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May 9, 2008

HAND DELIVERED

Ms. Stephanie L. Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

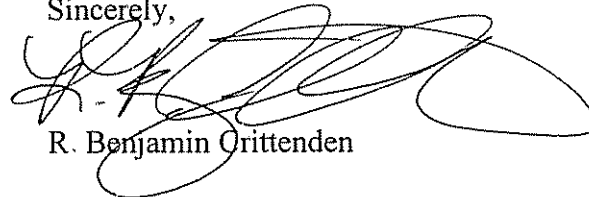
R. Benjamin Crittenden
(502) 209-1216
(502) 223-4388 FAX
bcrittenden@stites.com

RE: Case No. 2007-00488 - Auxier Water Company, Inc.'s Notice of Transfer of Assets to the City of Prestonsburg

Dear Ms. Stumbo:

In response to the Commission's Order of March 14, 2008, enclosed for filing are the original and ten (10) copies of Auxier Water Company, Inc.'s Notice of the Transfer of Assets. If you have any questions concerning this filing, please do not hesitate to contact me.

Sincerely,



R. Benjamin Crittenden

Enclosures

AU045:00AU9:16917:1:FRANKFORT

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 09 2008

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF AUXIER WATER)
CO., FLOYD COUNTY, KENTUCKY FOR)
AUTHORIZATION OF ITS PROPOSED SALE)
AND CONVEYANCE OF ALL OF ITS WATER) CASE NO. 2007-00488
DISTRIBUTION SYSTEM AND CUSTOMER)
DEPOSITS TO THE CITY OF PRESTONSBURG,)
KENTUCKY)

AUXIER WATER COMPANY INC.'S NOTICE OF THE TRANSFER OF ASSETS

In compliance with the Commission's Order of March 14, 2008, Auxier Water Company, Inc. ("Auxier") states that it transferred all of the assets at issue in this proceeding to the City of Prestonsburg ("Prestonsburg"). On March 21, 2008, Auxier conducted its final meter readings and based its final bills to its customers on those readings. Along with the final bills, Auxier enclosed the refunds of all customer deposits, along with interest for the period from January 1, 2008 through March 31, 2008. The sale of Auxier's assets to Prestonsburg was closed on April 29, 2008. All of Auxier's cash deposits have been refunded and its customer account balance is zero. Further, Prestonsburg has assumed control of all operations and maintenance of the water distribution system at issue in this proceeding.

The Commission's Order of March 14, 2008 also provided for Auxier to file a financial and statistical report, as described in Administrative Regulation 807 KAR 5:006, Section 3, for calendar year 2007 and for the period of 2008 during which Auxier owned and operated the water distribution system. As of the date of this filing, the financial and statistical report has not been completed. Auxier will file the report with the Commission as soon as it is completed.

Respectfully submitted,

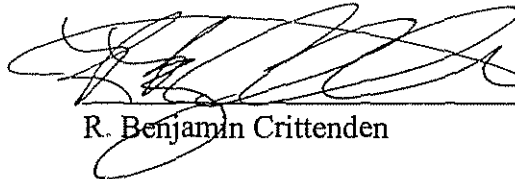


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Counsel for Auxier Water Company, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing AUXIER WATER COMPANY INC.'S NOTICE OF THE TRANSFER OF ASSETS was served on the following via first-class mail, postage prepaid, on May 9, 2008:

Kipley J. McNally
Kipley J. McNally, PLC
2527 Nelson Miller Parkway, Suite 104
Louisville, KY 40223
Counsel for City of Prestonsburg



R. Benjamin Crittenden