

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2010-00308
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 July 28, 2010, Auxier filed its proposed GCA to be effective September 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 \$7.0510 per Mcf, which is a decrease of \$.3414 per Mcf from its prior EGC of \$7.3924 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 (\$.0536) per Mcf. Auxier's total AA is (\$.5442) per Mcf, which is an increase of \$.0457 per Mcf from its previous total AA of (\$.5899) per Mcf.

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). A current BA in the amount of (\$.0083) per Mcf is required to reconcile net over-recoveries resulting from an expired AA and BA. Auxier's total BA of \$.0003 per Mcf represents a decrease of \$.1224 per Mcf from the previous total BA of \$.1227.

6. Auxier's Gas Cost Recovery rate is \$6.5071 per Mcf, which is a decrease of \$.4181 per Mcf from its previous rate of \$6.9252 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 September 1, 2010.

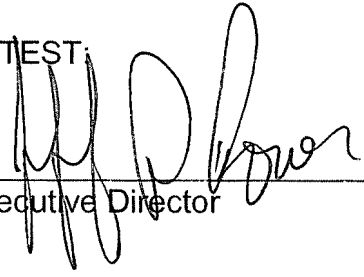
IT IS THEREFORE ORDERED that:

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 September 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

ENTERED *M*
AUG 23 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00308

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00308 DATED **AUG 23 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 | \$6.5071 | \$12.8671 |
| All Over 1 Mcf | \$ 5.0645 | \$6.5071 | \$11.5716 |

Kimberly R Crisp
Auxier Road Gas Company, Inc.
2963 KY RT 321
P. O. Box 408
Prestonsburg, KY 41653