

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2012-00400
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 September 4, 2012, Auxier filed its proposed GCA to be effective October 1, 2012.

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 \$4.1611 per Mcf, which is a decrease of \$1.0180 per Mcf from its prior EGC of \$5.1791 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 (\$.0172) per Mcf. Auxier’s total AA is (\$.9830) per Mcf, which is a decrease of \$.0221 per Mcf from its previous total AA of (\$.9609) 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).

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). A current BA in the amount of (\$.0078) per Mcf is required to reconcile net over-recoveries resulting from an expired AA. Auxier's total BA of (\$.0326) per Mcf represents a decrease of \$.0081 per Mcf from the previous total BA of (\$.0245) per Mcf.

6. Auxier's Gas Cost Recovery rate is \$3.1455 per Mcf, which is a decrease of \$1.0482 per Mcf from its previous rate of \$4.1937 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered on and after October 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after October 1, 2012.

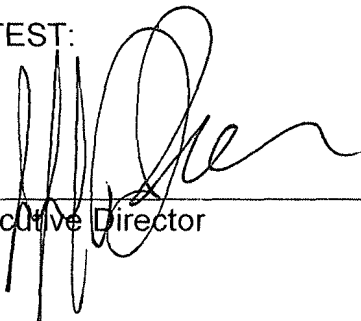
3. Within 20 days from the date of this Order, Auxier shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED *RA*
SEP 13 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00400 DATED **SEP 13 2012**

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	\$3.1455	\$ 9.5055
All Over 1 Mcf	\$ 5.0645	\$3.1455	\$ 8.2100

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Auxier Road Gas Company, Inc.

Case No.: 2012-00400
Filing Date: September 4, 2012
Proposed Effective Date: October 1, 2012
Approved Effective Date: October 1, 2012

Wholesale Gas Suppliers: Cumberland Valley Resources, Aei-Kaars Drilling,
Chesapeake Energy, Nytys Exploration

Wholesale cost: Decreased \$1.0180 per Mcf
Retail rate: Decreased \$1.0482 per Mcf

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 4.1611
Refund Adjustment	-----
Actual Adjustment	(.9830)
Balancing Adjustment	<u>(.0326)</u>
Gas Cost Adjustment	\$ 3.1455

Prepared by: Leah Faulkner

Date: September 11, 2012

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