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March 26, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00083  
Auxier Road Gas Company, Inc.

I, Stephanie Stumbo, 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 26, 2008.

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Executive Director

SS/rs  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES )  
OF AUXIER ROAD GAS ) CASE NO. 2008-00083  
COMPANY, INC. )

ORDER

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the Gas Cost Adjustment ("GCA") Clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.<sup>1</sup>

On March 5, 2008, Auxier filed its proposed GCA to be effective April 1, 2008. Auxier requests a waiver of the 30-day notice period due to a late filing from a supplier. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier's notice sets out an Expected Gas Cost ("EGC") of \$11.9747 per Mcf, which is an increase of \$1.8012 per Mcf from its prior EGC of \$10.1735.
3. Auxier's notice sets out no current refund adjustment.

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<sup>1</sup> Case Nos. 10288-D and 10288-E, Notice of Purchased Gas Adjustment Filing of Auxier Road Gas Company, Inc.

4. Auxier's notice sets out a current quarter actual adjustment ("AA") of \$.1414 per Mcf. Auxier Road erroneously calculated its current quarter AA using the GCA from October, November and December 2007, rather than the EGC from those months. Correcting for this produces a current quarter AA of (\$.5483) per Mcf. Auxier's total AA is (\$1.2271) per Mcf, which is a decrease of \$.5483 per Mcf from its previous total AA.

5. Auxier's notice sets out a current quarter balance adjustment ("BA") of (\$.0014) per Mcf. Auxier's notice sets out a total BA of \$.0118 per Mcf, which is an increase of \$.0407 per Mcf from its previous total BA.

6. Auxier's gas cost recovery rate is \$10.7594 per Mcf, which is an increase of \$1.2936 per Mcf from its previous rate of \$9.4658.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after April 1, 2008.

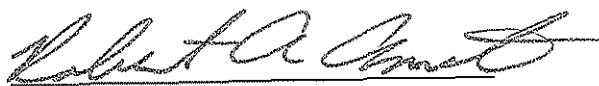
IT IS THEREFORE ORDERED that:

1. Auxier's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after April 1, 2008.
3. Within 20 days of the date of this Order, Auxier shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 26th day of March, 2008.

By the Commission

ATTEST:

*for the*   
Executive Director

Case No. 2008-00083

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00083 DATED MARCH 26, 2008

The following rates and charges are prescribed for the customers served by Auxier Road Gas 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.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 5.11	\$10.7594	\$15.8694
All Over 1 Mcf	\$ 4.2599	\$10.7594	\$15.0193