COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FEASIBILITY AND) ADVISABILITY OF KENTUCKY-AMERICAN) CASE NO. 2001-00117 WATER COMPANY'S PROPOSED SOLUTION TO) ITS WATER SUPPLY DEFICIT)

<u>ORDER</u>

On November 8, 2004, Kentucky-American Water Company ("Kentucky-American") filed with the Commission a report on its efforts since March 19, 2001 to ensure adequate sources of supply to meet customer demand through 2020. Having reviewed the report, the Commission finds that other parties to this proceeding should be afforded an opportunity to comment upon Kentucky-American's report.

IT IS THEREFORE ORDERED that all parties to this proceeding, other than Kentucky-American, shall, within 45 days of the date of this Order, submit written comments on Kentucky-American's Report of November 8, 2004. These parties shall, at a minimum, direct their attention and comments to the following issues:

- The current estimate of the size of Kentucky-American's water supply deficit as of 2020.
- The Bluegrass Water Supply Commission's ("BWSC") role in resolving Kentucky-American's water supply deficit.
- Kentucky-American's planned involvement with the BWSC.
- The feasibility and adequacy of the BWSC's proposed solution.

IT IS FURTHER ORDERED that all parties, including Kentucky-American, shall, within 45 days of the date of this Order, submit written comments on whether this proceeding should be suspended for a period of one year to permit the BWSC adequate time to pursue its organizational, planning, and funding efforts to resolve the water supply deficit in central Kentucky or, in the alternative, be closed with directions that Kentucky-American submit periodic reports on the efforts of the BWSC.

Done at Frankfort, Kentucky, this 14th day of February, 2005.

By the Commission

ATTEST:

Executive Director

Case No. 2001-00117