

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF AUXIER ROAD GAS)	CASE NO. 2010-00189
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 April 30, 2010, Auxier filed its proposed GCA to be effective June 1, 2010.

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 \$7.3548 per Mcf. Auxier used an incorrect supplier rate for Constellation NewEnergy in its EGC calculation. Correcting its error produces an EGC of \$6.6667 per Mcf, which is a decrease of \$.1860 per Mcf from its prior EGC of \$6.8527 per Mcf.
3. Auxier's notice sets out no current Refund Adjustment.

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).

4. Auxier's notice sets out a current month Actual Adjustment ("AA") of (\$.178) per Mcf, which Staff carried out four places to (\$.1776) per Mcf. Auxier's total AA is \$.0728 per Mcf, which is a decrease of \$.1776 per Mcf from its previous total AA of \$.2504 per Mcf.

5. Auxier's notice sets out no current quarter Balance Adjustment ("BA"). The total BA of \$.1212 per Mcf represents no change from the previous total BA.

6. Auxier's Gas Cost Recovery rate is \$6.8607 per Mcf, which is a decrease of \$.3636 per Mcf from its previous rate of \$7.2243 per Mcf.

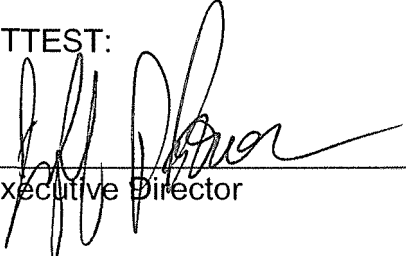
7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after June 1, 2010.

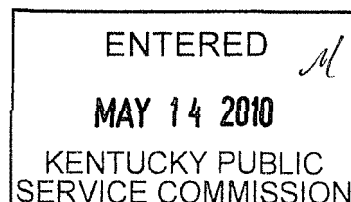
IT IS THEREFORE ORDERED that:

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 June 1, 2010.
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:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00189 DATED MAY 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>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 6.36	\$6.8607	\$13.2207
All Over 1 Mcf	\$ 5.0645	\$6.8607	\$11.9252

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