

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

RECEIVED
MAR 29 2012
PUBLIC SERVICE
COMMISSION

MARCH 27, 2012

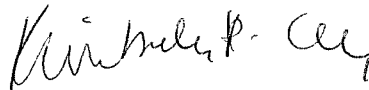
MR. JEFF DEROUEN, EXE DIR
PUBLIC SERVICE COMMISSION
P O BOX 615
FRANKFORT, KY 40602

DEAR SIR:

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

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:

March 27, 2012

Date Rates to be Effective:

May 1, 2012

Reporting Period is Calendar Quarter Ended:

February 1, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

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<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.1914
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(1.1017)
<u>Balance Adjustment (BA)</u>	<u>\$/Mcf</u>	
Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>3.0897</u>

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

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	423094
sales for the 12 months ended <u>February 29, 2012</u>	Mcf	100944
<u>Expected Gas Cost (EGC)</u>	<u>\$/Mcf</u>	<u>4.1914</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>	<u>\$/Mcf</u>	

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(1.1514) (1.0823)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.2459) (1.0129)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.1662) (1.0049)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.0064) (1.0056)
<u>Actual Adjustment (AA)</u>	<u>\$/Mcf</u>	<u>(1.0527) (1.1084)</u>
		(1.1962)
		(1.1017)

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>	<u>\$/Mcf</u>	

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended February 29, 2012

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley			94631	3.8308	362512
AEE-KAAS			3953	3.10	12254
WYTI Exploration		est 2-12	9004	4.38	39438
CHESAPEAKE (UnderBilled)			5545	6.54	36264
Totals			<u>113133</u>		<u>450468</u>

Net loss for 12 months ended February 29, 2012 is 10.8 % based on purchases of 113133 Mcf and sales of 100944 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	450468
<u>Mcf Purchases (4)</u>	Mcf	<u>113133</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	3.9818
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>106257</u>
Total Expected Gas Cost (to Schedule IA.)	\$	423094

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 February 29, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Feb)</u>	<u>Month 2</u> <u>()</u>	<u>Month 3</u> <u>()</u>
Total Supply Volumes Purchased	Mcf	11934		
Total Cost of Volumes Purchased	\$	46308		
Total Sales (may not be less than 95% of supply volumes)	Mcf	13811		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>3.3530</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>4.4597</u>		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u>(1.1067)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>13811</u>		
Monthly cost difference	\$	(15285)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(15285)
Sales for 12 months ended <u>February 29, 2012</u>	Mcf	100944
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	<u>(.1514)</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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	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	3.0897	\$9.4497
ALL OVER FIRST MCF	5.0645	3.0897	\$8.1542