

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF CORIX UTILITIES )  
(ILLINOIS) LLC; HYDRO STAR, LLC; UTILITIES, )  
INC.; AND WATER SERVICE CORPORATION OF ) CASE NO. 2012-00133  
KENTUCKY FOR THE TRANSFER AND )  
ACQUISITION OF CONTROL PURSUANT TO )  
KRS 278.020 )

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on August 2, 2012 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on August 2, 2012.

A copy of this Notice, the certification of the digital video record, and hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at [http://psc.ky.gov/av\\_broadcast/2012-00133/2012-00133\\_02Aug12\\_Inter.aspx](http://psc.ky.gov/av_broadcast/2012-00133/2012-00133_02Aug12_Inter.aspx). Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 7<sup>th</sup> day of August 2012.

A handwritten signature in cursive script that reads "Linda Faulkner".

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Linda Faulkner  
Director, Filings Division  
Public Service Commission of Kentucky

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Frankfort, KENTUCKY 40601-8204

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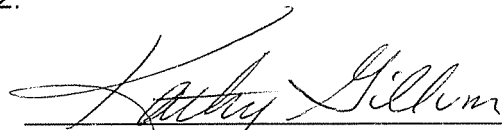
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CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on August 2, 2012;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of August 2, 2012 and the time at which each occurred.

Given this 7<sup>th</sup> day of August, 2012.

  
Kathy Gillum, Notary Public  
State at Large

My commission expires: Sept 3, 2013



# Case History Log Report

Case Number: 2012-00133\_02Aug12

Case Title: Water Service Corporation of Kentucky (Corix, et al)

Case Type: Transfer of Control

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

**Date: 8/2/2012**

Location: Default Location

Judge: Jim Gardner, Linda Breathitt

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event
12:00:00 AM	

**Date: 8/2/2012**

Location: Default Location

Judge: Jim Gardner, Linda Breathitt

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event
10:02:18 AM	Case Started
10:03:13 AM	Preliminary Remarks
10:03:28 AM	Introductions
	Note: Kathy Gillum
10:04:37 AM	Public Comment
	Note: Kathy Gillum
10:05:20 AM	Todd Osterloh (Corix)
	Note: Kathy Gillum
10:07:13 AM	Vice Chair Gardner
	Note: Kathy Gillum
10:08:08 AM	David Spenard (OAG)
	Note: Kathy Gillum
10:08:30 AM	Gerald Wuetcher (PSC)
	Note: Kathy Gillum
10:09:29 AM	Todd Osterloh (Corix)
	Note: Kathy Gillum
10:10:02 AM	David Spenard (OAG)
	Note: Kathy Gillum

Todd Osterloh, counsel for Corix et al; David Spenard and Jennifer Hans counsel for OAG; and Gerald Wuetcher, PSC Staff Attorney.

Call for public comment by Vice Chair Gardner. No persons present for public comment.

Opening Statement made by Todd Osterloh, counsel for Corix, et al)

Vice Chair Gardner asked if Corix and OAG accept the conditions set forth in the joint motion. Parties answered yes.

Mr. Spenard states OAG is supporting the transfer.

Mr. Wuetcher asks about Condition B which refers to a violation of a treatment technique or maximum contaminate level.

Mr. Osterloh states that they were addressed through federal law. Mr. Osterloh refers explanation to OAG.

Mr. Spenard states that the goal is that the water system will be maintained. Explains what is meant by treatment technique.

10:12:48 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding written report.
10:13:13 AM	David Spenard (OAG) Note: Kathy Gillum	Explains Notice of Violation procedures.
10:14:18 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding Condition C regarding meaningful process and if it would be in writing.
10:15:06 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh explains meaningful process.
10:16:02 AM	David Spenard (OAG) Note: Kathy Gillum	Mr. Spenard stated that he had a concern that this corporation would be allowed to determine if allocations are appropriate for recovery.
10:17:47 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Mr. Wuetcher summarizing his understanding for accuracy.
10:18:48 AM	David Spenard (OAG) Note: Kathy Gillum	Mr. Spenard states that they would have the ability to make an inquiry for allocations in rate cases.
10:20:39 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that the utility currently has the meaningful process in place.
10:20:49 AM	Vice Chair Gardner Note: Kathy Gillum	Questions regarding meaningful review.
10:21:46 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that the utility believes that the process is currently sufficient.
10:22:28 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding Condition D regarding the 6 month waiting period. Questions regarding Condition E regarding completion time.
10:23:50 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that they would acknowledge that the record would not need to be filed until resolution (completion upon the transaction).
10:24:36 AM	Vice Chair Gardner Note: Kathy Gillum	Vice Chair Gardner asks parties for followup time. Decision was Monday at close of business.
10:25:02 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding Condition F - access of PSC for inspections.
10:25:37 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that some records could be accessed via the internet, others provided within a reasonable time.
10:26:37 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Mr. Wuetcher asks: So they have no specific plan, but would make records available?
10:26:57 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding Condition N: Corporate Officers or Management Personnel.
10:27:31 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh refers to Response to PSC 2nd DRs. States that they had provided a chain of command in their DR responses.
10:28:59 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Questions regarding Condition Q: workforce reductions.
10:29:36 AM	David Spenard (OAG) Note: Kathy Gillum	No questions.

10:29:44 AM	Commissioner Breathitt Note: Kathy Gillum	Questions regarding the indirect transfer of control.
10:30:09 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh explains the meaning of an indirect transfer of control.
10:30:54 AM	Commissioner Breathitt Note: Kathy Gillum	Questions regarding Corix keeping the WSCK name.
10:31:31 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that there are no present plans to change the name.
10:32:35 AM	Commissioner Breathitt Note: Kathy Gillum	Questions regarding location of parent company. Questions regarding which officials (local or Chicago etc) of the corporation would be meeting with the Commission.
10:38:20 AM	Vice Chair Gardner Note: Kathy Gillum	Questions regarding communication between upper management and the community. Questions regarding High Star membership interest and transfer to Corix (referred to Exhibit 4). Questions regarding the organizational chart and if the merger had already occurred.
10:42:16 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states that the holding company is being sold. The holding corporation after the transaction will be held by Corix Utilities in Illinois.
10:43:23 AM	Vice Chair Gardner Note: Kathy Gillum	States that Mr. Osterloh's explanation is not consistent with what is contained in the document. Requests for Mr. Osterloh to clarify and provide clarification to the parties.
10:45:05 AM	Commissioner Breathitt Note: Kathy Gillum	Commissioner Breathitt asks if the AG has a comment on the new condition being discussed?
10:45:20 AM	David Spenard (OAG) Note: Kathy Gillum	Mr. Spenard states that OAG supports it.
10:45:36 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Mr. Wuetcher asks Mr. Osterloh to clarify Condition O regarding time limit and what form of advisement.
10:46:49 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh states advisement would be in writing, and 30 days was reasonable.
10:48:13 AM	Gerald Wuetcher (PSC) Note: Kathy Gillum	Mr. Wuetcher asked, How many regulatory commissions have approved the transaction?
10:48:46 AM	Todd Osterloh (Corix) Note: Kathy Gillum	Mr. Osterloh provides updates to questions previously asked. States the dismissal of Appeal would be after the transaction has occurred. States clients are willing to have meeting with the community. States that Hydrostar LLC is the interest being transferred. Statement that it was the holding company that was incorrect. States they will notify of a merger.
10:49:56 AM	Commissioner Breathitt Note: Kathy Gillum	Questions regarding the other regulatory jurisdictions that they are seeking approval. Are they approving this transaction or other states transaction?

10:50:34 AM Todd Osterloh (Corix)

Note: Kathy Gillum

Mr. Osterloh states that they would be approving transactions that are occurring in their states.

10:51:44 AM Vice Chair Gardner

Note: Kathy Gillum

Vice Chair Gardner asks Mr. Osterloh to relay to clients the discussion regarding a relationship with the community. Vice Chair adjourns hearing.

10:53:09 AM Case Stopped