

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF THE	)	
TRANSFER OF CONTROL OF KENTUCKY-	)	
AMERICAN WATER COMPANY TO RWE	)	CASE NO. 2002-00018
AKTIENGESELLSCHAFT AND THAMES WATER	)	
AQUA HOLDINGS GMBH	)	

ORDER

Thames Water Aqua Holdings GmbH ( Thames ) and Kentucky-American Water Company ( Kentucky-American ) (collectively Joint Applicants ) have moved the Commission to extend to 120 days the review period for their joint application. We grant the motion in part and deny it in part.

The Joint Applicants have applied for Commission approval of the proposed transfer of control of Kentucky-American from American Water Works Company to Thames. KRS 278.020(5) requires Commission approval of such transfer. It further requires that the Commission take final action upon an application for approval of such transfer within 60 days of the application s filing unless it is necessary, for good cause shown, to continue the application. Where good cause exists, the Commission may continue the review period for an additional 60 days.

The Joint Applicants state that the extension is necessary to permit them to assemble and submit the materials that the Commission has already requested and that the Commission and Intervenors are likely to request. They further state that a 60-day review period will not allow adequate time for the parties to analyze the evidence and

that extending the review period will permit greater analysis of initial discovery requests and may avoid unnecessary discovery requests or testimony. They also note that Commission action at the outset of this proceeding will permit each party to better plan and use its resources. The Joint Applicants have further waived their rights to the issuance of a final order within 60 days of the filing of their application.

Having reviewed the motion, the Commission finds that good cause exists to extend the review period to 90 days. We note that the acquirer is a foreign national corporation and that many of its records are located outside the Commonwealth and the United States. In some instances, these records are in a foreign language and will require the production of translated versions. A 60-day review period will not permit the assembly and submission of all materials necessary for a complete review of the Joint Applicants application. Given Kentucky-American's significant role in central Kentucky's water supply and its importance to the economy of that region, careful and thorough consideration of all evidence relevant to the acquisition is required.

The Commission will not at this time extend the review period beyond 90 days. As this proceeding progresses, if a party believes that an additional extension of the review period is required, it may move for such extension. We will give careful consideration to such motion.

IT IS THEREFORE ORDERED that:

1. The Joint Applicants Motion for Extension of Review Period is granted in part and denied in part.
2. The period for reviewing the Joint Application is extended to 90 days.

3. The procedural schedule set forth in Appendix A to this Order shall be followed.

4. All parties shall follow the procedures set forth in the Commission's Order of January 30, 2002, regarding the filing of documents and materials with the Commission.

5. All interrogatories and requests for production of documents shall be appropriately indexed. All responses shall include the name of the witness who will be responsible for responding to the questions related to the information provided.

6. All parties shall respond to any interrogatories and requests for production of documents that Commission Staff submits in accordance with the procedural schedule set forth in Appendix A.

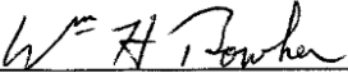
7. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

8. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

Done at Frankfort, Kentucky, this 15<sup>th</sup> of February, 2002.

By the Commission

ATTEST:

Deputy   
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00018 DATED February 15, 2002

- Intervenors and Commission Staff may serve interrogatories  
and requests for production of documents upon Kentucky-American  
and Thames no later than ..... 02/22/2002
- Kentucky-American and Thames shall file with the Commission  
and serve upon all parties of record responses to interrogatories  
and requests for production of documents no later than ..... 03/04/2002
- Intervenors and Commission Staff may serve supplemental interrogatories  
and requests for production of documents upon Kentucky-American  
and Thames no later than ..... 03/11/2002
- Kentucky-American and Thames shall file with the Commission  
and serve upon all parties of record responses to supplemental interrogatories  
and requests for production of documents no later than ..... 03/21/2002
- Last day for Kentucky-American and Thames to publish notice of  
hearing date ..... 03/26/2002
- Intervenors testimony, if any, shall be filed in  
verified prepared form no later than ..... 03/28/2002
- Public Hearing is to begin at 9:00 a.m., Eastern  
Standard Time, in Hearing Room 1 of the Commission s  
offices at 211 Sower Boulevard, Frankfort, Kentucky,  
for the purpose of cross-examination of witnesses ..... 04/02/2002
- Briefs, if any, shall be filed no later than..... 04/16/2002
- Commission decision on Joint Applicants Application  
shall be issued no later than..... 05/01/2002