



Steven L. Beshear
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Robert D. Vance, Secretary
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2527 Nelson Miller Parkway
Louisville, KY 40223

January 10, 2008

RE: Case No. 2007-00488

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Robert A. Amato".

Robert A. Amato
Deputy Executive Director

RAA/tw
Enclosure



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Governor

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Protection Cabinet

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Philip Ward
President
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On November 21, 2007, Auxier Water Company (“Auxier”) and the city of Prestonsburg (“Prestonsburg”) (jointly “Petitioners”) applied to the Commission for authority to transfer Auxier’s distribution system and customer deposits to Prestonsburg.

Auxier is a Kentucky corporation organized under and operating pursuant to KRS Chapter 271B and owns and operates facilities that distribute water to approximately 1,100 customers in Floyd and Johnson counties, Kentucky.¹ Auxier is a utility subject to Commission jurisdiction.² KRS 278.020(5) and (6) require prior Commission approval of the proposed transfer.

Given the complexity of the proposed transfer of water customers from a regulated water company to a municipality, the Commission finds that additional proceedings regarding the application are necessary, that such proceedings will require additional time beyond the 60-day review period provided in KRS 278.020(5) and that good cause exists to extend the review period to 120 days. We further find that a

¹ Application at 1.

² KRS 278.010(3)(d); KRS 278.015.

procedural schedule should be established to review and investigate the merits of the pending application.

IT IS THEREFORE ORDERED that:

1. The period for reviewing the Petitioners' application is extended to 120 days.

2. All parties shall follow the procedural schedule set forth in Appendix A.

3. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and 8 copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

5. 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.

6. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

7. 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.

8. Petitioners shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Petitioners shall forward a duplicate of the notice and request to the Commission.

9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 10th day of January, 2008.

By the Commission

ATTEST:


Deputy Executive Director

Case No. 2007-00488

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00488 DATED JANUARY 10, 2008

First set of requests for production of documents and interrogatories shall be served upon Petitioners and filed with the Commission no later than..... 01/10/2008

Petitioners shall file with the Commission and serve upon all parties their responses to first set of requests for production of documents and interrogatories no later than..... 01/24/2008

Second set of requests for production of documents and interrogatories shall be served upon Petitioners and filed with the Commission no later than..... 02/04/2008

Petitioners shall file with the Commission and serve upon all parties their responses to second set of requests for production of documents and interrogatories no later than..... 02/14/2008

Each party presenting testimony at the scheduled hearing shall file with the Commission and serve upon all other parties a list of all witnesses that it intends to call and a summary of each witness's expected testimony no later than 02/26/2008

Last day for Petitioners to publish notice of hearing date (to be scheduled)

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 taking the testimony of witnesses (to be scheduled)