

CASE NO. 2018-00208
WATER SERVICE CORPORATION OF KENTUCKY
SUPPLEMENTAL RESPONSE TO COMMISSION'S ORDER DATED JULY 19, 2018

11. a. Provide a schedule detailing each test-period expenditure related to the application filed in this proceeding. Provide in the schedule the nature and amounts of each charge.

b. Provide the vendor invoice for each expenditure listed in response to Item 11.a. above. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate. Identify the account number and title to which each amount was charged.

c. Provide a monthly update of the schedule requested in Item 11.a. that shows total costs incurred as of that date and that includes the supporting detailed vendor invoices as requested in Item 11.b. above.

Response: Please see the attached documentation and previous documentation provided in response to this item. Additional invoices that have been received as of 09/24/2018 are attached and labeled "*Staff DR 1.11 – Rate Case Expense Invoices*". A monthly update of the schedule requested in Item 11.a. will be provided during this proceeding.

Witness – Rob Guttormsen

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2018 - 00208
Rate Case Expense - Update Through September 24, 2018
Test Year Ended 12/31/2017

A		B	C	D	E	F	G
Line No.	Description				Amount	Actuals	Remaining
1.	Legal Fees				\$ 90,000	\$ 27,280	\$ 62,720
2.							
3.	Consulting Fees:						
4.	Ganett Flemming (Cost of Service Study)				\$ 50,000	\$ 8,710	\$ 41,290
5.	Guastella & Associates (Depreciation Study)				\$ 36,000	\$ 16,000	\$ 20,000
6.							
7.	Customer Notices:				\$ 7,210	\$ -	
10.							
11.	Newspaper Publication				\$ 6,400	\$ 1,503	\$ 4,897
12.							
13.				# of Trips/			
14.		Personnel	Cost	Nights			
15.	Travel						
16.	Airfare	4	500	2	\$ 4,000	\$ -	\$ 4,000
17.	Hotel/Meals	4	200	2	\$ 1,600	\$ -	\$ 1,600
18.	Rental Car		200		\$ 200	\$ -	\$ 200
19.							
20.	Total Cost of Current Case				\$ 195,410	\$ 53,493	\$ 134,707
21.							
22.	Unamortized Rate Case Expense				\$ 23,215	\$ 23,215	\$ 23,215
23.							
24.	Total Rate Case Expense				\$ 218,625	\$ 76,708	\$ 157,922
25.							
26.	Amortized over 2.5 years				2.5	2.5	2.5
27.							
28.	Amortization Expense per year				<u>\$ 87,450</u>	<u>\$ 30,683</u>	<u>\$ 63,169</u>

WATER SERVICE CORPORATION OF KENTUCKY
Rate Case Costs Summary
Rate Case Costs through 8/28/18

Rate Case Expense Summary			
Legal Fees			
Vendor	Actual Totals	Budget Totals	AvB Totals
STURGILL,TURNER, BARKER & MOLO	\$ 27,280	\$ 90,000	\$ 62,720
Consulting Fees			
Vendor	Actual Totals	Budget Totals	AvB Totals
Ganett Flemming (Cost of Service Study)	\$ 8,710	\$ 50,000	\$ 41,290
GUASTELLA ASSOCIATES INC	\$ 16,000	\$ 36,000	\$ 20,000
Customer Notices			
<u>Newspaper Publication</u>			
	\$ 1,128	\$ 3,200	\$ 2,072
	\$ 375	\$ 3,200	\$ 2,825
<u>Fed Ex, Misc. Postage</u>			
	\$ -	\$ 7,210	\$ 7,210
Travel			
Airfare	\$ -	\$ 4,000	\$ 4,000
Hotel/Meals	\$ -	\$ 1,200	\$ 1,200
Rental Car	\$ -	\$ 200	\$ 200
	\$ 53,493	\$ 195,010	\$ 141,516

WATER SERVICE CORPORATION OF KENTUCKY

General Ledger Data

Rate Case Costs through 8/28/18

Item#	Co	Project #	Obj Acct	Amount	G/L Date	Explanation Alpha Name	Doc #	Category
1	345	2018064	2906	465	7/10/2018	STURGILL,TURNER, BARKER & MOLO	975207	LEGAL
2	345	2018064	2906	554	7/10/2018	STURGILL,TURNER, BARKER & MOLO	975208	LEGAL
2	345	2018064	2906	1,470	7/10/2018	STURGILL,TURNER, BARKER & MOLO	975209	LEGAL
4	345	2018064	2910	16,000	7/17/2018	GUASTELLA ASSOCIATES INC	977124	CONSULTING - DEPR
5	345	2018064	2908	1,128	8/6/2018	THE STATE JOURNAL	982630	CUSTOMER NOTICE - MIDDLESBORO
6	345	2018064	2906	5,824	8/20/2018	STURGILL,TURNER, BARKER & MOLO	986274	LEGAL
7	345	2018064	2908	375	8/21/2018	THE HICKMAN COUNTY TIMES LLC	986742	CUSTOMER NOTICE - CLINTON
8	345	2018064	2906	11,800	8/22/2018	STURGILL,TURNER, BARKER & MOLO	987065	LEGAL
9	345	2018064	2910	6,678	8/22/2018	GANNETT FLEMING VALUATION AND	987115	CONSULTING - COSS
10	345	2018064	2910	905	8/22/2018	GANNETT FLEMING VALUATION AND	987116	CONSULTING - COSS
11	345	2018064	2910	1,128	8/22/2018	GANNETT FLEMING VALUATION AND	987117	CONSULTING - COSS
11	345	2018064	2906	7,168	9/18/2018	STURGILL,TURNER, BARKER & MOLO	993951	LEGAL

53,493

CASE No. 2018-00208

WATER SERVICE CORPORATION OF KENTUCKY

SUPPLEMENTAL RESPONSE TO COMMISSION'S ORDER DATED JULY 19, 2018

*Staff DR 1.11 –
Rate Case Expense
Invoices*

3064977

The Clinton County Times

104 South Jefferson St. Clinton, KY 42031

P.O. Box 237 - 270-653-4040

DATE	INVOICE
07/27/2018	9422

345-

2018064.2908

BILL TO:

Stephen Vaughn
Area Manager
102 Water Plant Road
Middlesboro, KY 40965

TERMS	PO NUMBER	PROJECT
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All invoices are payable within thirty (30) days of receipt.
A 1.5% monthly service charge is payable on all overdue balances.
A \$5.00 (minimum) processing fee will be applied to unpaid balances.

QUANTITY	DESCRIPTION	RATE	AMOUNT
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3 Advertisements July 5, 11, 18 2018

\$125 each \$375.00

Batch 311322

Doc 986742

OKRG

TOTAL DUE \$375.00



Excellence Delivered As Promised

3092931

INVOICE

Gannett Fleming Valuation and Rate Consultants, LLC

Batch 311411

Utilities, Inc.
Attn: Rob Guttormsen, Finance Mgr., Midwest/Mid-Atlantic
2335 Sanders Road
Northbrook, IL 60062

ACH/EFT Payment Information:

ABA: 031312738

Account No.: 5003165655

Account Name: Gannett Fleming

Doc 987117

Check Payment Information:

Gannett Fleming Valuation and Rate Consultants, LLC

PO Box 829160

Philadelphia, PA 19182-9160

Project: 063888

Invoice No: 063888*3675

Invoice Date: August 20, 2018

Federal EIN: 46-4413705

Send Remit Info: AccountsReceivable@gfnet.com

Invoice Period: June 30, 2018 through August 3, 2018

Project Manager : Constance E. Heppenstall cheppenstall@gfnet.com

610 650-8101

Cost Allocation and Rate Design Studies for the Water Service Corporation of Kentucky

Summary of Current Charges

Phase 000	- COST ALLOC & RATE DESIGN	\$	1,127.50
	Total Charges		\$ 1,127.50
	Total Due This Invoice		\$1,127.50

860

\$1,127.50

ok RG.

2018064.2910

SL - Please return by Aug 7. Thank you.

STURGILL
TURNER

SL ✓
JG ✓

Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Suite 1500
Lexington, KY 40507
p: 859.255.8581 f: 859.231.0851
www.sturgillturner.com

Batch 311208

Doc 986274

Debra A. Plumb
2335 Sanders Rd
Northbrook, IL 60062

345

STATEMENT OF SERVICES

Employer I.D. No. 61-0576615

Statement Date: 07/05/2018
Account No: 64592.0008 M
Statement No: 113079

WSCK Rate Case 2018 - 2018064.2906

2018064.2906

2018064.2906

Date	Initials	Description	Hours
05/08/2018	MTO	Review PSC decisions on issue related to [redacted] rate case, asked by J. Kersey; draft email response.	2.20
06/14/2018	MTO	Communicate (with client) with Rob G regarding application for rate case	0.20
06/15/2018	MTO	Communicate (with client) with Rob Guttormsen regarding WSCK tariff	0.20
	MTO	Communicate (other external) with Attorney General's office regarding status of case filing	0.20
06/21/2018	MTO	Communicate (with client) -- communications with Rob Guttormsen regarding [redacted] rates	0.30
06/22/2018	MTO	Communicate (with client) -- communicate with Rob Guttormsen regarding rate case; prepare notice of application for filing	0.40
06/25/2018	MTO	Communicate (with client) - conference call with Lubertozi and Guttormsen regarding upcoming case; phone call from OAG Kent Chandler regarding notice of filing	0.60
	MTO	Review PSC decisions related to issues discussed on today's conference call; draft email to client regarding same.	1.10
	JWG	Communicate (with client) conference call with client regarding [redacted] matter.	0.50
06/27/2018	JWG	Review draft pre-filed testimony.	1.10
	MTO	Review and provide comments on testimony; begin drafting application; communicate with client regarding rate case.	5.80
06/28/2018	JWG	Review draft witness testimony.	1.80
	MTO	Review - continued review of testimony; communicate with Lubertozi and Guttormsen regarding same.	2.30

Debra A. Plumb

WSCK Rate Case 2018 - 2018064.2906
2018064.2906

		Hours	
06/29/2018	JWG Review revised draft testimony.	0.40	
	MTO Review - continued review of testimony and application materials; communicate with client regarding same	1.30	
06/30/2018	MTO Review - continued review of testimony; drafting of questions for client; suggesting changes; emailing Guttormsen regarding certain issues; reviewing and revising tariff changes; reviewing PSC decisions for support of position.	4.00	
	For Current Services Rendered	<u>22.40</u>	<u>5,792.00</u>

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	18.60	\$245.00	\$4,557.00
James W. Gardner	3.80	325.00	1,235.00

Costs

06/22/2018	11 Document Reproduction	2.20
	E101 (653) Document Reproduction	2.20
06/22/2018	Travel - (8.044) Micah Jenkins (runner) travel to/from Public Service Commission	29.43
	Travel - Mileage	29.43
	Total Costs Thru 06/30/2018	<u>31.63</u>
	Total Current Work	5,823.63
	Previous Balance	\$2,489.00
	Balance Due	<u>\$8,312.63</u>

ok RG

Past Due Amounts

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
465.00	0.00	554.00	1,470.00	0.00	0.00

To ensure proper credit to your account
Please write Account 64592.0008 on your check
Please remit amount due by 08/04/2018
Thank you

SL - please return by 8/21/18. Thank you.

STURGILL TURNER

SL ✓
RG ✓

Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Suite 1500
Lexington, KY 40507
p: 859.255.8581 f: 859.231.0851
www.sturgillturner.com

Laura Granier, Vice President & General Counsel
Utilities, Inc.
2335 Sanders Rd
Northbrook, IL 60062

STATEMENT OF SERVICES

Employer I.D. No. 61-0576615

Statement Date: 08/03/2018
Account No: 64592.0008 M
Statement No: 113687

WSSCK Rate Case 2018 - 2018064.2906

864

2018064.2906

2018064.2906

		Hours	Batch <u>311383</u>	Doc <u>987065</u>
07/01/2018	MTO Review - continued review and revising of testimony; communicate with Jim Gardner regarding same; review of tariff and past PSC decisions for support.	3.50		
	JWG Review revised, proposed direct testimonies.	1.50		
07/02/2018	JWG Communicate (in firm) with T.Osterloh regarding comments to draft testimony.	1.00		
	MTO Communicate with Jim Gardner to discuss strategy for certain aspects of testimony by WSSCK; draft certain revisions.	1.00		
	MTO Review customer notices and provide comments to WSSCK	0.60		
	JWG Review and revise draft testimony and conference call with T.Osterloh and WSC officials regarding testimony and exhibits.	2.60		
	MTO Additional review/revising on rate case documents; conference call with Lubertozzi, Guttormsen, Heppenstall, and Gardner; communications with various witnesses regarding their written testimony.	5.30		
	MLM Draft/revise - preparation and formatting of present and proposed tariffs for WSSCK for rate case application	1.50		
07/03/2018	JWG Review emails regarding changes to testimony.	0.20		
	JWG Review PSC documents for language regarding depreciation for Petition.	0.30		

WSCK Rate Case 2018 - 2018064.2906
2018064.2906

		Hours
	MTO Review - continued review of testimony and filing information to ensure all information is prepared; begin drafting petition for confidentiality; communicate with Staff on tariff; communicate with client regarding application materials.	7.20
	DWH Communicate (other external) request to Kentucky Sec of State for certificate of existence	0.20
07/04/2018	MTO Review - continued work on WSCK 's rate case application	4.80
07/05/2018	MTO Draft/revise - finalize rate case application; review documents to ensure compliance with regulatory requirements; communicate with Staff.	1.80
07/06/2018	MTO Communicate (with client) with S. Vaughn regarding publication of customer notice; communicate with OAG Chandler regarding filing of application.	0.30
07/09/2018	MTO Review email from PSC Staff to State Representative; communicate with WSCK regarding same.	0.20
07/16/2018	MTO Review letter of no deficiency; draft email regarding same; phone call with Rob Guttormsen regarding case	0.40
07/19/2018	MTO Review data requests and procedural schedule issued by PSC; communicate with client regarding same.	0.50
07/20/2018	MTO Communicate (other outside counsel) - phone call with OAG Chandler regarding processing of Tax Act case with rate case, and OAG intervention; communicate with client regarding same; communicate with S. Vaughn regarding affidavit of publication	0.40
	JWG Review Review Procedural Order and attached data requests from PSC, conference with Todd regarding potential questions procedure.	0.30
07/24/2018	JWG Review Representative Nelson et al public comments.	0.20
07/25/2018	JWG Review Attorney General Motion to intervene and emails regarding same.	0.20

WSCK Rate Case 2018 - 2018064.2906
 2018064.2906

Hours

07/26/2018	MTO	Review Rep. Nelson's public comments and OAG Motion to Intervene; communicate with client regarding same.	0.40	
	MTO	Draft/revise notice of filing of newspaper customer notices; review those notices; draft Read1st.	0.40	
	MTO	Communicate (with client) with client regarding DR responses and cursory review of responses and materials	0.50	
07/27/2018	MTO	Review and revise propsoed data responses; review documents being produced in response to DRs; draft petition for confidentiality; communicate with staff on compilation of filing; communicate with client regarding filing.	7.20	
	MLM	Prepare responses to Commission's first request for information	5.50	
07/30/2018	MTO	Review and respond to communications from OAG regarding confidentiality agreement	0.10	
	MTO	Review order of PSC granting intervention to Attorney General; draft email to client regarding order and confidentiality agreement	0.30	
	MTO	Draft/revise - draft confidentiality agreement for Assistant Attorney General to review	0.50	
07/31/2018	JWG	Review letters of protest.	0.20	
	MTO	Appear for/attend - deliver filing to PSC, per regulatory requirements (no charge)	0.30	N/C
		For Current Services Rendered	49.10	11,397.50
		Total Non-Billable Hours	0.30	

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	35.40	\$245.00	\$8,673.00
James W. Gardner	6.50	325.00	2,112.50
David W. Hobson	0.20	85.00	17.00
Mary L. Myers	7.00	85.00	595.00

Costs

07/01/2018	52 Document Reproduction	10.40
07/03/2018	17 Document Reproduction	3.40

Utilities, Inc.

WSSCK Rate Case 2018 - 2018064.2906
2018064.2906

07/05/2018	1 Document Reproduction	0.20
07/05/2018	1 Document Reproduction	0.20
07/05/2018	1 Document Reproduction	0.20
07/05/2018	7 Document Reproduction	1.40
07/06/2018	469 Document Reproduction	93.80
07/06/2018	469 Document Reproduction	93.80
07/06/2018	2 Document Reproduction	0.40
07/26/2018	2 Document Reproduction	0.40
07/26/2018	18 Document Reproduction	3.60
07/26/2018	1 Document Reproduction	0.20
07/27/2018	2 Document Reproduction	0.40
07/27/2018	1 Document Reproduction	0.20
07/27/2018	10 Document Reproduction	2.00
07/27/2018	20 Document Reproduction	4.00
07/27/2018	35 Document Reproduction	7.00
07/27/2018	4 Document Reproduction	0.80
07/27/2018	854 Document Reproduction	170.80
07/27/2018	32 Document Reproduction	6.40
07/27/2018	2 Document Reproduction	0.40
07/27/2018	6 Document Reproduction	1.20
07/27/2018	2 Document Reproduction	0.40
07/27/2018	2 Document Reproduction	0.40
	E101 (653) Document Reproduction	402.00
	Total Costs Thru 07/31/2018	402.00
	Total Current Work	11,799.50 <i>OK RC</i>
	Previous Balance	\$8,312.63
07/23/2018	Thank you for your payment.	-465.00
07/23/2018	Thank you for your payment.	-554.00
07/23/2018	Thank you for your payment.	-1,470.00
	Total Payments	-2,489.00
	Balance Due	<u>\$17,623.13</u>

Past Due Amounts					
0-30	31-60	61-90	91-120	121-180	181+
5,823.63	0.00	0.00	0.00	0.00	0.00

To ensure proper credit to your account
Please write Account 64592.0008 on your check
Please remit amount due by 09/02/2018
Thank you