COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE SPEARS WATER COMPANY, INC. AND THE CITY OF NICHOLASVILLE FOR APPROVAL OF AN ASSET PURCHASE AGREEMENT WHEREBY THE CITY OF NICHOLASVILLE PROPOSES TO ACQUIRE THE EXISTING WATER DISTRIBUTION SYSTEM OF THE SPEARS WATER COMPANY, INC. PURSUANT TO THE PROVISIONS OF KRS 278.020(4) AND 807 KAR 5:001(8)

CASE NO. 2001-325

<u>O R D E R</u>

On October 17, 2001, Kentucky-American Water Company ("Kentucky-American") filed a motion for full intervention in this proceeding. No objections having been filed to the motion, and it appearing that Kentucky-American may have facts and information that may assist the Commission in considering the application, the motion should be granted. The parties are, however, cautioned that time is of the essence in this proceeding. Pursuant to KRS 278.020, a final Order is due on December 3, 2001 unless, for good cause shown, the time should be extended. Accordingly, it is imperative that all issues be placed in the record on an expedited basis.

The Commission having been sufficiently advised, IT IS HEREBY ORDERED that:

1. The motion of Kentucky-American to intervene is granted.

2. Kentucky-American shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings,

correspondence, and all other documents submitted by the parties after the date of this Order.

3. Should Kentucky-American file documents of any kind with the Commission in the course of these proceedings, Kentucky-American shall also serve a copy of the documents on all other parties of record.

4. Within 5 days from the date of this Order, Kentucky-American shall state in writing, with specificity, those facts and issues that it wishes to present to the Commission that it believes will assist or aid the Commission in reaching a decision as to whether the transfer proposed by the joint applicants should be approved.

5. The procedural schedule is hereby amended to allow each party an additional 5 days to file requests for information.

Done at Frankfort, Kentucky, this 6th day of November, 2001.

By the Commission

ATTEST:

Executive Direct