

Auxier Road Gas Company, Inc.

Box 408  
Prestonsburg, Kentucky 41653

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

JANUARY 4, 2011

RECEIVED

JAN - 9 2012

PUBLIC SERVICE  
COMMISSION

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

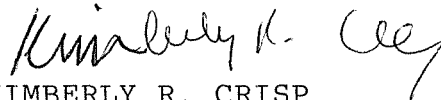
DEAR SIR:

PLEASE FIND ENCLOSED THE GAS COST RECOVERY FOR FEBRUARY 1, 2011.

WE WOULD LIKE TO REQUEST A WAIVER OF THE 30-DAY REQUIREMENT NOTICE,  
DUE TO THE DELAY OF RECEIVING OUR GAS SUPPLIER (NYTIS EXPLORATION)  
GAS INVOICE. THIS INVOICE HAS OUR NOVEMBER VOLUMES.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT (606) 886-2314.

SINCERELY,



KIMBERLY R. CRISP  
ACCOUNTANT

AUXIER ROAD GAS

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

JANUARY 4, 2012

Date Rates to be Effective:

FEBRUARY 1, 2012

Reporting Period is Calendar Quarter Ended:

NOVEMBER 30, 2011

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.4597
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.7929)
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>3.6668</u>

R to be effective for service rendered from FEB 1, 2012 to FEB 29, 2012.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	480704
Sales for the 12 months ended <u>NOV 30, 2011</u>	Mcf	107789
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>4.4597</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	(.0656)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0064)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1084)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0527)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.0186)</u>
		(.0823)
		(.1962)
		(.0670)
		(.1334)
		(.0543)

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	

(0.7929)

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended NOV 30, 2011

(1) <u>Supplier</u>	(2) <u>Dth</u>	(3) Btu <u>Conversion Factor</u>	(4) <u>Mcf</u>	(5)** <u>Rate</u>	(6) (4)x(5) <u>Cost</u>
COMBERLAND VALLEY RES			10331	4.044	417790
AET - KAARS			4121	3.10	12775
CHESAPEAKE			4562	6.54	29835
NUTTS EXPLORATION			9137	4.38	40020
CHESAPEAKE (UNDERBILLED)			5545	6.54	36264
<u>Totals</u>			<u>126676</u>		<u>536684</u>

Line loss for 12 months ended NOV 30, 2011 is 15 % based on purchases of 126676 Mcf and sales of 107789 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	536684
<u>Mcf Purchases (4)</u>	Mcf	<u>126676</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.2367
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>113462</u>
Total Expected Gas Cost (to Schedule IA.)	\$	480704

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

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended Nov. 30, 2011

<u>Particulars</u>	<u>Unit</u>	Month 1 ( <u>Nov</u> )	Month 2 ( <u>    </u> )	Month 3 ( <u>    </u> )
Total Supply Volumes Purchased	Mcf	14126		
Total Cost of Volumes Purchased	\$	66295		
Total Sales (may not be less than 95% of supply volumes)	Mcf	13420		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	4.9400		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	5.0093		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	(.0693)		
<u>Actual sales during month</u>	<u>Mcf</u>	9985		
Monthly cost difference	\$	(692)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(692)
Sales for 12 months ended <u>Nov 30, 2011</u>	Mcf	107789
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.0064)

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended \_\_\_\_\_

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA.	\$  \$  \$	    _____
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect. Equals: Balance Adjustment for the RA.	\$  \$  \$	    _____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect. Equals: Balance Adjustment for the BA.	\$  \$  \$	    _____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
+ Sales for 12 months ended _____	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	_____

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**From:** "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>  
SpamShield Pro Actions...  
**To:** "Kim Crisp" <kcrisp@kyfrontiergas.com>  
**Subject:** Auxier EGC for Feb 2012  
**Date:** Thu 12/29/11 07:29 AM

**Attachments**

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

Kim,

Feb-2012 EGC for Auxier Rd. is \$4.044/Mcf

Dennis

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	<u>Base Rate</u>	<u>GAS COST RECOVERY</u>	<u>TOTAL</u>
First MCF (minimum)	6.36	3.6668	10.0268
ALL over First MCF	5.0645	3.6668	8.7313