

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:)
)
THE APPLICATION OF KENTUCKY-AMERICAN) CASE NO. 2010-00036
WATER COMPANY FOR AN ADJUSTMENT OF)
RATES ON AND AFTER MARCH 28, 2010)

ORDERING PARAGRAPH 13 REPORT

In accordance with Ordering Paragraph 13(b) of the Commission’s December 14, 2010 Order in this matter, Kentucky-American Water Company (“KAW”) reports that the collaborative effort to identify and consider potential regulatory and legislative solutions to enhance and improve the affordability of water service for low-income customers was initiated in January 2011 and is now complete. An initial meeting among the parties to this matter occurred on February 9, 2011 and subsequent meetings occurred on March 29, 2011 and September 1, 2011. The parties have considered potential regulatory and legislative mechanisms to enhance and improve the affordability of water service for low-income customers.

The consensus of the group is that a legislative effort will be a worthwhile effort and should be pursued. The parties have considered legislative efforts that have occurred in states in which KAW’s sister companies do business and have considered Kentucky’s legislation that provides assistance to low-income electricity and gas customers. The parties have circulated and finalized proposed legislation and continue to discuss plans for maximizing the chances that the proposed legislation will become law. Those plans include education about the legislation and its benefits. The plan is for Community Action Council for Lexington-Fayette, Bourbon,

Harrison, and Nicholas Counties, Inc. to introduce the proposed legislation at the first advantageous opportunity.

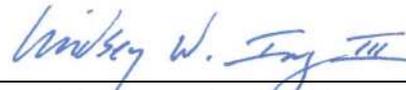
Respectfully submitted,

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BY:



Counsel for Kentucky-American Water Company

CERTIFICATE

In accordance with Ordering Paragraph No. 6 of the Commission's February 16, 2010 Order, this is to certify that Kentucky-American Water Company's November 1, 2011 electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on November 1, 2011; that an original and one copy of the filing will be delivered to the Commission on November 1, 2011; and, that, on November 1, 2011, electronic mail notification of the electronic filing will be provided to the Commission and the following:

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