

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Electronic Application of Water Service )  
Corporation of Kentucky for a General ) Case No. 2022-00147  
Adjustment in Existing Rates and a Certificate )  
of Public Convenience and Necessity to Deploy )  
Advanced Metering Infrastructure and Approval )  
Of Certain Regulatory Accounting Treatment )

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**SUPPLEMENTAL DIRECT TESTIMONY OF QUENTIN M. WATKINS**

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1                                   **WATER SERVICE CORPORATION OF KENTUCKY**

2   **CASE NO. 2022-00147**

3   Direct Testimony of Quentin M. Watkins

4   **Q.    Please state your name.**

5   A.    My name is Quentin M. Watkins.

6   **Q.    Did you previously provide written testimony and a Wage and Salary Report in this**  
7       **matter?**

8   A.    Yes. The written testimony was attached to the Application as Exhibit 9.6, and the Wage  
9       and Benefit Study was filed with the application in conjunction to a request for confidential  
10      treatment.

11 **Q.    Have you been informed of changes that your analysis provided in this matter?**

12 A.    Yes. I was advised of the following personnel changes: (a) Steve Lubertozi has moved to  
13      the role of SVP, Regulatory and Legislative Affairs. (b) Seth Whitney has moved to the  
14      role of SVP, North Region, replacing Mr. Lubertozi. (c) Anthony Gray has been promoted  
15      from FP&A Manager to Regional Director, FP&A. These personnel changes and the  
16      associated changes to allocated expenses have a slight impact on my prior analysis.

17 **Q.    Did you prepare a Revised Wage and Benefit Study that reflects these changes.**

18 A.    Yes, I prepared a Revised Wage and Benefit Study. It is being contemporaneously filed in  
19      conjunction with a Petition for Confidential Treatment.

20 **Q.    Are there any changes to your previously filed, written testimony as a result of the**  
21       **personnel changes?**

22      Yes. Table 1 on Page 3 of 5 has changed slightly. It should reflect the following  
23      positions included in the Revised Study. The revised table shown below reflects the  
24      consolidation of the positions of Senior Vice President and President of WSCK. It also

1 reflects the inclusion of the Director of Financial Planning and Analysis. There are no  
 2 changes to the WSKC Direct Positions.

3 **Table 1 – WSKC Positions Included in the Revised Study**  
 4

<b>WSKC Allocated Positions</b>		
<b>#</b>	<b>Position</b>	<b>Location</b>
1	Compliance Manager	Chicago, IL
2	Dir. Engineering & Asset Management	Chicago, IL
3	Dir. Financial Planning & Analysis	Charlotte, NC
4	Financial Planning & Analysis Manager	Cleveland, OH
5	GIS Analyst	Chicago, IL
6	Senior Vice President	Cleveland, OH
<b>WSKC Direct Positions</b>		
<b>#</b>	<b>Position</b>	<b>Location</b>
1	Field Tech I	Middlesboro, KY
2	Field Tech I	Clinton, KY
3	Field Tech I	Middlesboro, KY
4	Field Tech I	Middlesboro, KY
5	Field Tech I	Middlesboro, KY
6	KY Operations Apprentice	Middlesboro, KY
7	Lead Water-Wastewater Operator	Middlesboro, KY
8	Lead Water-Wastewater Operator	Middlesboro, KY
9	State Operations Manager	Middlesboro, KY
10	Water-Wastewater Operator I	Middlesboro, KY
11	Water-Wastewater Operator I	Clinton, KY
12	Water-Wastewater Operator II	Middlesboro, KY
13	Water-Wastewater Operator II	Middlesboro, KY

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 6  
 7 **Q. Are there any other revisions to your testimony?**

8 A. Yes. Starting on line 9 on Page 4 of 5 of my testimony, I responded to the following  
 9 question: **“Please describe the results of the Wage and Benefit Study.”** The response is  
 10 now revised with the updated percentages described in the following paragraph:

11 As set forth in Updated Wage and Benefit Study, based on the analysis of base  
 12 compensation, using a weighted average for all 19 positions, WSKC’s 2022 base pay is 8%  
 13 below the market midpoint. WSKC’s total compensation in 2022, including salary, as well  
 14 as health and retirement benefit costs compares slightly less favorably at 8% above the

1 market midpoint, though still within a reasonable range to be considered competitive  
2 compared to peers. After aging the market midpoint averages for all positions to 2023 and  
3 incorporating planned salary increases for WSCK in 2023, WSCK's projected base  
4 compensation increases from 8% below the market midpoint to 2% below the market  
5 averages based on the company's projected values for 2023.

6 Regarding pay practices and employee benefits, based on our analysis of WSCK's  
7 offerings compared to peer companies, the Company's benefits are competitive and in line  
8 with the benefits offered by other companies in the state and region that compete for the  
9 same talent in the marketplace.

10 **Q. Are there any other revisions to your previously filed, written testimony?**

11 A. No. The remaining responses of the testimony marked as Exhibit 9.6 to the Application are  
12 still valid, including the final conclusions that WSCK's wages and benefits are competitive  
13 and comparable to local, state, and regional averages. Further, the projected base salaries  
14 for 2023 in support of the future test year filing, incorporating an expected increase in  
15 hourly wages, remain competitive with market averages.

16 **Q. Does this conclude your supplemental direct testimony?**

17 A. Yes, it does.