

AUXIER ROAD GAS COMPANY, INC.
P O BOX 408
PRESTONSBURG, KY 41653

FEBRUARY 7, 2012

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

RECEIVED

FEB 10 2012

PUBLIC SERVICE
COMMISSION

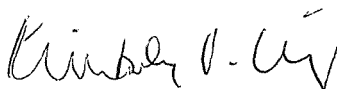
DEAR SIR:

PLEASE FIND ENCLOSED THE GAS COST RECOVERY FOR MARCH 1, 2012.

WE WOULD LIKE TO REQUEST A WAIVER OF THE 30-DAY REQUIREMENT NOTICE, DUE TO THE DELAY OF RECEIVING OUR GAS SUPPLIER(NYTIS EXPLORATION) INVOICE FOR DECEMBER 2011.

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:

February 7, 2012

Date Rates to be Effective:

March 1, 2012

Reporting Period is Calendar Quarter Ended:

December 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 1.005
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.9048)
<u>Balance Adjustment (BA)</u>	\$/Mcf	
Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>4.1957</u>

to be effective for service rendered from March 1, 2012 to March 31, 2012.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	\$22408
sales for the 12 months ended <u>DEC 31, 2011</u>	Mcf	102422
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>\$ 1.005</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	<u>_____</u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.1662) (.0656)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0064) (.1084)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0527) (.0186)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0823) (.1962)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.0049) (.1334)</u>
	\$/Mcf	<u>(.9048)</u>

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	<u>_____</u>

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended December 31, 2011

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley Res			101559	4.8176	489271
Oel-Kaarn			4169	3.10	12924
Chesapeake			2951	6.54	19300
Notes Exploration		estimated Dec-11	9198	4.38	40287
Chesapeake (undeveloped)			5545	6.54	36264
Totals			<u>123422</u>		<u>598046</u>

Gas loss for 12 months ended Dec. 31, 2011 is 17 % based on purchases of 123422 Mcf and sales of 102422 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	598046
<u>Mcf Purchases (4)</u>	Mcf	<u>123422</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.8455
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>107813</u>
Total Expected Gas Cost (to Schedule IA.)	\$	522408

Not 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 December 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Dec)</u>	<u>Month 2 ()</u>	<u>Month 3 ()</u>
Total Supply Volumes Purchased	Mcf	16511		
Total Cost of Volumes Purchased	\$	73970		
Total Sales (may not be less than 95% of supply volumes)	Mcf	15685		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>4.7160</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>6.0330</u>		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u>(1.317)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>12926</u>		
Monthly cost difference	\$	(17024)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(17024)
Sales for 12 months ended <u>December 31, 2011</u>	Mcf	102422
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	<u>(.1662)</u>

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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PRESTONSBURG, KY 41653

	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	4.1957	\$10.5557
ALL OVER FIRST MCF	5.0645	4.1957	\$ 9.2602

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From: "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>
SpamShield Pro Actions...
To: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
Subject: Re: CUMBERLAND EST GAS COST FOR 03-12
Date: Thu 01/26/12 12:07 PM

Attachments

Name	Type	Save View
Message	text/html	Save

Hi Kim,

The EGC from CVR for March is \$4.8176/MCF

Dennis

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
To: "dennis horner" <dhorner@kyfrontiergas.com>
Subject: CUMBERLAND EST GAS COST FOR 03-12
Date: Wed, 25 Jan 2012 12:24:31 -0800

HI DENNIS,

I NEED THE MARCH 2012 ESTIMATED GAS COST FOR CUMBERLAND IN MCF'S.

THANKS,

KIM

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