

Auxier Road Gas Company, Inc.

Box 408  
Prestonsburg, Kentucky 41653

Office (606) 886-2314  
Fax (606) 889-9196

AUGUST 25, 2011

**RECEIVED**

AUG 26 2011

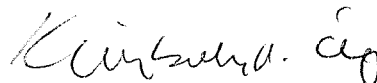
PUBLIC SERVICE  
COMMISSION

MR. JEFF DEROUEN, EXE DIR  
PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT, KY 40602

DEAR MR. DEROUEN:

PLEASE FIND ENCLOSED THE GAS COST RECOVERY TO BE EFFECTIVE OCTOBER 1, 2011.  
IF YOU HAVE ANY QUESTIONS, PLEASE LET US KNOW.

SINCERELY,



KIMBERLY R CRISP  
ACCOUNTANT

Aukier Rd Gas

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

August 24, 2011

Date Rates to be Effective:

Oct 1, 2011

Reporting Period is Calendar Quarter Ended:

July 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Page 7

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.6828
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.967)
<u>Balance Adjustment (BA)</u>	\$/Mcf	
<u>Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>4.7158</u>

to be effective for service rendered from Oct 1, 2011 to Oct 31, 2011.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	59433
sales for the 12 months ended <u>July 31, 2011</u>	Mcf	104585
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>5.6828</u>

REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
Previous Quarter Supplier Refund Adjustment	\$/Mcf	
Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
<u>Refund Adjustment (RA)</u>	\$/Mcf	

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.0049 (0.0070)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0656) (.1334)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1084) (.0543)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0186) (.1626)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.1962) (.0594)</u>
		(.0350)
		(.967)

BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
Previous Quarter Reported Balance Adjustment	\$/Mcf	
Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
<u>Balance Adjustment (BA)</u>	\$/Mcf	

SCHEDULE II  
 EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended July 31, 2011

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Res			97166	5.4779	532266
Oei-Kaon			4265	3.10	13222
Chesapeake			4562	6.54	29835
North Exploration			9259	4.38	40554
Chesapeake (Underground)			5545	6.54	36264
<b>Totals</b>			<u>120797</u>		<u>652141</u>

The loss for 12 months ended July 31, 2011 is .13 % based on purchases of 120797 Mcf and sales of 104585 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	652141
<u>Mcf Purchases (4)</u>	Mcf	<u>120797</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	5.3987
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>110089</u>
Total Expected Gas Cost (to Schedule IA.)	\$	594337

Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.  
 Supplier's tariff sheets or notices are attached.

SCHEDULE IV  
ACTUAL ADJUSTMENT

or the 3 month period ended July 31, 2011

<u>Particulars</u>	<u>Unit</u>	Month 1 (July)	Month 2 ( )	Month 3 ( )
Total Supply Volumes Purchased	Mcf	5715		
Total Cost of Volumes Purchased	\$	31724		
Total Sales (may not be less than 95% of supply volumes)	Mcf	5429		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	5.8434		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	5.7061		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	11373		
<u>Actual sales during month</u>	<u>Mcf</u>	5738		
Monthly cost difference	\$	513		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	513
Sales for 12 months ended <u>July 31, 2011</u>	Mcf	104585
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	10049

	<u>Base Rate</u>	<u>Gas Cost</u> <u>Rec</u>	<u>Total</u>
First MCEC minimum Bill)	6.36	4.7158	11.0758
All over First MCE	5.0645	4.7158	9.7803

AUX 1234  
1.2.16

View Mail

Go To Page...

Next | INBOX

[Reply](#) [Reply All](#) [Forward](#) [Delete](#) Move message to...

[Show Full Headers](#) | [Printer View](#) | [Add Sender To Address Book](#)

**From:** "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>  
SpamShield Pro Actions...  
**To:** "Kim Crisp" <kcrisp@kyfrontiergas.com>  
**Subject:** CVR EGC  
**Date:** Tue 08/23/11 04:08 PM

Attachments

Name	Type	Save View
Message	text/html	<a href="#">Save</a>

Kim,

The Oct EGC from Cumberland is \$5.4779. *units*

Thanks,

Dennis

[Reply](#) [Reply All](#) [Forward](#) [Delete](#) Move message to...

Next | INBOX

1.2