,221	56	366 [1]	2,643	7,482	871	1,161	454	9,968	
19.	CSR 19	CSR I	FL	25,828	1,976	56	366 [1]	2,398	7,482	775	1,033	454	9,743	
20.	CSR 20	CSR I	FL	27,554	2,108	56	366 [1]	2,530	7,482	827	1,102	454	9,864	
21.	CSR 21	Assistant Manager - Billing	FL	48,299	3,695	56	366 [1]	4,117	7,482	1,449	1,932	454	11,316	
22.	CSR 22	CSR I	FL	26,212	2,005	56	366 [1]	2,427	7,482	786	1,048	454	9,770	
23.	CSR 23	Customer Service Supervisor	NC	35,926	2,748	56	878 [2]	3,682	7,482	1,078	1,437	454	10,450	
24.	CSR 24	CSR II	NC	31,101	2,379	56	878 [2]	3,313	7,482	933	1,244	454	10,112	
25.	CSR 25	CSR I	FL	25,480	1,949	56	366 [1]	2,371	7,482	764	1,019	454	9,719	
26.	CSR 26	Director of Billing and Regulatory Relations	FL	100,339	7,676	56	366 [1]	8,098	7,482	3,010	4,014	454	14,959	
27.	CSR 27	Customer Service Manager	FL	58,240	4,455	56	366 [1]	4,877	7,482	1,747	2,330	454	12,012	
28.	CSR 28	Assistant Manager - Billing	NC	46,171	3,532	56	878 [2]	4,466	7,482	1,385	1,847	454	11,167	
29.	CSR 29	CSR I	NC	26,039	1,992	56	878 [2]	2,926	7,482	781	1,042	454	9,758	
30.	CSR 30	Customer Care Specialist	FL	34,778	2,660	56	366 [1]	3,082	7,482	1,043	1,391	454	10,370	
31.	CSR 31	Billing Specialist	NC	35,292	2,700	56	878 [2]	3,634	7,482	1,059	1,412	454	10,406	
32.	CSR 32	CSR I	FL	26,573	2,033	56	366 [1]	2,455	7,482	797	1,063	454	9,795	
33.	CSR 33	CSR I	FL	25,501	1,951	56	366 [1]	2,373	7,482	765	1,020	454	9,720	
34.	CSR 34	Customer Service Supervisor	NV	33,587	2,569	56	1,036 [3]	3,661	7,482	1,008	1,343	454	10,286	
35.	CSR 35	CSR I	FL	26,550	2,031	56	366 [1]	2,453	7,482	797	1,062	454	9,794	
36.	CSR 36	CSR I	NC	25,675	1,964	56	878 [2]	2,898	7,482	770	1,027	454	9,733	
37.	CSR 37	Customer Service Supervisor	FL	44,804	3,427	56	366 [1]	3,849	7,482	1,344	1,792	454	11,072	
38.	CSR 38	CSR I	FL	28,059	2,147	56	366 [1]	2,569	7,482	842	1,122	454	9,900	
39.	CSR 39	CSR I	FL	25,501	1,951	56	366 [1]	2,373	7,482	765	1,020	454	9,720	
40.	CSR 40	Collections Specialist	NC	25,962	1,986	56	878 [2]	2,920	7,482	779	1,038	454	9,753	
Total				1,341,560	102,628	2,240	24,298	129,166	299,274	40,247	53,662	18,141	411,324	
WSC Allocation Percentage				2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
Total Kentucky Customer Service Allocation				37,233	2,848	62	674	3,585	8,306	1,117	1,489	503	11,416	
Clinton Sewer Allocation Percentage				7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
Clinton Sewer Office expense				2,915	223	5	53	281	650	87	117	39	894	

[1] Florida 2013 SUTA \$8,000 limit at 4.58%
[2] North Carolina 2013 SUTA \$20,900 at 4.20%
[3] Nevada 2013 SUTA \$26,900 limit at 3.85%
[6] Salaries Annualized to include an estimated 3.0% raise effective 4/01/2013

	Total Annualized Salary	FICA 7.65%	FUTA 7,000 @ .8%	SUTA 12900 @ 8.95%	Total Taxes	4/16/2013 Health Insurance	401k 3%	Company Contribution 4%	4/16/2013 Other	Total Benefits	Check Stub	Annual Salary
Total Northbrook Salary	4,851,704	317,992	3,192	65,809	386,993	418,992	145,230	193,640	25,424	783,285	4,851,704	4,851,704
WSC of KY 2.7753%	134,651.66	8,825.39	88.59	1,826.44	10,740.41	11,628.48	4,030.63	5,374.17	705.60	21,738.89	134,651.66	134,651.66

Line	Vehicle	Driver	[1]	Plant in Service [2]	Year Purchased [2]	TYE 12/31/2012 Years in Service [3]	Depr % [4]	A/D [5]	Yearly Depr Exp [6]
				[a]	[b]	[c]	[d]	[e]	[f]
Calculation of Depr Expense and A/D									
1.	1137	Maintenance 1		31,131	2011	2.00	25%	(15,565)	7,783
2.	9942	Maintenance 2		21,470	1999	14.00	25%	(21,470)	-
3.	0804	Maintenance 3		18,507	2008	5.00	25%	(18,507)	-
4.	1129	Maintenance 4		32,389	2011	2.00	25%	(16,195)	8,097
5.	0873	Maintenance 5		23,307	2008	5.00	25%	(23,307)	-
6.	0875	Maintenance 6		18,903	2008	5.00	25%	(18,903)	-
7.	0332	Maintenance 7		18,359	2003	10.00	25%	(18,359)	-
8.	0069	Maintenance 8		20,885	2000	13.00	25%	(20,885)	-
9.	0070	Maintenance 9		18,770	2000	13.00	25%	(18,770)	-
10.	0817	Maintenance 10		26,994	2008	5.00	25%	(26,994)	-
11.	0616	Maintenance 11		23,223	2006	7.00	25%	(23,223)	-
12.	0701	Supervisory 1		39,156	2006	7.00	25%	(39,156)	-
13.	0818	Supervisory 2		29,220	2007	6.00	25%	(29,220)	-
14.	N/A	Supervisory 3		-			25%	-	-
15.	N/A	Supervisory 4		-			25%	-	-
16.	0640	Supervisory 5		25,586	2005	8.00	25%	(25,586)	-
				<u>347,900</u>				<u>(316,140)</u>	<u>15,880</u>

			% Used in WSC of Kentucky [7]	Plant in Service [2]	Plant in Service Allocation [8]	A/D	AD Allocation [9]
17.	1137	Maintenance 1	100.00%	31,131	31,131	(15,565)	(15,565)
18.	9942	Maintenance 2	100.00%	21,470	21,470	(21,470)	(21,470)
19.	0804	Maintenance 3	100.00%	18,507	18,507	(18,507)	(18,507)
20.	1129	Maintenance 4	100.00%	32,389	32,389	(16,195)	(16,195)
21.	0873	Maintenance 5	100.00%	23,307	23,307	(23,307)	(23,307)
22.	0875	Maintenance 6	100.00%	18,903	18,903	(18,903)	(18,903)
23.	0332	Maintenance 7	100.00%	18,359	18,359	(18,359)	(18,359)
24.	0069	Maintenance 8	100.00%	20,885	20,885	(20,885)	(20,885)
25.	0070	Maintenance 9	100.00%	18,770	18,770	(18,770)	(18,770)
26.	0817	Maintenance 10	100.00%	26,994	26,994	(26,994)	(26,994)
27.	0616	Maintenance 11	100.00%	23,223	23,223	(23,223)	(23,223)
28.	0701	Supervisory 1	21.68%	39,156	8,488	(39,156)	(8,488)
29.	0818	Supervisory 2	6.98%	29,220	2,039	(29,220)	(2,039)
30.	N/A	Supervisory 3	6.98%	-	-	-	-
31.	N/A	Supervisory 4	6.98%	-	-	-	-
32.	0640	Supervisory 5	6.98%	25,586	1,785	(25,586)	(1,785)
33.	Rate Base Allocation Adjustment				<u>262,426</u>		<u>(230,666)</u>
34.	Vehicles-water operations	[11]			262,426		(230,666)
35.	Vehicles-sewer operations	[12]			-		-

			% Used in WSC of Kentucky [7]	Yearly Depr Exp	Transportation Depr Exp Allocation [10]
Calculation of Depreciation Expense allocation					
36.	1137	Maintenance 1	100.00%	7,783	7,783
37.	9942	Maintenance 2	100.00%	-	-
38.	0804	Maintenance 3	100.00%	-	-
39.	1129	Maintenance 4	100.00%	8,097	8,097
40.	0873	Maintenance 5	100.00%	-	-
41.	0875	Maintenance 6	100.00%	-	-
42.	0332	Maintenance 7	100.00%	-	-
43.	0069	Maintenance 8	100.00%	-	-
44.	0070	Maintenance 9	100.00%	-	-
45.	0817	Maintenance 10	100.00%	-	-
46.	0616	Maintenance 11	100.00%	-	-
47.	0701	Supervisory 1	21.68%	-	-
48.	0818	Supervisory 2	6.98%	-	-
49.	N/A	Supervisory 3	6.98%	-	-
50.	N/A	Supervisory 4	6.98%	-	-
51.	0640	Supervisory 5	6.98%	-	-
52.	Depreciation Exp Allocation Adjustment				<u>15,880</u>
53.	Vehicles-water operations	[11]			15,880
54.	Vehicles-sewer operations	[12]			-

[1] Per Company inventory 08/01/13
[2] per SE 1 Auto Depreciation
[3] Using mid-year convention
[4] Four year straight-line rate
[5] Column [a] multiplied by column [c] and column [d]
[6] Column [a] multiplied by column [d]
[7] Per salary wp-b
[8] Column [a] multiplied by column [b]
[9] Column [a] multiplied by column [d]
[10] Column [a] multiplied by column [b]
[11] Water allocation based on customer ratio of 100.0%
[12] Sewer allocation based on customer ratio of .0%

WATER SERVICE CORPORATION OF KENTUCKY

w/p [p-2a]

Allocation of Transportation Expense
 Test Year Ended December 31, 2012

Line	Object Account	Description	State of Kentucky Expense for TYE 12/31/2012 [1]	Vehicles in Kentucky [2]	TYE 12/31/2012 Expense per Vehicle [3]
			[a]	[b]	[c]
		FLEET TRANSPORTATION EXPENS			
1.	6215	FUEL	33,781	15	2,252
2.	6220	AUTO REPAIR/TIRES	12,722	15	848
3.	6225	AUTO LICENSES	-	15	-
4.	6230	OTHER TRANS EXPENSES	-	15	-
5.		FLEET TRANSPORTATION EXPENS	<u>46,502</u>	15	<u>3,100</u>
6.					3,100
	Vehicles	Driver	% Used in WSC of Kentucky [2]	TYE 12/31/2012 Expense per Vehicle [4]	% Allocated to WSC of Kentucky [5]
7.	1137	Maintenance 1	100.00%	3,100	3,100
8.	9942	Maintenance 2	100.00%	3,100	3,100
9.	0804	Maintenance 3	100.00%	3,100	3,100
10.	1129	Maintenance 4	100.00%	3,100	3,100
11.	0873	Maintenance 5	100.00%	3,100	3,100
12.	0875	Maintenance 6	100.00%	3,100	3,100
13.	0332	Maintenance 7	100.00%	3,100	3,100
14.	0069	Maintenance 8	100.00%	3,100	3,100
15.	0070	Maintenance 9	100.00%	3,100	3,100
16.	0817	Maintenance 10	100.00%	3,100	3,100
17.	0616	Maintenance 11	100.00%	3,100	3,100
18.	0701	Supervisory 1	21.68%	3,100	672
19.	0818	Supervisory 2	6.98%	3,100	216
20.	N/A	Supervisory 3	6.98%	3,100	216
21.	N/A	Supervisory 4	6.98%	3,100	216
22.	0640	Supervisory 5	6.98%	3,100	216
				Allocation Adjustment	<u>34,774</u>
23.		Transportation exp-water operations	[6]		34,774
24.		Transportation exp-sewer operations	[7]		-

- [1] Per State TYE 12/31/2012 Income Statements
- [2] Per Company inventory 08/01/2013
- [3] Column(a) divided Column(b)
- [4] Per salary wp-b
- [5] Column [a] multiplied by column [b]
- [6] Water allocation based on customer ratio of 100.0%
- [7] Sewer allocation based on customer ratio of .0%

WATER SERVICE CORPORATION OF KENTUCKY
 CALCULATION OF STATE COMPUTERS, DEPRECIATION
 EXPENSE AND ACCUMULATED DEPRECIATION
 Test Year Ended December 31, 2012

w/p [p-3]

Line No.	Item	Plant in Service (a)	Year in Service (b)	Depreciation or Amortization Expense (c)	[3]	A/D or A/A (d)
<u>Mini-computers</u>						
1.	Prior to 2003	3,671		-		(3,671)
2.	2003	3,592	10	-		(3,592)
3.	2004	2,282	9	-		(2,282)
4.	2005	4,032	8	-		(4,032)
5.	2006	1,730	7	-		(1,730)
6.	2007	27,121	6	-		(27,121)
7.	2008	151	5	-		(151)
8.	2009	-	4	-		-
9.	2010	-	3	-		-
10.	2011	-	2	-		-
11.	2012	-	1	-		-
12.	Totals - mini-computers	42,579		-		(42,579)
13.	Percentage allocated to WSC of Kentucky	100.00%		100.00%		100.00%
14.	State Mini-computers Allocation	42,579		-		(42,579)
15.	Mini-computers - water operations	42,579	[1]	-	[1]	(42,579) [1]
16.	Mini-computers - sewer operations	-	[2]	-	[2]	- [2]
<u>Software Amortization</u>						
17.	2002	2,109	11	-		(2,109)
18.	2003	-	10	-		-
19.	2004	620	9	-		(620)
20.	2005	126	8	-		(126)
21.	2006	383	7	-		(383)
22.	2007	-	6	-		-
23.	2008	-	5	-		-
24.	2009	-	4	-		-
25.	2010	-	3	-		-
26.	2011	-	2	-		-
27.	2012	-	1	-		-
28.	Totals - Software	3,237		-		(3,237)
29.	Percentage allocated to WSC of Kentucky	100.00%		100.00%		100.00%
30.	State Software allocation	3,237		-		(3,237)
31.	Mini-computers - water operations	3,237	[1]	-	[1]	(3,237) [1]
32.	Mini-computers - sewer operations	-	[2]	-	[2]	- [2]
<u>Totals - WSC of Kentucky computers</u>						
33.	Total computers - water operations (L15 + L31)	45,817		-		(45,817)
34.	Total computers - sewer operations (L16 + L32)	-		-		-
<u>Fully-depreciated computers</u>						
35.	Mini-computers	42,579				
36.	Software Amortization	3,237				
37.	Total - fully-depreciated computers	45,817				
38.	Percentage allocated to WSC of Kentucky	100.00%				
39.	Total - fully-depreciated computers	45,817				

[1] Water allocation based on customer ratio of 100.0%

[2] Sewer allocation based on customer ratio of .0%

[3] Column(a) times depreciation rates listed below, unless fully depreciated

	Months	Years	Rate
Mainframe	60	5	20.0%
Mini-computer	36	3	33.3%
Comp Sys	96	8	12.5%
Software	36	3	33.3%

WATER SERVICE CORPORATION OF KENTUCKY
CALCULATION OF WSC COMPUTERS, DEPRECIATION
EXPENSE AND ACCUMULATED DEPRECIATION
Test Year Ended December 31, 2012

w/p [p-4]

Line No.	Item	Plant in Service	Year in Service	Depreciation or Amortization Expense	[3]	A/D or A/A
		(a)	(b)	(c)		(d)
<u>Mainframe computers</u>						
1.	pre 2001 Balance	371,502 [4]		-		(371,502)
2.	2001	- [4]	12	-		-
3.	2002	5,583 [4]	11	-		(5,583)
4.	2003	171,680 [4]	10	-		(171,680)
5.	2004	13,640 [4]	9	-		(13,640)
6.	2005	- [4]	8	-		-
7.	2006	2,385 [4]	7	-		(2,385)
8.	2007	- [4]	6	-		-
9.	2008	6,476 [4]	5	1,295		(6,476)
10.	2009	- [4]	4	-		-
11.	2010	508,722 [4]	3	101,744		(305,233)
12.	2011	6,609 [4]	2	1,322		(2,643)
13.	2012	- [4]	1	-		-
14.	Totals - mainframe	1,086,597		104,361		(879,143)
15.	Percentage allocated to WSC of Kentucky	2.78%		2.78%		2.78%
16.	WSC Mainframe computers Allocation	30,157		2,896		(24,399)
17.	Mainframe computers - water operations	30,157 [1]		2,896 [1]		(24,399) [1]
18.	Mainframe computers - sewer operations	- [2]		- [2]		- [2]
<u>Mini-computers</u>						
19.	pre 2001 balance	522,323 [4]		-		(522,323)
20.	2001	24,965 [4]	12	-		(24,965)
21.	2002	169,304 [4]	11	-		(169,304)
22.	2003	32,993 [4]	10	-		(32,993)
23.	2004	28,300 [4]	9	-		(28,300)
24.	2005	64,443 [4]	8	-		(64,443)
25.	2006	129,917 [4]	7	-		(129,917)
26.	2007	207,294 [4]	6	-		(207,294)
27.	2008	70,702 [4]	5	-		(70,702)
28.	2009	58,160 [4]	4	-		(58,160)
29.	2010	93,231 [4]	3	31,077		(93,231)
30.	2011	175,255 [4]	2	58,418		(116,836)
31.	2012	76,063 [4]	1	25,354		(25,354)
32.	Totals - mini-computers	1,652,949		114,850		(1,543,822)
33.	Percentage allocated to WSC of Kentucky	2.78%		2.78%		2.78%
34.	WSC Mini-computers Allocation	45,875		3,187		(42,846)
35.	Mini-computers - water operations	45,875 [1]		3,187 [1]		(42,846) [1]
36.	Mini-computers - sewer operations	- [2]		- [2]		- [2]
<u>Computer systems cost</u>						
37.	pre 2001 balance	771,293 [4]		-		(771,293)
38.	2001	45,542 [4]	12	-		(45,542)
39.	2002	5,912 [4]	11	-		(5,912)
40.	2003	14,240 [4]	10	-		(14,240)
41.	2004	- [4]	9	-		-
42.	2005	- [4]	8	-		-
43.	2006	- [4]	7	-		-
44.	2007	- [4]	6	-		-
45.	2008	21,622,024 [4]	5	2,702,753		(13,513,765)
46.	2009	488,373 [4]	4	61,047		(244,186)
47.	2010	(170,056) [4]	3	(21,257)		170,056
48.	2011	95,692 [4]	2	11,962		(23,923)
49.	2012	68,521 [4]	1	8,565		(8,565)
50.	Totals - Computer system	22,941,541		2,763,069		(14,457,371)
51.	Percentage allocated to WSC of Kentucky	2.78%		2.78%		2.78%
52.	WSC Computer system Allocation	636,707		76,685		(401,242)
53.	Computer system - water operations	636,707 [1]		76,685 [1]		(401,242) [1]
54.	Computer system - sewer operations	- [2]		- [2]		- [2]

WATER SERVICE CORPORATION OF KENTUCKY
 CALCULATION OF WSC COMPUTERS, DEPRECIATION
 EXPENSE AND ACCUMULATED DEPRECIATION
 Test Year Ended December 31, 2012

w/p [p-4]

Line No.	Item	Plant in Service	Year in Service	Depreciation or Amortization Expense	[3]	A/D or A/A
<u>Software Amortization</u>						
55.	pre 2001 Balance	89,399	[4]	-		(89,399)
56.	2001	9,222	[4]	12	-	(9,222)
57.	2002	17,117	[4]	11	-	(17,117)
58.	2003	8,312	[4]	10	-	(8,312)
59.	2004	5,069	[4]	9	-	(5,069)
60.	2005	30,906	[4]	8	-	(30,906)
61.	2006	20,310	[4]	7	-	(20,310)
62.	2007	318,625	[4]	6	-	(318,625)
63.	2008	60,604	[4]	5	-	(60,604)
64.	2009	2,762	[4]	4	-	(2,762)
65.	2010	-	[4]	3	-	-
66.	2011	-	[4]	2	-	-
67.	2012	-	[4]	1	-	-
68.	Totals - Software	562,326			-	(562,326)
69.	Percentage allocated to WSC of Kentucky	2.78%			2.78%	2.78%
70.	WSC Software allocation	15,606			-	(15,606)
71.	Software - water operations	15,606	[1]		- [1]	(15,606) [1]
72.	Software - sewer operations	-	[2]		- [2]	- [2]
<u>Totals - WSC of Kentucky computers</u>						
73.	Total computers - water operations (L17 + L35 + L53 + L71)	728,346			82,769	(484,094)
74.	Total computers - sewer operations (L18 + L36 + L54 + L72)	-			-	-
<u>Fully-depreciated computers</u>						
75.	Mainframe computers	571,266				
76.	Mini-computers	1,308,400				
77.	Computer systems cost	836,988				
78.	Software Amortization	562,326				
79.	Total - fully-depreciated computers	3,278,980				
80.	Percentage allocated to WSC of Kentucky	2.78%				
81.	Total - fully-depreciated computers	91,003				

[1] Water allocation based on customer ratio of 100.0%

[2] Sewer allocation based on customer ratio of .0%

[3] Column(a) times depreciation rates listed below, unless fully depreciated

	Months	Years	Rate
Mainframe	60	5	20.0%
Mini-computer	36	3	33.3%
Comp Sys	96	8	12.5%
Software	36	3	33.3%

[4] Per WSC GL

WATER SERVICE CORPORATION OF KENTUCKY
Reconciliation Summary

w/p [p-5]

Acct #	A/D or A/A Acct #	Account Description	Restatement Plant Accounts	Restatement vs TB UC Difference	Per Restatement	Per TB UC = AA + UA + UR	Per TB AA	Per TB UR	Per TB UA	Restatement vs TB UC Difference	Per Restatement	Per TB UC = AA + UA + UR	Per TB AA	Per TB UR	Per TB UA
Plant															
1020	1835	ORGANIZATION	Organization	36,283	164,394	128,111	128,111	-	-	8,870	-	(8,870)	(8,870)	-	-
1025	1840	FRANCHISES				-	-	-	-			-	-	-	-
1040	0	LAND & LAND RIGHTS TRANS	Land	(1,862)	20,677	-	-	-	-			-	-	-	-
1045	0	LAND & LAND RIGHTS GEN PL				22,539	20,044	-	2,495			-	-	-	-
1050	1845	STRUCT & IMPRV SRC SUPPLY	Common	1,862	8,663,904	113,002	113,002	-	-	513,864	(3,093,365)	(23,242)	(23,242)	-	-
1055	1850	STRUCT & IMPRV WTR TRT PL				452,040	452,040	-	-			(149,987)	(149,987)	-	-
1060	1855	STRUCT & IMPRV TRANS DIST				-	-	-	-			-	-	-	-
1065	1860	STRUCT & IMPRV GEN PLT				129,603	129,603	-	-			(7,348)	(7,348)	-	-
1080	1875	WELLS & SPRINGS				475,035	475,035	-	-			(68,495)	(68,495)	-	-
1090	1885	SUPPLY MAINS				8,822	8,822	-	-			(249)	(249)	-	-
1105	1900	ELECTRIC PUMP EQUIP WTP				595,959	595,959	-	-			(86,792)	(86,792)	-	-
1110	1905	ELECTRIC PUMP EQUIP TRANS				5,577	5,577	-	-			(296)	(296)	-	-
1115	1910	WATER TREATMENT EQPT				574,203	574,203	-	-			(199,093)	(199,093)	-	-
1120	1915	DIST RESV & STANDPIPES				522,965	522,965	-	-			(228,855)	(228,855)	-	-
1125	1920	TRANS & DISTR MAINS				2,975,976	2,975,976	-	-			(1,312,250)	(1,312,250)	-	-
1130	1925	SERVICE LINES				682,894	682,894	-	-			(566,222)	(566,222)	-	-
1135	1930	METERS				708,803	708,803	-	-			(417,351)	(417,351)	-	-
1140	1935	METER INSTALLATIONS				349,788	349,788	-	-			(169,467)	(169,467)	-	-
1145	1940	HYDRANTS				382,079	382,079	-	-			(47,696)	(47,696)	-	-
1150	1945	BACKFLOW PREVENTION DEVIC				-	-	-	-			-	-	-	-
1170	1965	OTH PLT&MISC EQUIP TRANS				-	-	-	-			-	-	-	-
1175	1970	OFFICE STRUCT & IMPRV				144,933	72,362	-	72,571			(49,639)	(14,396)	(35,243)	-
1180	1975	OFFICE FURN & EQPT				99,305	63,058	-	36,247			(81,626)	(51,820)	(29,805)	-
1190	1985	TOOL SHOP & MISC EQPT				259,537	258,985	-	551			(115,781)	(115,223)	(558)	-
1195	1990	LABORATORY EQUIPMENT				45,182	45,182	-	-			(27,359)	(27,359)	-	-
1205	2000	COMMUNICATION EQPT				64,260	44,156	-	20,104			(46,684)	(36,105)	(10,579)	-
1210	2005	MISC EQUIPMENT				-	-	-	-			-	-	-	-
1215	0	WATER PLANT ALLOCATED				69,976	69,976	-	-			-	-	-	-
1220	2010	OTHER TANGIBLE PLT WATER				-	-	-	-			(8,745)	(8,745)	-	-
		Sewer				2,104	2,104	-	-			(53)	(53)	-	-
Total Plant				36,283	8,848,975	8,812,693	8,680,725	-	131,968	522,734	(3,093,365)	(3,616,099)	(3,539,914)	-	(76,185)
Total Plant Check					8,848,975	8,812,693	8,680,725	-	131,968	522,734	(3,093,365)	(3,616,099)	(3,539,914)	-	(76,185)

WATER SERVICE CORPORATION OF KENTUCKY
Reconciliation Summary

w/p [p-5]

Acct #	A/D or A/A Acct #	Account Description	Restatement Plant Accounts	Restatement vs TB UC Difference	Per Restatement	Per TB UC = AA + UA + UR	Per TB AA	Per TB UR	Per TB UA	Restatement vs TB UC Difference	Per Restatement	Per TB UC = AA + UA + UR	Per TB AA	Per TB UR	Per TB UA
1555	2300	TRANSPORTATION EQPT WTR	Vehicle	-	489,813	489,813	42,210	-	447,603	(44,282)	(481,305)	(437,023)	(25,664)	-	(411,359)
		Total Transportation			489,813	489,813	42,210	-	447,603	(44,282)	(481,305)	(437,023)	(25,664)	-	(411,359)
		Total Transportation Check			489,813	489,813	42,210	-	447,603	(44,282)	(481,305)	(437,023)	(25,664)	-	(411,359)
					-	-	-	-	-						
1580	2320	MAINFRAME COMPUTER WTR	Computers	-	720,843	28,367	-	-	28,367	46,758	(266,858)	(17,203)	-	-	(17,203)
1585	2325	MINI COMPUTERS WTR				79,042	-	-	79,042			(68,259)	-	-	(68,259)
1590	2330	COMP SYS COST WTR				595,428	-	-	595,428			(210,379)	-	-	(210,379)
1595	2335	MICRO SYS COST WTR				18,007	-	-	18,007			(17,775)	-	-	(17,775)
		Total Computer			720,843	720,843	-	-	720,843	46,758	(266,858)	(313,616)	-	-	(313,616)
		Total Computer Check			720,843	720,843	-	-	720,843	46,758	(266,858)	(313,616)			(313,616)
					-	-	-	-	-						
		Total Plant			10,059,632	10,023,349	8,722,935	-	1,300,414	525,210	(3,841,528)	(4,366,738)	(3,565,577)	-	(801,161)
		Totals for Check			10,059,632	10,021,244	8,720,830	-	1,300,414	525,157	(3,841,528)	(4,366,685)	(3,565,525)	-	(801,161)
					-	2,104	2,104	-	-						
CIAC															
3430	3975	CIAC-OTHER TANGIBLE PLT W	Common	(29,791)	(110,835)	(74,378)	(74,378)	-	-	22,686	35,028	12,280	12,280	-	-
3435	3980	CIAC-WATER-TAP				(6,666)	(6,666)	-	-			63	63	-	-
				(29,791)	(110,835)	(81,044)	(81,044)	-	-	22,686	35,028	12,342	12,342	-	-
AIAC															
3225		ADV-IN-AID OF CONST-WATER	Common	-	(113,081)	(113,081)	(113,081)	-	-	32,355	32,355	-	-	-	-
Total					6,492					577,774					

WATER SERVICE CORPORATION OF KENTUCKY

w/p [p-5a]

Case No. 2013 - 00237

Plant Restatement from Case No. 2010 - 00476

Test Year Ended September 30, 2010

	<u>Year Placed in Service</u>	<u>Date Acq.</u>	<u>Total Utility Plant in Service</u>	<u>Years in Service</u>	<u>Depr. Rate</u>	<u>Acc. Depr.</u>	<u>Net Plant</u>	<u>Fully Deprec.</u>
<u>Plant at Acquisition</u>								
Land	1981	1/1/1981	3,257.48	29.75	0.0%	-	3,257.48	No
Land	1981	1/1/1981	596.00	29.75	0.0%	-	596.00	No
Land	1981	1/1/1981	1,234.50	29.75	0.0%	-	1,234.50	No
Common	1985	11/21/1985	13,478.20	25.75	2.0%	6,941.27	6,536.93	No
Common	1985	11/21/1985	185,476.30	25.75	2.0%	95,520.29	89,956.01	No
Common	1985	11/21/1985	2,641.38	25.75	2.0%	1,360.31	1,281.07	No
Common	1985	11/21/1985	6,336.72	25.75	2.0%	3,263.41	3,073.31	No
Common	1985	11/21/1985	30,123.53	25.75	2.0%	15,513.62	14,609.91	No
Common	1985	11/21/1985	194,242.01	25.75	2.0%	100,034.64	94,207.37	No
Common	1985	11/21/1985	25,622.80	25.75	2.0%	13,195.74	12,427.06	No
Common	1985	11/21/1985	334,189.62	25.75	2.0%	172,107.65	162,081.97	No
Common	1985	11/21/1985	13,680.34	25.75	2.0%	7,045.38	6,634.96	No
Common	1985	11/21/1985	10,164.72	25.75	2.0%	5,234.83	4,929.89	No
Common	1985	11/21/1985	312,686.93	25.75	2.0%	161,033.77	151,653.16	No
Common	1985	11/21/1985	125,585.14	25.75	2.0%	64,676.35	60,908.79	No
Common	1985	11/21/1985	2,264,076.47	25.75	2.0%	1,165,999.38	1,098,077.09	No
Common	1985	11/21/1985	283,658.51	25.75	2.0%	146,084.13	137,574.38	No
Common	1985	11/21/1985	40,452.80	25.75	2.0%	20,833.19	19,619.61	No
Common	1985	11/21/1985	515,437.63	25.75	2.0%	265,450.38	249,987.25	No
Common	1985	11/21/1985	78,560.82	25.75	2.0%	40,458.82	38,102.00	No
Common	1985	11/21/1985	370,692.25	25.75	2.0%	190,906.51	179,785.74	No
Common	1985	11/21/1985	70,195.28	25.75	2.0%	36,150.57	34,044.71	No
Common	1985	11/21/1985	145,967.76	25.75	2.0%	75,173.40	70,794.36	No
Common	1985	11/21/1985	19,188.32	25.75	2.0%	9,881.98	9,306.34	No
Common	1985	11/21/1985	129,343.47	25.75	2.0%	66,611.89	62,731.58	No
Common	1985	11/21/1985	21,885.34	25.75	2.0%	11,270.95	10,614.39	No
Common	1997	7/31/1997	6,000.81	13.75	2.0%	1,650.22	4,350.59	No
Common	1997	7/31/1997	677.84	13.75	2.0%	186.41	491.43	No
Common	1997	7/31/1997	39,951.21	13.75	2.0%	10,986.58	28,964.63	No
Common	1997	7/31/1997	18,022.24	13.75	2.0%	4,956.12	13,066.12	No
Common	1997	7/31/1997	29,151.79	13.75	2.0%	8,016.74	21,135.05	No
Common	1997	7/31/1997	34,478.84	13.75	2.0%	9,481.68	24,997.16	No
Common	1997	7/31/1997	682.50	13.75	2.0%	187.69	494.81	No
Common	1997	7/31/1997	33,053.68	13.75	2.0%	9,089.76	23,963.92	No
Common	1997	7/31/1997	6,843.71	13.75	2.0%	1,882.02	4,961.69	No
Common	1997	7/31/1997	12,226.94	13.75	2.0%	3,362.41	8,864.53	No
Common	1997	7/31/1997	337.29	13.75	2.0%	92.75	244.54	No

WATER SERVICE CORPORATION OF KENTUCKY

Case No. 2013 - 00237

Plant Restatement from Case No. 2010 - 00476

Test Year Ended September 30, 2010

w/p [p-5a]

	Year Placed in Service	Date Acq.	Total Utility Plant in Service	Years in Service	Depr. Rate	Acc. Depr.	Net Plant	Fully Deprec.
Common	1997	7/31/1997	25,347.95	13.75	2.0%	6,970.69	18,377.26	No
Common	1997	7/31/1997	7,520.74	13.75	2.0%	2,068.20	5,452.54	No
Common	1997	7/31/1997	20,637.80	13.75	2.0%	5,675.40	14,962.41	No
Common	1997	7/31/1997	3,041.00	13.75	2.0%	836.28	2,204.73	No
Common	1997	7/31/1997	854.21	13.75	2.0%	234.91	619.30	No
Common	1997	7/31/1997	8,920.93	13.75	2.0%	2,453.26	6,467.67	No
Common	1997	7/31/1997	18,713.80	13.75	2.0%	5,146.30	13,567.51	No
Common	1997	7/31/1997	42,319.97	13.75	2.0%	11,637.99	30,681.98	No
Common	1997	7/31/1997	117,894.63	13.75	2.0%	32,421.02	85,473.61	No
Common	1997	7/31/1997	2,383.00	13.75	2.0%	655.33	1,727.68	No
Common	1997	7/31/1997	454.00	13.75	2.0%	124.85	329.15	No
Land	1997	7/31/1997	840.80	13.75	0.0%	-	840.80	No
Land	1997	7/31/1997	6,853.00	13.75	0.0%	-	6,853.00	No
Land	1997	7/31/1997	628.83	13.75	0.0%	-	628.83	No
Land	1997	7/31/1997	1,025.44	13.75	0.0%	-	1,025.44	No
Land	1997	7/31/1997	5,496.00	13.75	0.0%	-	5,496.00	No
Land	1997	7/31/1997	112.00	13.75	0.0%	-	112.00	No
Vehicle	1997	7/31/1997	91,200.55	13.75	25.0%	91,200.55	-	Yes
Vehicle	1997	7/31/1997	23,193.71	13.75	25.0%	23,193.71	-	Yes
Vehicle	1997	7/31/1997	30,641.95	13.75	25.0%	30,641.95	-	Yes
Vehicle	1997	7/31/1997	3,289.00	13.75	25.0%	3,289.00	-	Yes
Vehicle	1997	7/31/1997	626.00	13.75	25.0%	626.00	-	Yes
Vehicle	1999	7/1/1999	23,723.00	11.75	25.0%	23,723.00	-	Yes
Common	2000	12/1/2000	69,976.00	10.75	2.0%	15,044.84	54,931.16	No
Vehicle	2000	1/1/2000	21,601.00	10.75	25.0%	21,601.00	-	Yes
Vehicle	2000	3/1/2000	24,098.00	10.75	25.0%	24,098.00	-	Yes
Vehicle	2001	3/1/2001	32,326.00	9.75	25.0%	32,326.00	-	Yes
Organization	2002		102,864.30	8.75	0.0%	-	102,864.30	No
Organization	2002		36,282.69	8.75	0.0%	-	36,282.69	No
Common	2002		38,243.82	8.75	2.0%	6,692.67	31,551.15	No
Computers	2002		5,780.15	8.75	12.5%	5,780.15	-	Yes
Vehicle	2002		25,878.91	8.75	25.0%	25,878.91	-	Yes
Common	2003		210,574.95	7.75	2.0%	32,639.12	177,935.83	No
Computers	2003		3,592.20	7.75	12.5%	3,479.94	112.26	No
Vehicle	2003		66,712.73	7.75	25.0%	66,712.73	-	Yes
Organization	2003		22,898.39	7.75	0.0%	-	22,898.39	No
Common	2004		456,980.03	6.75	2.0%	61,692.30	395,287.73	No
Computers	2004		2,901.96	6.75	12.5%	2,448.53	453.43	No
Vehicle	2004		55,831.70	6.75	25.0%	55,831.70	-	Yes
Organization	2004		1,945.82	6.75	0.0%	-	1,945.82	No
Common	2005		709,699.03	5.75	2.0%	81,615.39	628,083.64	No
Computers	2005		4,157.92	5.75	12.5%	2,988.51	1,169.42	No
Vehicle	2005		19,892.64	5.75	25.0%	19,892.64	-	Yes

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Plant Restatement from Case No. 2010 - 00476
Test Year Ended September 30, 2010

w/p [p-5a]

	<u>Year Placed in Service</u>	<u>Date Acq.</u>	<u>Total Utility Plant in Service</u>	<u>Years in Service</u>	<u>Depr. Rate</u>	<u>Acc. Depr.</u>	<u>Net Plant</u>	<u>Fully Deprec.</u>
Organization	2005		402.90	5.75	0.0%	-	402.90	No
Common	2006		473,734.75	4.75	2.0%	45,004.80	428,729.95	No
Computers	2006		2,112.29	4.75	12.5%	1,254.17	858.12	No
Vehicle	2006		15,605.90	4.75	25.0%	15,605.90	-	Yes
Common	2007		225,174.75	3.75	2.0%	16,888.11	208,286.64	No
Computers	2007		138,625.61	3.75	12.5%	64,980.75	73,644.86	No
Vehicle	2007		32,536.51	3.75	25.0%	30,502.98	2,033.53	No
		Subtotal	8,616,350.43			3,598,498.41	5,017,852.02	
<u>2008 Plant Additions</u>								
Common	2008		625,518.99	2.75	2.0%	34,403.54	591,115.45	No
Computers	2008		502,208.00	2.75	12.5%	172,634.00	329,574.00	No
Vehicle	2008		24,039.77	2.75	25.0%	16,527.34	7,512.43	No
Land	2008		484.54	2.75	0.0%	-	484.54	No
Organization	2008		-	2.75	0.0%	-	-	Yes
		Subtotal	1,152,251.30			223,564.89	928,686.41	
<u>2009 Plant Additions</u>								
Common	2009		126,895.36	1.75	2.0%	4,441.34	122,454.02	No
Computers	2009		59,822.39	1.75	12.5%	13,086.15	46,736.24	No
Vehicle	2009		(1,334.63)	1.75	25.0%	(333.66)	(1,000.97)	No
Land	2009		173.08	1.75	0.0%	-	173.08	No
Organization	2009		-	1.75	0.0%	-	-	Yes
		Subtotal	185,556.20			17,193.83	168,362.37	
<u>2010 Plant Additions</u>								
Common	2010		103,905.10	1.00	2.0%	2,078.10	101,827.00	No
Computers	2010		1,642.93	1.00	12.5%	205.37	1,437.56	No
Vehicle	2010		(49.91)	1.00	25.0%	(12.48)	(62.39)	No
Land	2010		(24.39)	1.00	0.0%	-	(24.39)	No
Organization	2010		-	1.00	0.0%	-	-	Yes
		Subtotal	105,473.73			2,270.99	103,177.78	
		Total	10,059,631.66			3,841,528.11	6,218,078.59	

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Plant Restatement from Case No. 2010 - 00476
Test Year Ended September 30, 2010

w/p [p-5a]

	Year Placed in Service	Date Acq.	Total Utility Plant in Service	Years in Service	Depr. Rate	Acc. Depr.	Net Plant	Fully Deprec.
<u>Advances in Aid of Construction</u>								
Common	1991	7/15/1991	11,611.30	19.75	2.0%	4,586.46	7,024.84	No
Common	1993	12/15/1993	1,938.50	17.75	2.0%	688.17	1,250.33	No
Common	1995	1/11/1995	5,579.76	15.75	2.0%	1,757.62	3,822.14	No
Common	1995	3/15/1995	22,218.75	15.75	2.0%	6,998.91	15,219.84	No
Common	1995	3/15/1995	7,500.00	15.75	2.0%	2,362.50	5,137.50	No
Common	1997	7/14/1997	8,730.50	13.75	2.0%	2,400.89	6,329.61	No
Common	1997	6/30/1997	23,736.03	13.75	2.0%	6,527.41	17,208.62	No
Common	1999	8/25/1999	10,148.14	11.75	2.0%	2,384.81	7,763.33	No
Common	2000	10/2/2000	1,866.20	10.75	2.0%	401.23	1,464.97	No
Common	2000	4/17/2000	11,617.18	10.75	2.0%	2,497.69	9,119.49	No
Common	2000	2/16/2000	8,134.17	10.75	2.0%	1,748.85	6,385.32	No
		Subtotal	113,080.53			32,354.54	80,725.99	
		Total	113,080.53			32,354.54	80,725.99	
<u>Contributions in Aid of Construction</u>								
Common	1988	7/12/1988	9,255.00	22.75	2.0%	4,211.03	5,043.98	No
Common	1990		19,145.65	20.75	2.0%	7,945.44	11,200.21	No
Common	1990		2,885.35	20.75	2.0%	1,197.42	1,687.93	No
Common	1992	4/12/1992	38,770.04	18.75	2.0%	14,538.77	24,231.28	No
Common	1994	6/26/1994	3,600.00	16.75	2.0%	1,206.00	2,394.00	No
Common	1997	2/27/1997	592.40	13.75	2.0%	162.91	429.49	No
Common	1998	4/20/1998	6,393.40	12.75	2.0%	1,630.32	4,763.08	No
Common	1998	4/27/1998	3,543.75	12.75	2.0%	903.66	2,640.09	No
Common	1999	8/31/1999	5,087.76	11.75	2.0%	1,195.62	3,892.14	No
		Subtotal	89,273.35			32,991.16	56,282.19	
<u>Contributions in Aid of Construction 2003 Additions</u>								
Common	2003		8,249.36	7.75	2.0%	1,278.65	6,970.71	No
Common	2003		221.00	7.75	2.0%	34.26	186.75	No
		Subtotal	8,470.36			1,312.91	7,157.45	
<u>Contributions in Aid of Construction 2007 Additions</u>								
Common	2007		6,646.02	3.75	2.0%	498.45	6,147.57	No
Common	2007		-	3.75	2.0%	-	-	Yes
		Subtotal	6,646.02			498.45	6,147.57	

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Plant Restatement from Case No. 2010 - 00476
Test Year Ended September 30, 2010

w/p [p-5a]

	<u>Year Placed in Service</u>	<u>Date Acq.</u>	<u>Total Utility Plant in Service</u>	<u>Years in Service</u>	<u>Depr. Rate</u>	<u>Acc. Depr.</u>	<u>Net Plant</u>	<u>Fully Deprec.</u>
<u>Contributions in Aid of Construction 2008 Additions</u>								
Common	2008		-	2.75	2.0%	-	-	Yes
Common	2008		-	2.75	2.0%	-	-	Yes
		Subtotal	-			-	-	
<u>Contributions in Aid of Construction 2009 Additions</u>								
Common	2009		-	1.75	2.0%	-	-	Yes
Common	2009		-	1.75	2.0%	-	-	Yes
		Subtotal	-			-	-	
<u>Contributions in Aid of Construction 9/30/2010 Additions</u>								
Common	9/30/2010		6,445.25	1.75	2.0%	225.58	6,219.67	No
Common	9/30/2010		-	1.75	2.0%	-	-	Yes
		Subtotal	6,445.25			225.58	6,219.67	
		Total	<u>110,834.98</u>			<u>35,028.10</u>	<u>75,806.88</u>	

WATER SERVICE CORPORATION OF KENTUCKY

w/p [q]

Case No. 2013 - 00237**Expenses & UPIS Allocated to the City of Clinton Sewer Operations****Test Year 12/31/2012**

<u>Expense Reductions</u>	<u>Amount</u>
Operator Salaries	\$ (44,094)
Operator Payroll taxes	(3,673)
Operator Benefits	(11,876)
Transportation exp.	(3,663)
Direct Expenses Excluding Salary	(52,069)
Total O & M Expense Reduction	<u>(115,376)</u>
Office Salaries	(2,915)
Office Payroll taxes	(281)
Office Benefits	(894)
Total General Expense Reduction	<u>(4,090)</u>
Vehicle depreciation	(1,243)
Total expense reduction	<u>\$ (120,708)</u>
<u>Rate Base Reductions</u>	<u>Amount</u>
UPIS - Vehicles	44,928
Accum. Dep. - Vehicles	\$ (38,573)
Total rate base reductions	<u>6,355</u>

WATER SERVICE CORPORATION OF KENTUCKY

w/p [q-2]

Case No. 2013 - 00237

Basis for Salary Allocation

Test Year 12/31/2012

Employee	Total Percentage Allocated to Clinton Sewer Operations Per JDE Salary Allocation Report
Operator	
Maintenance 4	8.42%
Maintenance 8	47.58%
Maintenance 10	47.58%
Maintenance 11	8.42%

Confidential

	Total Annualized Salary	FICA 7.65%	FUTA 7,000 @ .8%	SUTA 8,000 @ 3.2%	Total Taxes	2012 Health Insurance	Pension at 3%	401(k) at 4%	2012 Other	Total Benefits
Maintenance										
Maintenance 4	76,233	5,635 -	56	307	5,998 -	7,482	2,210	2,946	454	13,091
Maintenance 8	27,798	2,055 -	56	307	2,418 -	7,482	806	1,074	454	9,815
Maintenance 10	44,470	3,287 -	56	307	3,650 -	7,482	1,289	1,719	454	10,943
Maintenance 11	39,072	2,975 -	56	307	3,338 -	7,482	1,166	1,555	454	10,657
Total Operator Salary	<u>187,573</u>	<u>13,952</u>	<u>224</u>	<u>1,228</u>	<u>15,404</u>	<u>29,927</u>	<u>5,471</u>	<u>7,295</u>	<u>1,814</u>	<u>44,507</u>
Operator Allocation										
Maintenance 4	6,419	474	5	26	505	630	186	248	38	1,102
Maintenance 8	13,226	978	27	146	1,150	3,560	383	511	216	4,670
Maintenance 10	21,159	1,564	27	146	1,737	3,560	613	818	216	5,207
Maintenance 11	3,290	250	5	26	281	630	98	131	38	897
Total Operator Allocation	<u>44,094 -</u>	<u>3,267 -</u>	<u>63</u>	<u>344 -</u>	<u>3,673 -</u>	<u>8,380</u>	<u>1,281</u>	<u>1,708</u>	<u>508</u>	<u>11,876</u>

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2013 - 00237
Transportation Allocation
Test Year 12/31/2012

w/p [q - 4]

	Amount	Percent to total
Total WSK Operator's Salaries	\$ 519,099	92.17%
Total WSK Operator's Salaries Allocated to City of Clinton Sewer Operations	44,094	7.83%
	<u>\$ 563,193</u>	<u>100.00%</u>
Total WSK Transportation Expense	\$ 46,788	
Percent to Total Allocated to City of Clinton Sewer Operations	7.83%	
Total WSK Transportation Expense Allocated to Clinton Sewer Operations	<u>\$ 3,663</u>	
Total WSK Vehicle Depreciation	\$ 15,880	
Percent to Total Allocated to City of Clinton Sewer Operations	7.83%	
Total WSK Transportation Expense Allocated to Clinton Sewer Operations	<u>\$ 1,243</u>	
Total WSK Vehicle	\$ 573,846	
Percent to Total Allocated to City of Clinton Sewer Operations	7.83%	
Total WSK UPIS Allocated to Clinton Sewer Operations	<u>\$ 44,928</u>	
Total WSK Accumulated Depreciation Vehicle	\$ (492,674)	
Percent to Total Allocated to City of Clinton Sewer Operations	7.83%	
Total WSK Accumulated Depreciation Vehicle Allocated to Clinton Sewer Operations	<u>\$ (38,573)</u>	