

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**COMPLIANCE OF KENTUCKY-AMERICAN )  
WATER COMPANY, AMERICAN WATER WORKS )  
COMPANY, RWE AKTIENGESELLSCHAFT AND )  
THAMES WATER AQUA HOLDINGS GMBH WITH )  
THE PROVISIONS OF THE ORDERS )  
APPROVING THE TRANSFER OF CONTROL OF )  
KENTUCKY-AMERICAN WATER COMPANY TO )  
RWE AKTIENGESELLSCHAFT AND THAMES )  
WATER AQUA HOLDINGS GMBH )**

**CASE NO.  
2002-00277**

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**OBJECTION AND RESPONSE OF RWE AG,  
THAMES WATER AQUA HOLDINGS GMBH,  
AMERICAN WATER WORKS COMPANY, INC.  
AND KENTUCKY-AMERICAN WATER COMPANY  
TO ATTORNEY GENERAL’S FIRST REQUEST  
FOR INFORMATION**

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Respondents, RWE AG, Thames Water Aqua Holdings GmbH, American Water Works Company, Inc. and Kentucky-American Water Company, respectfully object and submit this Response to the Attorney General’s First Request for Information herein.

Respondents object to the Request for Information on the grounds that (i) the Commission has not entered a procedural order governing discovery in this case, (ii) the purpose of this case is “to monitor compliance of [Respondents] with the provisions of the Commission’s Orders of May 30, 2002 and of July 10, 2002 in Case No. 2002-00018” and the Requests for Information do not relate to compliance with those Orders and (iii) the Requests for Information seek information that is not relevant to the subject

matter of this case and is not reasonably calculated to lead to the discovery of admissible evidence in this case.

The Commission normally enters procedural orders in cases when it is contemplated that discovery is appropriate or will occur. These orders, among other things, set the dates by which discovery requests must be sent and the dates by which responses must be filed. There is no statute or regulation that sets forth the details of discovery in Commission proceedings that are normally in the procedural orders. Here, the Attorney General has sent 28 requests, with subparts, and directed Respondents to submit responses by August 23, 2002. Since the Commission has not entered any procedural order in this case, it appears that discovery is not contemplated. Certainly, the Attorney General's Utility and Rate Intervention Division has no authority to direct the date by which responses must be submitted.

The purpose of this case is to monitor compliance with the orders in Case No. 2002-00018, approving the transfer of control of Kentucky-American subject to certain conditions. It is not a proceeding in which the Attorney General may attempt to satisfy his curiosity about matters that do not pertain to compliance with those orders. The topics of his inquiries are the contemplated formation of an intermediary holding company, whether Thames, RWE, American and the new holding company have certificates of authority to do business in Kentucky, the American national call center and a July 31, 2002, water service interruption experienced by Kentucky-American. None of those issues need to be addressed by Respondents in order to comply with the Orders in Case No. 2002-00018.

Since the issues set forth in the Requests for Information are not pertinent to compliance with the Orders in Case No. 2002-00018, they are not relevant to this proceeding, nor are they reasonably calculated to lead to the discovery of admissible evidence in this proceeding.

For the foregoing reasons, Respondents should not be required to furnish responses to the Requests for Information. Nevertheless, without waiving the foregoing objections, Respondents offer the following information in response to the Requests for Information.

**Intermediary Holding Company.**

Item Nos. 1 through 15 and 19 through 20 all seek information about a new intermediary holding company to be formed and owned by Thames Water Aqua Holdings GmbH that was described in the testimony of Stephen Smith before the Illinois Commerce Commission. Respondents will file a motion to modify the Orders in Case No. 2002-00018, as suggested by the Commission at page 6 of the July 10, 2002 Order, that will contain all of the information pertinent to the intermediary holding company.

**Certificates To Do Business in Kentucky.**

Item Nos. 16 through 18 seek information about whether Thames, RWE and American have obtained certificates to do business in Kentucky. This information is readily available to the Attorney General on the Internet site of the Secretary of State of Kentucky, to which site the Respondents respectfully refer the Attorney General. Neither Thames, RWE nor American is required to have certificates to do business in Kentucky and, therefore, they do not.

### **National Call Center.**

As set forth above, the American National Call Center is not the subject of any post-order compliance requirements in the Orders in Case No. 2002-00018.

Nevertheless, American and Kentucky-American provides the information set forth below with respect to the information sought in Item Nos. 21 through 25.

It is correct that during the hearing in case number 2002-0018, Roy Mundy testified that Kentucky-American was transitioning to a national call center. (Reference TE., Vol. II page 32.) However, that transition has not been completed. The transition will likely be set for the first half of 2003.

Currently there are 20 Associates dedicated to customer service issues at the Richmond Road office in Lexington. There is one customer service representative located in the Tri-Village office in Owenton. The hours of service are 8:00 a.m. to 4:30 p.m. Monday through Friday for all Customer Service needs and inquiries. Customer service agents answer calls in the order they are received. All agents can answer all incoming customer service calls. After hour calls are transferred to the American Water System Emergency Line Monday through Friday, on weekends and on holidays. In those periods, a representative in the national call center will answer the phone.

Kentucky-American has two T-1 trunk lines that can handle 46 calls, including all incoming and outgoing calls to the main office number. Excess customer service calls are put in a call sequence by the ACD system and answered by the next available agent. If more than 46 calls are either simultaneously incoming or outgoing, an incoming call will get a busy signal and outgoing call attempts will get a busy signal. Past experience indicates the normal call volume to be less than 23 simultaneous calls.

The number of phone calls that Kentucky-American can handle within any time period is dependent on the length of the calls. On occasion, customer service representatives have individually answered over 200 calls in an eight-hour day, but this will vary by both the call load and the length of each call. After the transition to the National Call Center, phone calls will be answered 24 hours per day, 7 days per week, 365/366 days per year. At the time Kentucky-American transitions to the National Call Center, the center will be capable of handling 575 inbound/outbound calls simultaneously and will be staffed by over 300 employees. The exact staffing will be determined by the experience of call loading and, again, the number of calls that can be received in any particular time frame depends on the length of time necessary to handle each call.

**Water Service Interruption.**

Item Nos. 26 through 28 relate to a water service interruption that occurred on Kentucky-American's system on July 31, 2002. This incident has nothing whatsoever to do with Respondents' compliance with the Orders in Case No. 2002-00018. The Commission is conducting an investigation of the service interruption and Kentucky-American is cooperating fully with the Commission in that effort. Respondents respectfully refer the Attorney General to the Commission for access to information about that incident.

Respectfully submitted,

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**CERTIFICATION**

In conformity with paragraph 7 of the Commission's Order dated January 30, 2002, in Case No. 2002-00018, this is to certify that the electronic version of this pleading is a true and accurate copy of the pleading filed in paper medium; that the Petitioners have notified the Commission, the Attorney General, the Lexington-Fayette Urban County Government and Bluegrass FLOW, Inc. by electronic mail on August 23, 2002, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

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and that the original and three copies have been filed with the Public Service Commission in paper medium on the 23<sup>rd</sup> day of August, 2002.

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Counsel for Kentucky-American Water  
Company