

**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,	)	
THAMES WATER AQUA US HOLDINGS,	)	CASE NO. 2002-00317
INC., APOLLO ACQUISITION COMPANY	)	
AND AMERICAN WATER WORKS CO. INC.,	)	
FOR APPROVAL OF A CHANGE IN	)	
CONTROL OF KENTUCKY-AMERICAN	)	
WATER COMPANY	)	

**ATTORNEY GENERAL'S  
INITIAL REQUEST FOR INFORMATION**

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office for Rate Intervention, and submits this Request for Information to Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, Thames Water Aqua US Holdings, Inc., Apollo Acquisition Company, and American Water Works Co., Inc., (hereinafter "Joint Petitioners") to be answered in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the company witness 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 the Office of Attorney General.

(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 the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General 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 company 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.

Respectfully submitted,

A. B. CHANDLER III  
ATTORNEY GENERAL  
/s/ David Edward Spenard  
Dennis G. Howard II  
David Edward Spenard  
Assistant Attorneys General  
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*Notice of Filing*

Counsel gives notice of the filing, by hand delivery to Thomas M. Dorman, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, of the original and three photocopies. Further, counsel gives notice of the uploading to the Commission's file transfer protocol site of one copy in electronic medium. The filing is in compliance with Instructions 5(a) and 9 of the Commission's 16 September 2002 Order of procedure. This action was taken on 23 September 2002.

/s/ David Edward Spenard  
Assistant Attorney General

*Instruction 13 Certification*

Per Instruction 13 of the Commission's 16 September 2002 Order of procedure, counsel certifies that the electronic version of the filing is a true and accurate copy of the document filed in paper medium. The electronic version has been transmitted to the Commission. The other parties have been notified by electronic mail that the electronic version has been transmitted to the Commission.

/s/ David Edward Spenard  
Assistant Attorney General

*Certificate of Service*

Counsel certifies service of this request for information. Service took place on 23 September 2002 by mailing of a true and correct photocopy of the same, first class postage prepaid, to the other parties of record. Per Instruction 15 of the Commission's 16 September 2002 Order of procedure, Joint Petitioners have been served with an electronic copy of the data request. The other parties of record are the following.

Roy W. Mundy  
Kentucky-American Water Company  
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/s/ David Edward Spenard  
Assistant Attorney General

## **ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION**

1. Reference: Motion and Petition to Modify Order, Numbered Paragraph 7, Testimony of Stephen Smith, Response to Question 6. When was Thames Water Aqua US Holdings, Inc. (“TWUS”) formed?
2. Confirm that the full, legal name of the new company is “Thames Water Aqua US Holdings, Inc. If this is not the name, please supply the name.
3. What is the legal form of the organization of TWUS (e.g. business corporation, limited liability company, etc.)?
4. Where was TWUS formed and where will its headquarters be located?
5. With respect to the Certificate of Incorporation for TWUS, please confirm that these are the complete articles of incorporation. If not, please supply a complete copy.
6. Please supply a copy of the TWUS bylaws.
7. Please provide a certificate of good standing or similar document from the state in which TWUS is organized.
8. Please provide a complete listing of all entities that own or control any or all of the ownership interests in TWUS.
9. Please provide a complete balance sheet and income statement for TWUS as of 31 August 2002.
10. How will TWUS be capitalized and from what source(s) will it receive the funds necessary to purchase the common stock of American Water Works Co? Will such funding be debt, equity, or a mix of debt and equity (if both debt and equity, please show the amounts of each)?
11. If any of the capitalization of TWUS will be from debt, please provide copies of the debt instruments (indentures, notes, etc.) that document the terms and conditions associated with that debt. If such debt instruments do not yet exist, please provide all documents that discuss or otherwise concern the likely terms and conditions of such debt.
12. Please provide a complete listing of the officers, directors, or similar officials of TWUS. This listing should include the name, business address, and the position held (if any) with any of the Joint Petitioners or any affiliates of the Joint Petitioners.
13. Please provide the number of employees of TWUS.

14. Do the Joint Petitioners expect TWUS to also own or acquire any other assets of Thames, RWE, or both Thames and RWE in the United States? If so, please list and describe each such asset and describe the transaction(s) and regulatory approval(s) that will be necessary for such acquisitions to occur. If not, please explain why not.
15. Is it anticipated that American Water Works Co., Kentucky-American, or both American Water Works and Kentucky-American will participate in the filing of a consolidated tax return with any entities outside of the current American Water Works system (for example, with E'town Corp. or any other entity owned by Thames, RWE, or both Thames and RWE in the United States)? If so, please list and describe each such entity and estimate the impact on Kentucky-American Water Company from expanding the group with which it will be consolidated for tax purposes. If not, please explain why not.
16. Please confirm that none of the costs associated with forming or operating TWUS will be borne by, or passed down to, American Water Works Co. or any of its subsidiaries. If this is not the case, please specifically describe and estimate the amount of each such cost. If not, please explain why not.
17. Please confirm that TWUS will be wholly owned by RWE AG/Thames Water Aqua Holdings GmbH. If not, please list all other entities that will own, control, or own and control any portion of TWUS and explain the reasons for the involvement of such other entities.
18. Please list the name of each person who is authorized to make commitments in this proceeding on that are binding on TWUS. For each such person, provide documentary evidence of the fact that they are authorized to bind TWUS (such as a power of attorney, board of directors' resolutions, etc.).
19. Please provide copies of all minutes of the board of directors (or comparable governing body) of TWUS that concern the acquisition of American Water Works co., the regulatory proceedings associated with that acquisition, and the method of funding that acquisition.
20. Please confirm that the Joint Petitioners will neither assert or otherwise challenge the jurisdiction and authority of the Commission, whether by means of law, treaty, convention, choice of forums, conflict of law provision, or otherwise, with the enforcement of the order granting any approval of the transfer of control. If no, please identify by entity the challenge(s) to the jurisdiction and authority of the Commission.
21. Will future changes in German tax law dictate, or contribute to the decision of, the corporate structure above Kentucky-American? If yes, please explain.
22. Please provide the name and address for the agent for service of process for each Joint Petitioner. If service is not perfected by serving the named individual by certified mail, please state the means by which service is perfected.

23. With regard to the transaction, please indicate whether the transfer of the stock of AWW to TWUS will occur before or after the merger of the Apollo Acquisition Company into the American Water Works Company.
24. Please provide all of the journal entries that TWUS will record to accept the stock of Thames Holdings' water interest in the United States.
25. Please provide the specific journal entries that the American Water Works Company will record to reflect the transfer of stock to TWUS.
26. Please provide any post-stock transfer journal entries that either TWUS or American Water Works Company will record in connection with the transfer.
27. Please confirm that each Joint Petitioner has availed itself to the jurisdiction of the Commonwealth of Kentucky.
28. With respect to KRS 278.990, please confirm that all of the Joint Petitioners are subject to this statute. If not, please identify each Joint Petitioner that is not subject to KRS 278.990.
29. With respect to KRS 278.390, please confirm that all of the Joint Petitioners are subject to this statute. If not, please identify each Joint Petitioner that is not subject to KRS 278.390.
30. With respect to KRS 278.250, please confirm that all of the Joint Petitioners are within the Commission's jurisdiction and subject to an investigation or examination of the condition of the Joint Petitioners' utility activity subject to the Commission's jurisdiction. If not, please identify each Joint Petitioner that is not subject to KRS 278.250.
31. With regard to all of the Joint Petitioners in this case, please confirm that they adopt the joint petitioners answers to the Attorney General's discovery requests in case number 2002-00018 as if the questions had been presented to all the Joint Petitioners in the instant case. If the answers are now different or would change as a result of the inclusion of the additional petitioners, please provide the new answer.
32. If the answer has been or should be updated with respect to the current Joint Petitioners, please provide the update(s).
33. Have any of the Joint Petitioners or their subsidiaries been sanctioned for any violations of any environmental laws or regulations? If so, please provide details including the name of the company, the date and nature of the violation(s), sanction or penalty imposed, and the name of the regulatory agency or entity.