

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF CORIX UTILITIES)
(ILLINOIS) LLC; HYDRO STAR, LLC; UTILITIES,)
INC.; AND WATER SERVICE CORPORATION OF) CASE NO. 2012-00133
KENTUCKY FOR THE TRANSFER AND)
ACQUISITION OF CONTROL PURSUANT TO)
KRS 278.020)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
CORIX UTILITIES (ILLINOIS) LLC; HYDRO STAR, LLC; UTILITIES, INC.;
AND WATER SERVICE CORPORATION

Pursuant to 807 KAR 5:001, Commission Staff requests that Corix Utilities (Illinois), LLC ("Corix"); Hydro Star, LLC ("Hydro Star"); Utilities, Inc. ("Utilities"); and Water Service Corporation of Kentucky ("Water Service") (collectively "Joint Applicants") shall file with the Commission no later than June 25, 2012 the original, one paper copy and one electronic copy of the following information. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Joint Applicants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Explain why a representative of Corix Utilities did not respond to any of the first requests for information from the Attorney General and Commission Staff that requested information about Corix Utilities or a subsidiary of Corix Utilities.

2. Refer to Joint Applicants' Response to Commission Staff's First Request for Information, Item 4(a). Joint Applicants state: "Where it is cost effective, we establish smaller location offices rather than providing services through larger regional offices."

a. State whether the reestablishment of a local office in Clinton, Kentucky is consistent with the Corix Group's philosophy as expressed in Joint Applicants' Response to Item 4(a).

b. State whether Corix Utilities will agree as a condition to approval of the proposed transfer of control to reopened an office in Middlesboro, Kentucky.

c. State whether Corix Utilities will agree as a condition to approval of the proposed transfer of control to maintain an office in Clinton, Kentucky for at least 10 years from that date of any Order approving the proposed transfer.

3. Refer to Joint Applicant's Response to Commission Staff's First Request for Information, Item 4.

a. State for each year from 2008 to 2011 the amount of donations and monetary contributions that Hydro Star, Utilities, and Water Service have made to local civic and charitable organizations in Clinton and Middlesboro, Kentucky.

b. Describe the change in the level of these contributions, if any, in the level of these contributions should the proposed transfer of control occur.

c. Describe the changes in the current policies of Utilities and Water Service Corporation, if any, that Corix Group would implement to foster greater corporate and employee involvement in Clinton and Middlesboro, Kentucky.

4. Refer to Joint Applicant's Response to Commission Staff's First Request for Information, Item 6(d). Joint Applicants state: "The price paid for the acquisition of Hydro Star reflects a fair market price as negotiated between the parties. Corix is a growth oriented company, and it anticipates the acquisition will facilitate future opportunities for expanding the company's utility businesses throughout the United States." State whether Corix will commit to sharing with Water Service's ratepayers any savings from synergies that result from future acquisitions that occur as a result of the proposed transaction.

5. Refer to Joint Applicant's Response to Commission Staff's First Request for Information, Items 15(g) and 16. Identify who, if "there are no bond and debt ratings

for Corix Infrastructure's debt instruments and all debt instruments issued separately by a Corix subsidiary or affiliate," determines that Corix Infrastructure's capital structure is "investment grade."

6. Refer to Joint Applicants' Responses to Commission Staff's First Request for Information, Item 45. Joint Applicants' Response was not responsive to Commission Staff's Request. State for each proposed condition whether the Joint Applicants object or oppose the proposed condition and, if they object or oppose, the reasons for their objections.



Jeff DeKouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED: JUL 02 2012

cc: Parties of Record

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