

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENTUCKY-AMERICAN)
WATER COMPANY TO REVISE THE) CASE NO. 2006-00154
KENTUCKY RIVER AUTHORITY WITHDRAWAL)
FEE)

ORDER

On April 12, 2006, Kentucky-American Water Company ("Kentucky-American") notified the Commission of a proposed revision in its tariff regarding the Kentucky River Authority ("KRA") withdrawal fee. Kentucky-American proposed to place the revised fee into effect on May 3, 2006. Kentucky-American's notice fails to comply with KRS 278.180(1), which requires a utility to provide the Commission with 30 days prior notice of any rate revision.

Having reviewed the proposed revision and finding that, pursuant to KRS 278.190, additional proceedings are necessary to determine the reasonableness and lawfulness of the proposed revision, IT IS HEREBY ORDERED that:

1. This proceeding is established to investigate the reasonableness and lawfulness of Kentucky-American's proposed tariff revision.
2. Kentucky-American shall not implement the proposed revision until providing the appropriate notice to the Commission that KRS 278.180(1) requires.
3. All documents that the Commission requires to be filed with the Commission shall be served upon all other parties.

4. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

5. Within 20 days of the date of this Order, Kentucky-American shall file with the Commission the original and 5 copies of the information listed in Appendix A to this Order.

6. When complying with the provisions of Ordering Paragraph 5, Kentucky-American shall:

a. Place each copy of the requested information in a bound volume with each item tabbed.

b. Appropriately index each sheet if multiple sheets are required for an item (for example, Item 1(a), Sheet 2 of 6).

c. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided.

Done at Frankfort, Kentucky, this 1st day of May, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00154 DATED May 1, 2006

1. Provide all calculations that Kentucky-American used to determine the revised fee.
2. Provide all correspondence between Kentucky-American and the Kentucky River Authority regarding revisions or changes to the withdrawal fee.
3. Provide any notice that the KRA provided to Kentucky-American regarding revisions or changes to its withdrawal fee.
4. State why the proposed revision is necessary.
5. State whether Kentucky-American published notice of the revision and the manner in which it was calculated on its web site.
6. Provide a schedule that shows for each month since January 2002:
 - a. Total fee that KRA billed Kentucky-American.
 - b. Total gallons of water sold by Kentucky-American.
 - c. Total KRA withdrawal fee that Kentucky-American billed its customers.
 - d. Amount over- or under-billed by Kentucky-American.