

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, INC.,) CASE NO. 2006-00197
AND AMERICAN WATER WORKS COMPANY,)
INC. FOR APPROVAL OF A CHANGE IN CONTROL)
OF KENTUCKY-AMERICAN WATER COMPANY)

O R D E R

On June 5, 2006, RWE Aktiengesellschaft, Thames Water Aqua Holdings GmbH, Thames Water Aqua US Holdings, Inc., (“TWUS”), American Water Works Company (“AWWC”), and Kentucky-American Water Company (“KAWC”) (collectively “Joint Petitioners”), pursuant to KRS 278.020, applied for approval of the transfer of control of KAWC through the sale of up to 100 percent of the shares of AWWC in one or more public offerings. Prior to the closing of the initial public offering, TWUS will be merged into AWWC, with AWWC being the surviving corporation. According to Joint Petitioners, the offerings of AWWC common stock will be conducted in accordance with the United States Securities Act of 1933 and will be listed on the New York Stock Exchange.

In a separate and contemporaneous Order, the Commission has required the parties to brief an issue as to whether this case should be decided under KRS 278.020(5), KRS 278.020(6), or both. Nonetheless, the Commission finds that a procedural schedule should be established in the interim to begin the process of reviewing and investigating the merits of the pending application.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A herein shall be followed.
2. All parties shall follow the procedures set forth in the Commission's Order of June 7, 2006, regarding the filing of documents and materials with the Commission.
3. All interrogatories and requests for production of documents shall be appropriately indexed.
4. All responses shall include the name of the witness who will be responsible for responding to the questions related to the information provided.
5. All parties shall respond to any interrogatories and requests for production of documents that Commission Staff submits in accordance with the procedural schedule set forth in Appendix A.
6. Joint Petitioners shall give notice of the hearing in accordance with the provisions of 807 KAR 5:011, Section 8(5). At the time publication is requested, Joint Petitioners shall forward a duplicate of the notice and request to the Commission.
7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.
8. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 19th day of June, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00197 DATED JUNE 19, 2006

- All initial requests for information to
Joint Petitioners shall be filed no later than 06/27/2006
- Joint Petitioners shall file responses to initial
requests for information no later than..... 07/11/2006
- All supplemental requests for information
to Joint Petitioners shall be filed no later than 07/21/2006
- Joint Petitioners shall file responses to
supplemental requests for information
no later than 08/02/2006
- Intervenors' testimony, if any, shall be filed in
verified prepared form no later than 08/14/2006
- Last day for Joint Petitioners to publish notice of hearing date 08/09/2006
- Public Hearing shall begin at 9:00 a.m., Eastern
Daylight Time, in Hearing Room 1 of the Commission's
offices at 211 Sower Boulevard, Frankfort, Kentucky,
for the purpose of cross-examination of witnesses 08/16/2006
- Simultaneous briefs, if any, shall be filed no later than.....(to be scheduled)