

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Joint Application of Corix Utilities (Illinois)
LLC; Hydro Star, LLC; Utilities, Inc.;) Case No. 2012-00133
and Water Service Corporation of Kentucky)
for the Transfer and Acquisition)
of Control Pursuant to KRS 278.020)

APPLICANTS' POST-HEARING RESPONSE

Corix Utilities (Illinois) LLC; Hydro Star, LLC; Utilities, Inc. ("UP"); and its Kentucky utility subsidiary, Water Service Corporation of Kentucky (collectively "Applicants") respectfully submit the following post-hearing response.

During the course of the August 3, 2012, hearing, the undersigned counsel was asked and responded to certain questions regarding the pending application and conditions that may be required by the Commission for approval of the transfer and that are agreeable to the Applicants. The Applicants provide the following verifications and clarifications to questions posed at the hearing.

1. The proposed transfer is accurately described in Paragraph 15 of the Application. The post-transaction organization chart that was filed with Exhibit 4 to the Application presumes the merger of Hydro Star, LLC, with Corix Utilities (Illinois) LLC.

2. After the transfer, if Corix Utilities (Illinois) LLC is consolidated with Hydro Star LLC, Corix Utilities (Illinois) LLC (or one of its corporate affiliates) will agree to notify the Commission of the consolidation.

3. There are nine applications pending in various regulatory agencies (Florida, Illinois, Kentucky, Nevada, New Jersey, North Carolina, Pennsylvania, Virginia-Colchester, and Virginia-


Massanutten) for approval of the proposed transfer. During the hearing, counsel for the Applicants indicated that there were eleven other applications pending, but this statement failed to account for regulatory jurisdictions in which approval is not required for the proposed transaction.

4. It is the Applicants' position that dismissal of Franklin Circuit Court Civil Action No. 2011-CI-1770, in accordance with condition (e) identified in Paragraph 3 of the Joint Motion filed on July 26, 2012, should not occur until after the transaction is complete. WSCK will agree to hold that case in abeyance while the transaction is pending.

5. In conjunction with condition (m) identified in Paragraph 3 of the Joint Motion filed on July 26, 2012, the Applicants are willing to agree to a condition of the transfer whereby the utility hosts annual public meetings in Clinton and Middlesboro to provide a forum for customers to communicate with utility management.

6. In response to Commission Staff's inquiry as to the term "management personnel" as used in condition (n) identified in Paragraph 3 of the Joint Motion filed on July 26, 2012, WSCK's management personnel are identified in the attachment to the Applicants' Response to Item 1(a) of the Attorney General's Supplemental Information Requests.

Respectfully submitted,



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