

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2010-00460
COMPANY, INC.)

ORDER

On April 2, 2009, in Case No. 2008-00156, the Commission approved the Gas Cost Adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the monthly adjustment of its rates.¹

On November 29, 2010, Auxier filed its proposed GCA to be effective January 1, 2011.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier's notice sets out an Expected Gas Cost ("EGC") of \$6.9919 per Mcf, which is an increase of \$.6633 per Mcf from its prior EGC of \$6.3286 per Mcf.
3. Auxier's notice sets out no current Refund Adjustment.
4. Auxier's notice sets out a current month Actual Adjustment ("AA") of (\$.059) per Mcf. Auxier's current AA carried out four places is (\$.0594) per Mcf.

¹ Case No. 2008-00156, Application of Auxier Road Gas Company, Inc. for an Adjustment in Rates and Certain Nonrecurring Charges (Ky. PSC Apr. 2, 2009).

Auxier's total AA with all previous month adjustments carried out four places is (\$.5682) per Mcf, which is a decrease of \$.0606 per Mcf from its previous total AA of (\$.5076) per Mcf.

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). A current BA in the amount of \$.0026 per Mcf is required to reconcile net under-recoveries resulting from an expired AA. Auxier's total BA of (\$.0035) per Mcf represents an increase of \$.0026 per Mcf from the previous total BA of (\$.0061) per Mcf.

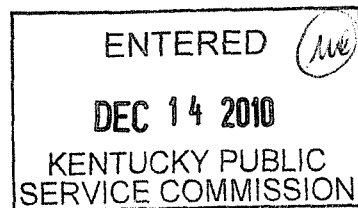
6. Auxier's Gas Cost Recovery rate is \$6.4202 per Mcf, which is an increase of \$.6053 per Mcf from its previous rate of \$5.8149 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after January 1, 2011.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are hereby denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after January 1, 2011.
3. Within 20 days of the date of this Order, Auxier shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

Jason D. Deenrod

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00460 DATED **DEC 14 2010**

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 6.36	\$6.4202	\$12.7802
All Over 1 Mcf	\$ 5.0645	\$6.4202	\$11.4847

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