

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF THE RATES)	CASE NO.
OF KENTUCKY-AMERICAN WATER COMPANY)	89-348
EFFECTIVE ON JANUARY 28, 1990)	

ORDER ON REHEARING

On July 16, 1990, Kentucky-American Water Company ("Kentucky-American") filed a motion for modification or rehearing of the directive in the Commission's June 28, 1990 Order that Kentucky-American update its Least Cost/Comprehensive Planning Study prior to its next rate case. Kentucky-American states that while the update could be performed by December 1, 1990 to coincide with the anticipated filing of its next rate case, the effort will need to be repeated in 1991 to consider the Kentucky River Aquatic Study and the Harza Engineering Report to the Kentucky River Basin Steering Committee. These studies are expected to provide significant information regarding the availability of the Kentucky River as a future source of water supply. To avoid the duplicity inherent in performing two updates in two years, Kentucky-American requests that only one update be filed by December 31, 1991.

Based on the petition and being advised, the Commission finds that good cause has been shown to modify the Commission's June 28, 1990 Order to allow the update to the Least Cost/Comprehensive Planning Study to be filed by December 31, 1991. However, the

Commission continues to be concerned about Kentucky-American's near term ability to meet customer demands based on the projections and recommendations in the Least Cost/Comprehensive Planning Study. Consequently, Kentucky-American should address this issue in its next rate case.

IT IS THEREFORE ORDERED that:

1. The Commission's June 28, 1990 Order be and it hereby is modified to the extent that Kentucky-American's updated Least Cost/Comprehensive Planning Study shall be filed no later than December 31, 1991.

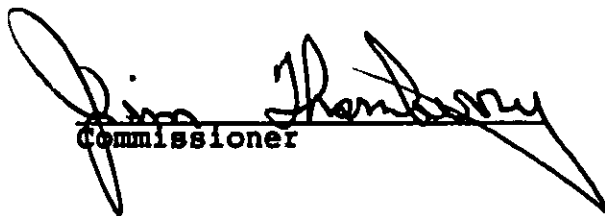
2. All other provisions of the Commission's June 28, 1990 Order shall remain in full force and effect.

Done at Frankfort, Kentucky, this 1st day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director