

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF AMERICAN)	
WATER WORKS COMPANY, INC., ALPHA)	
MERGER SUB, INC., ESSENTIAL UTILITIES,)	
INC., LDC FUNDING, LLC, PNG COMPANIES)	CASE NO.
LLC, AND DELTA NATURAL GAS COMPANY,)	2025-00408
INC. FOR APPROVAL OF THE TRANSFER OF)	
CONTROL OF DELTA NATURAL GAS)	
COMPANY, INC.)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO AMERICAN WATER WORKS COMPANY, INC.; ALPHA MERGER SUB, INC.;
ESSENTIAL UTILITIES, INC.; LDC FUNDING, LLC; PNG COMPANIES, LLC; AND
DELTA NATURAL GAS COMPANY, INC.

American Water Works Company, Inc. (American Water); Alpha Merger Sub, Inc. (Merger Sub); Essential Utilities, Inc. (Essential); LDC Funding, LLC (LDC Funding), PNG Companies, LLC (PNG), and Delta Natural Gas Company, Inc. (Delta) (collectively, Joint Applicants), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on March 6, 2026. The Commission directs Joint Applicants 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.

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).

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 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 Joint Applicants obtain 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 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 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, 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. Refer to the Application, page 10, paragraph 29, and Essential and Delta's response to Commission Staff's First Request for Information (Staff's First Request), Item 3. Delta has stated that it does not expect termination of any Delta employees prior to the proposed merger. Explain if any terminations or reductions of Delta's current employee head count is expected following the proposed merger.

2. Refer to the Application, Exhibit C, Joint Applicants' Merger Commitments.

a. Explain whether American Water has committed to any specific timeframe for the two commitments provided regarding Local Presence and Commitments to Employees.

b. The Quality of Service Commitments provide that American Water will continue to invest in infrastructure replacement, renewal, upgrades or additions to support the provision of safe, reliable and affordable service. Provide details regarding any known infrastructure replacements, renewals, upgrades or additions currently planned or anticipated for the Delta system.

3. Refer to American Water's response to Staff's First Request, Item 2(c), where American Water states that "the expanded size and scope of the combined organization will enable operational efficiencies... supporting competitive access to capital for all utility subsidiaries, including Delta." Confirm that Delta's access to equity and bond markets post-merger, for the purposes of financing short-term and long-term debt, will be identical to American Water's current access to capital. If not confirmed, explain the extent to which Delta's access to equity and bond markets post-merger will differ from American Water's current access to those markets.

4. Refer to American Water's response to Staff's First Request, Item 4(a). For each efficiency listed, provide specific examples of how each efficiency will be achieved as a result of the proposed merger.

5. Refer to the Application generally and to American Water's response to Staff's First Request, Item 15.

a. Confirm if the duration of the commitment to retain Delta's principal office in Winchester expires at the same time as the two-year charitable giving period. If unable to confirm, explain any differences.

b. Explain whether the pursuit of operational synergies or efficiencies from the merger could eventually result in the consolidation of Delta's Winchester, Kentucky operations into American Water's headquarters.

6. Refer to Essential and Delta's response to Staff's First Request, Item 6. Delta's reported Quick Ratio as of December 31, 2025, was 0.7. Confirm if American Water will provide an immediate cash infusion or line of credit to Delta post-merger closing to bring this ratio in line with industry standards (typically 1.0 or higher). If unable to confirm, explain the post-merger plans for Delta's Quick Ratio.



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DATED **FEB 17 2026**

cc: Parties of Record

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