

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES OF)
KENTUCKY-AMERICAN WATER COMPANY) CASE NO. 10069

O R D E R

The Commission finds that the hearing on May 5, 1988, is necessary to fully consider the Proposed Settlement submitted by the Staff and Kentucky-American Water Company ("Kentucky-American").

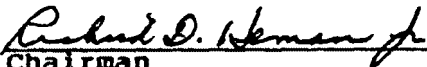
The Attorney General, which participated in the settlement conference held on March 30, 1988, but did not agree to the provisions of the proposed agreement, will be given the opportunity to present its evidence, to cross-examine Kentucky-American's witnesses and to present its arguments on the reasonableness of the proposed settlement.

The Commission will review the complete record in this case to consider the reasonableness of the proposal. If the proposal is found to be reasonable, an Order approving it will be issued. If it is found to be unreasonable, a hearing will be scheduled for the purpose of hearing testimony and for examination of witnesses as to the reasonableness of Kentucky-American's application filed on December 1, 1987.

IT IS ORDERED that the hearing to be held on May 5, 1988, at 10:00 a.m., Eastern Daylight Time, in the Commission's offices in Frankfort, Kentucky, is to receive evidence from the Attorney General on the reasonableness of the proposed settlement.

Done at Frankfort, Kentucky, this 29th day of April, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director