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March 30, 2006

Honorable Bruce F. Clark  
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Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KY 40602-0634

CERTIFICATE OF SERVICE

RE: Case No. 2006-00095  
Auxier Water Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 30, 2006.

Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	CASE NO.
OF AUXIER WATER COMPANY, INC.	)	2006-00095

O R D E R

On March 2, 2006, Auxier Water Company, Inc. ("Auxier Water") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:067.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Auxier Water purchases water from the city of Prestonsburg's Utility Commission ("Prestonsburg").
2. Prestonsburg notified Auxier Water that, effective February 11, 2006, Prestonsburg's wholesale water rates to Auxier Water would increase by 2 percent.
3. During the 12 months ending December 31, 2005, Auxier Water purchased 76,646,000 gallons of water from Prestonsburg and sold 69,030,000 gallons. The increase in the cost of purchased water is \$4,149, resulting in a purchased water adjustment of \$0.06 per 1,000 gallons.
4. The purchased water adjustment of \$0.06 per 1,000 gallons is fair, just, and reasonable and should be approved.
5. Auxier Water misapplied the purchased water adjustment in its proposed rate schedule.

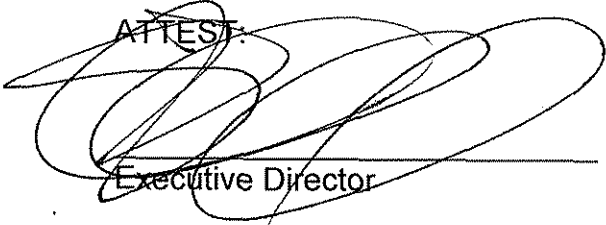
IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier Water are denied.
2. The purchased water adjustment of \$0.06 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after February 11, 2006.
3. Within 20 days of the date of this Order, Auxier Water shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of March, 2006.

By the Commission

ATTEST:



Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00095 DATED March 30, 2006.

The following rates and charges are prescribed for the customers in the area served by Auxier Water Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

First	1,000 Gallons	\$12.21 Minimum Bill
Next	1,000 Gallons	7.36 Per 1,000 Gallons
Next	6,000 Gallons	6.51 Per 1,000 Gallons
Next	6,000 Gallons	5.51 Per 1,000 Gallons
Over	14,000 Gallons	4.61 Per 1,000 Gallons

#### Regency Park Apartments

##### Meter No.'s 1 and 2

First	14,000 Gallons	\$12.21 Minimum Bill
Over	14,000 Gallons	4.61 Per 1,000 Gallons

##### Meter No. 3

First	13,000 Gallons	\$12.21 Minimum Bill
Over	13,000 Gallons	4.61 Per 1,000 Gallons