

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)	CASE NO.
WHEREBY THE CITY OF NICHOLASVILLE)	2001-325
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))	

O R D E R

On November 14, 2001, Kentucky-American Water Company ("Kentucky-American") requested a formal hearing in this proceeding. In support of its request, Kentucky-American states that it will present evidence relative to the ability of the city of Nicholasville to provide reasonable service to customers outside the city, and that it will further present evidence concerning whether the transfer proposed by the joint application is consistent with the public interest. The Commission finds that the evidence Kentucky-American proposes to offer is germane to these proceedings and may assist the Commission in considering the application. The Commission further finds, however, that scheduling a hearing will prevent the Commission from issuing a final order by December 3, 2001. Therefore, good cause exists to extend this proceeding an additional 60 days.

The Commission being otherwise sufficiently advised, IT IS HEREBY ORDERED
that:

1. A formal hearing in this matter is scheduled for January 4, 2002, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. Any party wishing to present evidence at the hearing shall prefile its testimony and supporting documentary evidence by December 26, 2001 and hearing testimony shall be limited to cross-examination or redirect examination and rebuttal testimony.

3. Any party filing testimony shall file an original and 12 copies.

4. The due date for the final Order in this proceeding is extended to February 1, 2002.

Done at Frankfort, Kentucky, this 21st day of November, 2001.

By the Commission

ATTEST:


Executive Director