

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Estill B. Branham
President

RECEIVED

MAY 31 2005

(606) 886-2314

May 27, 2005

PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602


Case 2005-00209

Dear Ms. O'Donnell:

Enclosed is the Gas Cost Recovery for July 2005 thru
September 2005.

If you have any questions, please call at the above number.

Sincerely, -


Kimberly Crisp

Antler Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

RECEIVED

MAY 31 2005

PUBLIC SERVICE
COMMISSION

Date Filed:

May 27, 2005

Date Rates to be Effective:

July 1, 2005

Reporting Period is Calendar Quarter Ended:

March 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8,0451
+ Refund Adjustment (RA)	\$/Mcf	(1.0264)
+ Actual Adjustment (AA)	\$/Mcf	(1.0181)
+ Balance Adjustment (BA)	\$/Mcf	7.0006
<u>= Gas Cost Recovery Rate (GCR)</u>		

GCR to be effective for service rendered from July to Sept.

A. <u>EXPECTED GAS COST CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)		\$	851657
+ Sales for the 12 months ended <u>March 31, 2005</u>		Mcf	105860
<u>= Expected Gas Cost (EGC)</u>		\$/Mcf	8.0451
B. <u>REFUND ADJUSTMENT CALCULATION</u>		<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>			
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)		\$/Mcf	(1.8957)
+ Previous Quarter Reported Actual Adjustment		\$/Mcf	.1955
+ Second Previous Quarter Reported Actual Adjustment		\$/Mcf	(1.0642)
+ Third Previous Quarter Reported Actual Adjustment		\$/Mcf	(1.2620)
<u>= Actual Adjustment (AA)</u>		\$/Mcf	(1.0264)
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)		\$/Mcf	.0066
+ Previous Quarter Reported Balance Adjustment		\$/Mcf	.0183
+ Second Previous Quarter Reported Balance Adjustment		\$/Mcf	.061
+ Third Previous Quarter Reported Balance Adjustment		\$/Mcf	(1.04)
<u>= Balance Adjustment (BA)</u>		\$/Mcf	(1.0181)

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended March 31, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			57594	9.3656	539402
Dei-Kaas			3743	3.10	11603
Equitable			10396	10.0792	104783
CBS/Evans			17477	2.9768	52026
Columbia N/A			14154	10.1628	143844
Totals			<u>103364</u>		<u>851658</u>

Line loss for 12 months ended March 31, 2005 is 0 % based on purchases of 103364 Mcf and sales of 105860 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	851658
+ Mcf Purchases (4)	Mcf	103364
= Average Expected Cost Per Mcf Purchased	\$/Mcf	8.2394
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	103364
= Total Expected Gas Cost (to Schedule IA.)	\$	851657

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended March 31, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Jan)</u>	<u>Month 2 (Feb)</u>	<u>Month 3 (Mar)</u>
Total Supply Volumes Purchased	Mcf	16260	14033	14232
Total Cost of Volumes Purchased	\$	135210	114437	120948
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	15447	14998	13985
= Unit Cost of Gas	\$/Mcf	8.7532	7.6302	8.6484
- EGC in effect for month	\$/Mcf	10.4938	10.4938	10.4938
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(1.7406)	(2.8636)	(1.8454)
x Actual sales during month	Mcf	14972	14998	13985
= Monthly cost difference	\$	(26060)	(42948)	(25808)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(94816)
÷ Sales for 12 months ended <u>March 31, 2005</u>	Mcf	105860
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.8957)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended March 31, 2005

<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.	\$	(19741)
Less: Dollar amount resulting from the AA of <u>(.1893)</u> \$/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 <u>105860</u> Mcf during the 12-month period the AA was in effect.	\$	(20039)
Equals: Balance Adjustment for the AA.	\$	<u>698</u>
(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.	\$	<u> </u>
(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.	\$	<u> </u>
 Total Balance Adjustment Amount (1) + (2) + (3)	 \$	 698
+ Sales for 12 months ended <u>March 31, 2005</u>	Mcf	105860
<hr/>		
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	10066

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Estill B. Branham
President

(606) 886-2314

	<u>Base Rate</u>	<u>Gas Cost Rec</u>	<u>Total</u>
First MCE (Minimum)	5.11	7.0006	12.1106
ALL over First MCE	4.2599	7.0006	11.2605

EQUITABLE ENERGY

May 25, 2005

Auxier Road Gas Company
Attention: Estill Branham
Post Office Box 785
Prestonburg, KY 41653

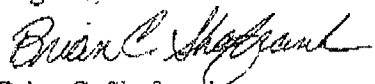
Mr. Branham,

Equitable welcomes the opportunity to continue to fulfill all of your needs regarding natural gas supplies. For the time period of July to September 2005 the price is \$8.31/DTH. This price is for indication purpose only due to constant fluctuation of the NYMEX.

8.31 DTH X BTU factor 1.2129 = \$10.0792

If you have any questions, please call me at 412-395-2627. Thank you again.

Regards,



Brian C. Shafranek
Manager of Origination

Constellation NewEnergy - Gas Division

Estill Branch
606-886-2314
606/809-0456

5060 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
Phone: (502) 426-4500 Fax: (502) 426-3800

AUXIER ROAD GAS COMPANY
Estimated Citygate Prices if Bought Monthly

BRUNSON
1/2/05

Month	(A) NYMEX 05/04/05	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Use 2004 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jul-05	\$7.0590	\$0.3500	0.97993	\$0.2300	\$7.7907	2,875	\$22,398.39
Aug-05	\$6.9340	\$0.3500	0.97993	\$0.2300	\$7.6632	3,487	\$26,721.52
Sep-05	\$6.9810	\$0.3500	0.97993	\$0.2300	\$7.7111	2,624	\$20,234.05
						8,986	\$69,353.96

9,449.36
9,294.72
9,352.84

WACOG = \$7.72 = 9,365.64

COLUMBIA NATURAL RESOURCES, LLC
 900 Pennsylvania Avenue
 P. O. Box 6070
 Charleston, West Virginia 25362-0070

DATE: 05/10/05
 BUS. PERIOD: 4/05

NAME: Auxier Road Gas Company Inc.
 ADDRESS: P.O. Box 785
 CITY: Prestonburg, KY 41653
 Morgan Branch

CLIENT NO.: 089985-01
 CONTRACT NO.: SSE003
 INVOICE NUMBER: SSE0030505
 VOUCHER NUMBER: 00505579

DTH	BILLING RATE	AMOUNT	DATE
6,238	\$8.33	\$51,962.54	4/05

U.S. *

5196254
 5196254

pd
5/25/05
ck # 023723

**** INVOICE AMOUNT DUE ****

**** NET AMOUNT DUE ON OR BEFORE MAY 31, 2005****

Columbia Natural Resources, Inc.

P.O. Box 1073
 Charleston, WV 25324

Please Remit Check to:

Please Return One Copy Of This Invoice With Your Remittance