

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT PETITION OF KENTUCKY-AMERICAN	]	
WATER COMPANY, THAMES WATER AQUA	]	
HOLDINGS GmbH, RWE AKTIENGESELLSCHAFT	]	Case No. 2002-00317
THAMES WATER AQUA US HOLDINGS, INC.,	]	
APOLLO ACQUISITION COMPANY, AND AMERICAN	]	
WATER WORKS COMPANY, INC. FOR APPROVAL	]	
OF A CHANGE OF CONTROL OF KENTUCKY-	]	
AMERICAN WATER COMPANY	]	

---

---

FIRST INTERIM REQUEST OF BLUEGRASS FLOW, INC.

---

---

Comes Bluegrass FLOW, Inc., and submits this First Interim Request for Information and Documents<sup>1</sup> to RWE, Thames Water Aqua Holdings GmbH, Thames Water Aqua US Holdings, Inc. ("Thames US"), Apollo Acquisition Company, Thames Water Plc, American Water Works, and Kentucky-American Water Company, (all identified in the Motion and Petition to Modify Order as "Parties" and hereinafter collectively "Applicants") to be answered in accord with the following:

- (1) In each case where a request seeks information, data or document(s) provided in response to another request by another party, or Commission staff,

---

<sup>1</sup> Bluegrass FLOW files this First Interim Request in order to comply with the deadline date set forth in Appendix A to the Commission's Order of September 16, 2002; however, it reserves the right to file Supplemental Requests in the first round of discovery if the Commission amends its Scheduling Order to provide for a later deadline date therefor.

reference to the appropriate request item in sufficient detail to identify same will be deemed a satisfactory response.

(2) Please identify the Applicants' witness(es) who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from counsel for Bluegrass FLOW, Inc.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout that would not be self evident to a person not familiar with the printout.

(7) If an Applicant has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify counsel as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege

asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the Applicants state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(10) Please consider all of these requests for information or documents herein to be responded to in English.

(11) Although these request are directed to Applicants in one filing, each of Applicants should respond hereto separately.

Respectfully submitted,

MARTIN, OCKERMAN & BRABANT LLP  
200 N. Upper St.  
Lexington, KY 40507  
(859) 254-4401

---

Foster Ockerman, Jr.  
ockerman@kycounsel.com  
Attorneys for Bluegrass FLOW, Inc.

NOTICE AND CERTIFICATE OF SERVICE

Counsel gives notice that the original and three copies of this document have been filed with the Public Service Commission by sending same by first class mail, postage prepaid, to Mr. Thomas M. Dorman, Executive Director, Public Service Commission, 211 Sower Blvd., Frankfort, KY 40611, by uploading this document (together with the required Index and Read1st documents) to the file transfer protocol site designated by the Executive Director, and by service of a hardcopy of same upon the individuals listed below on this the 23<sup>rd</sup> day of September, 2002. Counsel also certifies that the electronic version has been transferred to the Commission, and the Commission and other parties have been notified by electronic mail that the electronic version has been transmitted to the Commission.

William H. Bowker  
Deputy Executive Director  
Public Service Commission  
211 Sower Dr.  
PO Box 615  
Frankfort, KY 40601

Gerald E. Wuetcher  
Public Service Commission  
211 Sower Dr.  
PO Box 615  
Frankfort, KY 40601

Roy W. Mundy  
Kentucky-American Water  
Company  
2300 Richmond Rd.  
Lexington, KY 40502

Lindsey W. Ingram, Jr.  
Robert Watt  
Stoll, Keenon & Park LLP  
300 W. Vine St., Suite 2100  
Lexington, KY 40507

David Barberie  
Lexington-Fayette Urban Co.  
200 E. Main St.  
Lexington, KY 40507

Anthony G. Martin  
Lexington-Fayette Urban Co. G  
P. O. Box 1812  
Lexington, KY 40588-1812

A. B. Chandler III, Attorney  
General  
Dennis G. Howard II  
David Edward Spenard  
Assistant Attorneys General  
1024 Capital Center Dr.,  
Suite 200  
Frankfort, KY 40601-8204

John N. Hughes  
124 W. Todd St.  
Frankfort, KY 40601

Wenonah Hauter, Director  
Public Citizen  
215 Pennsylvania Ave. SE  
Washington, D. C. 20003

---

Attorneys for Bluegrass  
FLOW, Inc.

Bluegrass FLOW's First Interim Request for Information

1. Reference: Attorney General's Initial Request for Information No. 9:  
Please provide the pro forma for Thames US after the transaction.
2. Reference: Attorney General's Initial Request for Information No. 12:  
Please provide the compensation and benefits for said individuals.
3. Reference: Attorney General's Initial Request for Information No. 20:  
Please confirm that your answers apply to both present and future laws, treaties, etc., and the present and future terms and provisions thereof.
4. Reference: Attorney General's Initial Request for Information No. 20:  
Please confirm, in particular, that each Applicant waives and will not assert any claim under Chapter 11 of the North American Free Trade Agreement (NAFTA) or any similar provision of any other treaty, present or future, in the event of the awarding of less than the full amount of an requested rate increase, of eminent domain proceedings, or otherwise.
5. Reference: Attorney General's Initial Request for Information No. 21:  
Please define the benefit to the public of having the corporate structure of the entities having control over the utility providing water supply and service subject to the provisions of foreign laws, including the laws of Germany.
6. Reference: Attorney General's Initial Request for Information No. 27:  
Please confirm that an affirmative answer to this request means, without limitation, that each Applicant submits to the general jurisdiction of the Commonwealth of Kentucky for all purposes. If not, please identify the Applicant for which this is not true and define the limitations on general jurisdiction.
7. Reference: Attorney General's Initial Request for Information No. 33:  
Have any of Applicants or their subsidiaries been a defendant in a civil action in the United States or in their respective home countries alleging violations of environmental laws or regulations, or duties under contracts or agreements, in which an adverse final judgment against the Applicant or its subsidiary was rendered and which was not reversed on appeal, if appealed? If so, please provide the style of the case, the date of filing, case number and court, the date of entry of judgment, and citation to a reported decision, if any.

8. Applicants, or some of them, are currently engaged in a massive public campaign to attempt to persuade the public that it is in the public benefit to not interfere with the proposed change of control (“the proposed transaction”) to Thames US and the acquiring Applicants.
  - a. Please define the immediate and direct benefit to the public of the proposed transaction.
  - b. Please set forth all statements made during said campaign, with the factual basis therefor, and the place and date of statement, in support of the proposition that the transaction is consistent with the public interest.
  - c. Please complete financial information regarding said campaign, including sources and amounts of income, amounts and recipients of expenditures, including information for expenditures contracted for but not yet spent.
  - d. Please state whether any of the expenditures are or were for the purpose of attempting to influence the outcome of any election currently in progress. If so, please provide details.
  - e. Please state whether any portion or all of the expenses of the campaign are included in Merger Costs as reported or to be reported under PSC Case No. 2002-00277.
  - f. Please identify any officers or employees of any of Applicants sent to Kentucky for purposes of the transaction who have expended any compensated time on efforts relating to the campaign. If there are any, please state the allocated portion of their compensation and whether that is included or may be included in reported or to be reported Merger Costs.
  - g. Please define the legal entity status of the “Coalition against Forced Government Takeover” and provide copies of any organizational documents.
9. Please describe any process or procedure for “inter-accounting” between and among subsidiaries and affiliates of Applicants whereby a service perform by an entity or product sold to an entity is recorded as a charge and payment between the entities involved. By way of

example, if Thames Water Plc provides expert scientific services or resources to Kentucky-American post-transaction, will Kentucky-American pay Thames Water PLC for such services or resources?

10. Please set forth the technical abilities of Thames US.
11. Please set forth the managerial abilities of Thames US.
12. Please set forth the proper purpose under United States law for the proposed change of control to Thames US.
13. What is the benefit to the public interest for the proposed change of control to Thames US which is distinct from any and all alleged benefits to the public in PSC Case No. 2002-00018?
14. Please provide copies of all studies, papers, reports, etc., in the possession of Applicants which identify the probable date by which the lake at Jacobson Park, Lexington, KY., will no longer be used or useful to Kentucky-American as a utility due to siltation or any other condition or event other than an alternate source of supply.