

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]	

SECOND REQUEST OF BLUEGRASS FLOW, INC.¹

Comes Bluegrass FLOW, Inc., and submits this Second Request for Information and Documents² 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 Bluegrass FLOW specifically reserves and does not waive its objections to this procedure of conducting discovery in a case where motions to dismiss are pending and where the scope of the case and discovery has not been determined by the Commission, nor does it waive its Motion to Dismiss, by participating in this discovery procedure. Bluegrass FLOW reserves and does not waive, without limitation, all objections and grounds for rehearing.

² Bluegrass FLOW files this Second 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 if the Commission amends its Scheduling Order to provide for a later deadline date therefor.

(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, 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,

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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 3rd day of October, 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.

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Bluegrass FLOW's Second Request for Information

1. The Responses of the Applicants to the First Interim Request of Bluegrass FLOW, Inc., does not list Thames Water Plc as one of the responding entities although said First Interim Request and this Second Request include Thames Water Plc for the reason that the Application itself identifies said entity as a "Party." Please confirm that the Response for Thames Water PLC to each Request is the same as that of the other Applicants. If it is not in any regard, please state and provide the response.
2. Identify all subsidiaries or affiliates of any of Applicants which are domestic corporations or other entities of Canada and Mexico, listing the official business address and chief executive officer of each.
3. Reference: Response to First Interim Request of Bluegrass FLOW, Inc. number 8. The Response appears to advance the theory that "the efforts of Kentucky-American and the Coalition" are limited solely to resisting condemnation efforts. An examination of the web sites of Kentucky-American and the Coalition reveal that, in fact, the proposed change of control transaction is actually being advocated as in the public interest. (See, eg, www.notakeover.com/faqs.html, page 2, "reason" number 1: "Private ownership and operation is more efficient than public ownership and is *in the best interest of the citizens. . .*") Having opened the door to the core issue in this instant case – whether the transaction is in the public interest – Applicants cannot hide behind the Commission's orders excluding the topic of "local ownership" which was not mentioned in the Request.
 - a. Supply copies of all web site pages as of the date of this Second Request and without revisions for www.kawc.com and www.notakeover.com and supply the factual basis for each statement made, if any.
 - b. Identify the registered owner of each domain name.
 - c. Describe the degree of control and sponsorship of Kentucky-American over and of the Coalition.
 - d. What are Kentucky-American's duties as a member of the Coalition?
4. 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.
5. Please identify an entity named “RWE-Nukem” and its relationship to RWE.