

1           **Q. PLEASE STATE YOUR FULL NAME, ADDRESS, AND**  
2           **OCCUPATION.**

3           A. My name is J. Randall Woolridge. My business address is 120 Haymaker  
4           Circle, State College, PA 16801. I am a Professor of Finance and the  
5           Goldman, Sachs & Co. and Frank P. Smeal Endowed University Fellow in  
6           Business Administration at the University Park Campus of the Pennsylvania  
7           State University. I am also the Director of the Smeal College Trading Room  
8           and President of the Nittany Lion Fund, LLC. A summary of my educational  
9           background, research, and related business experience is provided in  
10          Appendix A.

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12                           **I. SUBJECT OF TESTIMONY AND SUMMARY OF**  
13   **RECOMMENDATIONS**

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15           **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16           **PROCEEDING?**

17          A. I have been asked by the Kentucky Office of Attorney General and the  
18          Lexington-Fayette Urban County Government to provide an opinion as to the  
19          overall fair rate of return or cost of capital for Kentucky American Water  
20          Company and to evaluate KAWC's rate of return testimony in this proceeding.

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22           **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

23          A. First I will review my cost of capital recommendation for KAWC, and detail the