

Case No. 2022-00147
Water Service Corporation of Kentucky
Responses to Attorney General Post-Hearing Request for Information

AG POST-HEARING DR 1:

Refer to the Supplemental Direct Testimony of Quentin M. Watkins (“Watkins Testimony”), pages 3 – 4. According to Mr. Watkins’ wage and salary study, Water Service Kentucky’s total compensation package including salary and health and retirement benefits for 2022 is 8% above the market midpoint. However, Mr. Watkins did not provide how Water Service Kentucky’s total compensation package including salary and health and retirement benefits for 2023 compares to the market midpoint. Provide how Water Service Kentucky’s total compensation package including salary and health and retirement benefits for 2023 compares to the market midpoint, and include the detailed analysis of the same.

Response: As stated in the hearing and provided in response to AG DR 1-41, Mr. Watkins did not conduct the total compensation analysis for 2023. The base compensation analysis is more company-specific for the analysis of 2023 costs as compared to the health and retirement benefits analysis, and there is not a reliable or informative method of aging the health and retirement benefits data analogous with the method used for the Company’s base compensation for 2023.

To understand how WSCK’s health and retirement benefits compare to similar utilities, please reference the section of the report which compares WSCK’s pay practices to those of other regulated utilities in Kentucky. Tables XV and XVI on pages 11-12 compare the employer and employee costs for Preferred Provider Organization (“PPO”) and High Deductible Health Plan (“HDHP”) plans respectively, and they indicate that WSCK’s costs are in line with other regulated utilities in Kentucky.

Witness: Quentin Watkins

Case No. 2022-00147
Water Service Corporation of Kentucky
Responses to Attorney General Post-Hearing Request for Information

AG POST-HEARING DR 2:

Refer to Water Service Kentucky's response to the Attorney General's Second Request for Information ("Attorney General's Second Request"), Item 64. Provide the most current per gallon price of unleaded and diesel gas at the local stations utilized by Water Service Kentucky and the date in which the price is determined. In addition, provide an updated calculation of the projected fuel expense, utilizing these more current prices, in electronic format with all formulas in place.

Response:

Please see Excel file AG PHDR 1-2 Fuel cost.

Witness:

James Kilbane

Case No. 2022-00147
Water Service Corporation of Kentucky
Responses to Attorney General Post-Hearing Request for Information

AG POST-HEARING DR 3:

Refer to the Rebuttal Testimony of James Kilbane (“Kilbane Rebuttal”), at page 4. Mr. Kilbane quantified health insurance costs for employees located outside of Kentucky as \$15,991 for the base period. Provide the workpapers associated with this quantification of health insurance costs.

Response:

Please refer to response to AG DR 2-15 PSC DR 1-49 Exhibit 18-32-29 Schedule B – S&W- PR Taxes- Benefits Redacted Updated 9.26.2022 tab Base Period cells AJ41 to AJ47 for the total healthcare cost of the allocated positions. This was filed on September 29, 2022.

Witness:

James Kilbane

Case No. 2022-00147
Water Service Corporation of Kentucky
Responses to Attorney General Post-Hearing Request for Information

AG POST-HEARING DR 4:

Refer to the Attorney General's First Request for Information ("Attorney General's First Request"), Item 113. Provide the date that the Field Tech 1 position was filled.

Response:

The position was hired March 14, 2022. The position's first full payroll would not have been reflected until after March 31 which is why it was still classified as vacant at time of filing – Base Period actuals were cut off as of 3/31/2022.

Witness:

Colby Wilson

Case No. 2022-00147
Water Service Corporation of Kentucky
Responses to Attorney General Post-Hearing Request for Information

AG POST-HEARING DR 5:

Explain whether the Company projected less outside contractor expense in the forecasted test period as an expense savings due to the proposed Advanced Metering Infrastructure (“AMI”) freeing up the time of meter readers.

Response:

The Company did not. Expenses for forecasted outside contractor services for 2023 are \$0. The outside services Mr. Wilson referred to in the hearing were for capital-related cost. The reduction of outside contractor services for capital could not be forecasted as a result of the first phase implementation of AMI.

Witness:

James Kilbane / Colby Wilson