

Case No. 2022-00396
Joint Applicants
Response to Commission Staff's First Request for Information

Commission Staff 1-9:

Provide the following information concerning the costs of this corporate reorganization:

- a. The total cost incurred as of the date of this request of information by Corix US.
- b. The total cost incurred as of the date of this request of information by SWMAC.
- c. The current estimated total cost of the corporate reorganization to be borne by Corix US.
- d. The current estimated total cost of the corporate reorganization to be borne by SWMAC.

Response:

Objection. As noted in the Application, paragraph 32, commitment c): "The Joint Applicants have incurred and will incur transaction costs. The Joint Applicants will not seek to recover transaction costs from customers." (Emphasis added.) Because the Joint Applicants will not seek recovery of transaction costs from customers, the actual and estimated transaction costs are not relevant to the Commission's determination.

Notwithstanding this commitment, no transaction costs are estimated to be incurred by Water Service Corporation of Kentucky. In early December 2022, the parties to the Transaction Agreement estimated [REDACTED] in transaction costs attributable to the Proposed Transaction. The Joint Applicants will supplement this response once their respective books close for December 2022 to provide updated costs incurred to date.

Supplemental Response (2/14/2023):

Objection. As noted in the Application, paragraph 32, commitment c): "The Joint Applicants have incurred and will incur transaction costs. The Joint Applicants will not seek to recover transaction

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costs from customers." (Emphasis added.) Because the Joint Applicants will not seek recovery of transaction costs from customers, the actual and estimated transaction costs are not relevant to the Commission's determination.

Notwithstanding this commitment, no transaction costs are estimated to be incurred by Water Service Corporation of Kentucky. In early December 2022, the parties to the Transaction Agreement estimated [REDACTED] in transaction costs attributable to the Proposed Transaction. As of December 31, 2022, actual transaction costs totaled [REDACTED]

Witness: Steve Lubertozzi, Brian Bahr