

Case No. 2013-00237

Exhibit 8

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>