

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

JULY 25, 2012

RECEIVED

JUL 30 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 TO BE EFFECTIVE ON SEPTEMBER 1, 2012. IF YOU
HAVE ANY QUESTIONS, PLEASE CALL US AT (606)886-2314.

SINCERELY,


KIMBERLY R. CRISP
ACCOUNTANT

AUXIER ROAD GAS CO

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

July 25, 2012

Date Rates to be Effective:

September 1, 2012

Reporting Period is Calendar Quarter Ended:

June 30, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

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A.1

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.1791
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.9614)
<u>Balance Adjustment (BA)</u>	\$/Mcf	
Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>4.2177</u>

to be effective for service rendered from Sept 1, 2012 to Sept 30, 2012

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	499,304
sales for the 12 months ended <u>June 30, 2012</u>	Mcf	<u>96,407</u>
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>5.1791</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	(.002) (.2459)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.046) (.1662)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.088) (.0064)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1125) (.0527)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.1514) (.0823)</u>
	\$/Mcf	<u> </u> (.0129)
		<u> </u> (.0049)
		<u> </u> (.9614)

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 June 30, 2012

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley			98160	4.7506	485951
AEI-KAAS			3935	3.10	12199
Kurtis Exploration			8898	4.38	38973
Chesapeake (underbilled)			5545	6.54	36264
Totals			<u>116538</u>		<u>573387</u>

The loss for 12 months ended June 30, 2012 is 17.3 % based on purchases of 116538 Mcf and sales of 96407 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	573387
<u>Mcf Purchases (4)</u>	Mcf	<u>116538</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.92017
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>101481</u>
Total Expected Gas Cost (to Schedule IA.)	\$	499304

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 June 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(June)</u>	<u>Month 2</u> <u>()</u>	<u>Month 3</u> <u>()</u>
Total Supply Volumes Purchased	Mcf	4729		
Total Cost of Volumes Purchased	\$	17126		
Total Sales (may not be less than 95% of supply volumes)	Mcf	4493		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>3.8117</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>3.8583</u>		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u>(.0466)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>3918</u>		
Monthly cost difference	\$	(183)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(183)
<u>Sales for 12 months ended June 30, 2012.</u>	Mcf	<u>96407</u>
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	<u>(.002)</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	4.2177	\$10.5777
ALL OVER FIRST MCF	5.0645	4.2177	\$ 9.2822

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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: EST GAS COST ON Cumberland
Date: Mon 07/23/12 04:48 PM

Attachments

Name	Type	Save	View
Message	text/html	Save	

Hi Kim,

Estimated gas cost from Cumberland for Sep-12 is \$4.9506/mcf

Dennis

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
To: "dennis horner" <dhorner@kyfrontiergas.com>
Subject: EST GAS COST ON Cumberland
Date: Mon, 23 Jul 2012 12:40:43 -0700

HELLO DENNIS,

WHENEVER YOU CAN WITHIN THE NEXT COUPLE OF DAYS, I NEED THE ESTIMATED GAS COST IN MCF'S FROM CUMBERLAND FOR 09-12.

THANKS,

KIM

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