

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC VERIFIED JOINT APPLICATION)	
OF EASTERN ROCKCASTLE WATER)	
ASSOCIATION, INC. AND KENTUCKY-)	CASE NO.
AMERICAN WATER COMPANY FOR THE)	2017-00383
TRANSFER OF CONTROL AND ASSETS)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EASTERN ROCKCASTLE WATER ASSOCIATION, INC. AND KENTUCKY-
AMERICAN WATER COMPANY

Kentucky-American Water Company ("Kentucky American") and Eastern Rockcastle Water Association, Inc. ("Eastern Rockcastle") (collectively, "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information shall be filed within 14 days of the date of this request. Responses to requests for information in paper medium 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 the 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, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall 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. When filing a paper containing personal information, Joint Applicants shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide all documentation relating to Joint Applicants' authorization of the Asset Purchase Agreement ("APA") by which Kentucky American will acquire Eastern Rockcastle's assets.
2. Provide a list of all assets that Kentucky American will acquire from Eastern Rockcastle, as well as a list of all assets that are excluded from the APA.
3. For Kentucky American, describe the following:
 - a. Describe Kentucky American's technical ability and resources to manage and operate the Eastern Rockcastle water system.

b. Describe Kentucky American's financial ability and resources to manage and operate the Eastern Rockcastle water system, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.

c. Describe Kentucky American's management ability and resources to manage and operate the Eastern Rockcastle water system.

4. Explain whether Eastern Rockcastle holds any customer deposits. If so, state the monetary amount that is being held, and whether Eastern Rockcastle will: return the deposits that it holds; transfer the deposits to Kentucky American; or apply or transfer the funds to another use. If the deposits will be applied for another use, identify the other use.

5. State the number of customers currently served by Eastern Rockcastle, and the rates that are charged to its customers. Provide a copy of the rate schedule.

6. State the number of customers currently served by Kentucky American, and the rates that are charged to its customers. Provide a copy of the rate schedule.

7. State the rates that will be charged to current Eastern Rockcastle customers upon completion of the transfer to Kentucky American, and provide a rate schedule.

8. State how the Joint Applicants will provide notice of the transfer to the customers currently served by Eastern Rockcastle.

9. Provide any current notice of violations issued by the Energy and Environment Cabinet ("EEC") or the Kentucky Division of Water ("DOW") to Eastern Rockcastle. Provide copies of each outstanding violation and state how the violations will be resolved.

10. Provide any current notice of violations issued by EEC or the DOW to Kentucky American. Provide copies of each outstanding violation and state how the violations will be resolved.

11. Provide documentation of any communications between the Joint Applicants and the EEC or DOW regarding the Joint Application.

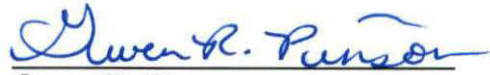
12. Provide a copy of Eastern Rockcastle's most current balance sheet and income statement for a period ending not more than 90 days prior to the application date.

13. Using Eastern Rockcastle's balance sheet provided in response to Item 12, provide the journal entries that KAWC will record to reflect the acquisition of Eastern Rockcastle.

14. Using Eastern Rockcastle's balance sheet provided in response to Item 12, provide the journal entries that Eastern Rockcastle will record to reflect the transfer of its assets to KAWC.

15. Provide an analysis of Eastern Rockcastle's current and long-term debts, including the lender's name, the date the debt was incurred, the original amount of the indebtedness, and the amount outstanding as of the date of the balance sheet provided in the response to Item 12.

16. At page 3 of the Application, Joint Applicants state that KAWC's acquisition of Eastern Rockcastle is in the public interest. Provide a detailed discussion and documentation to support Joint Applicants' position.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED **OCT 25 2017**
cc: Parties of Record

Case No. 2017-00383

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