

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE CITY OF	)	
LIVINGSTON AND KENTUCKY-AMERICAN	)	CASE NO.
WATER COMPANY FOR THE TRANSFER OF	)	2025-00364
CONTROL AND ASSETS	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on December 10, 2025. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if Kentucky-American obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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, Kentucky-American shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

cannot be read.

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

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

3. Provide copies of any filings or applications regarding proposed merger that have been filed with any regulatory agency, excluding the Kentucky Public Service Commission, on behalf of Kentucky-American.

4. Refer to the Agreement for Purchase of Livingston Water System (Agreement), generally. There were multiple references to schedules that were not provided in the Joint Application. Explain why there are 20 schedules referenced in the Agreement, yet none of the corresponding schedules were provided in the Joint Application.

5. Provide the following schedules in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible. If Excel spreadsheet format is not applicable for any of the following schedules, provide the schedule in portable document format (pdf) in which it is searchable and appropriately bookmarked.

a. Schedule 2.5(a)(ii), referenced in Article 2.5(a)(ii) of the Agreement.

b. Schedule 3.4, referenced in Article 2.5(a)(iv) of the Agreement.

(1) Schedule 3.4(a), referenced in Article 3.4(a) of the Agreement.

(2) Schedule 3.4(b)(i), referenced in Article 3.4(a) of the Agreement.

(3) Schedule 3.4(b)(ii), referenced in Article 3.4(a) of the Agreement.

(4) Schedule 3.4(e), referenced in Article 3.4(e) of the Agreement.

- c. Schedule 3.5(a), referenced in Article 3.5 of the Agreement.
- d. Schedule 3.5(b), referenced in Article 3.5 of the Agreement.
- e. Schedule 3.6, referenced in Article 3.6 of the Agreement.
- f. Schedule 3.8, referenced in Article 3.8 of the Agreement.
- g. Schedule 3.9(d), referenced in Article 3.9(d) of the Agreement.
- h. Schedule 3.9(e), referenced in Article 3.9(e) of the Agreement.
- i. Schedule 3.9(f), referenced in Article 3.9(f) of the Agreement.
- j. Schedule 3.10, referenced in Article 3.10 of the Agreement.
- k. Schedule 3.11, referenced in Article 3.11 of the Agreement.
- l. Schedule 3.14, referenced in Article 3.14 of the Agreement.
- m. Schedule 3.15, referenced in Article 3.15 of the Agreement.
- n. Schedule 7.2, referenced in Article 7.2 of the Agreement.
- o. Schedule A, referenced in the Agreement, Page 19, paragraph 2.
- p. Schedule B, referenced in the Agreement, Page 26, at the “Knowledge” paragraph.

6. Explain how the proposed merger is in the public interest.

7. Describe the following:

- a. Kentucky-American’s technical ability and resources to manage and operate Livingston’s water system.

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

c. Kentucky-American's management ability and resources to manage and operate the Livingston water system.

8. Provide a detailed asset listing for the assets Kentucky-American will acquire from Livingston. At a minimum include description, acquisition date, cost basis (individually and totals by asset class and grand total), depreciation life, accumulated depreciation, and net book value.

9. Explain whether and how Kentucky-American appraised Livingston as a going concern prior to and at the time it entered into the Agreement.

10. Provide a copy of all studies, reports, or related analyses of appraisals or valuations of Livingston as a going concern conducted by or caused to be conducted by Kentucky-American.

11. Provide any acquisition related due diligence communications between Kentucky-American and Livingston.

12. Explain whether Kentucky-American has had any appraisals performed of Livingston's water utility assets.

a. If none have been performed, explain whether it has been discussed and, if so, when Kentucky-American plans to have the property appraised.

b. If Kentucky-American does not intend to perform an appraisal, explain why not.

c. If Kentucky-American does not intend to perform an appraisal, explain how Kentucky-American appraised Livingston's assets prior to and at the time it entered into the Agreement.

13. Identify and describe any system improvement projects Kentucky-American has identified within the existing Livingston system, and the timeframe in which Kentucky-American expects the projects will need to be implemented.

14. Explain whether Kentucky-American plans to hire additional employees to assist with the operation of the Livingston system.

15. Provide Kentucky-American's most recent annual water loss percentage and identify the reporting period used to calculate that percentage.

16. Explain whether current Livingston's Water System's employees (Livingston employees) will be retained.

17. Explain whether all Livingston employees will maintain their current positions and job duties after the merger is completed.

18. Describe any efficiencies the merger creates within the Kentucky-American water system.

19. Provide a summary of the proposed Kentucky-American tariff changes, should the merger be approved, in a redline form in the context of the current tariff.

20. Explain whether Kentucky-American plans to recover the net book value of Livingston's transferred assets from its ratepayers in a future proceeding, or if Kentucky-American plans to recover the full purchase price from its customers in a future proceeding.

21. Refer to the Joint Application, page 2, paragraph 4. It states that Kentucky-American will "serve Livingston's customers in accordance with KAW's existing water tariff on file except that the rates to be charged would remain the same as set forth in Exhibit 2 to this Application."

a. Confirm the current rates charged to Livingston customers will remain the same upon closing of the Agreement. If not confirmed, explain the response.

b. Describe the time frame in which Kentucky-American expects the current Livingston customers to fall under Kentucky-American's base rates.

22. Refer to the "128,000 gallon storage tank" mentioned in Recital A.

a. Confirm Livingston possesses fee simple title to the land beneath this tank. If not confirmed, explain if the agreement is the result of an easement.

b. If on an easement, provide a copy of the easement agreement or, in the alternative, provide a list of restrictions in the easement agreement.

23. Refer to the Agreement Section 6.10, where Kentucky-American agrees to invest "no less than \$600,000" in the first five years. Provide a breakdown of the calculation, work papers, or engineering assessment used to arrive at the \$600,000 figure.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **NOV 24 2025**

cc: Parties of Record

*Anne Trout
Kentucky American Water Company
Lexington, KY

*Kentucky-American Water Company
2300 Richmond Road
Lexington, KY 40502

*Lindsey Ingram
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801

*Molly Van Over
Kentucky-American Water Company
2300 Richmond Road
Lexington, KY 40502

*Jeremy B Rowe
Attorney at Law
205 Richmond Street
P.O. Box 1250
Mt. Vernon, KY 40456