

Auxier Road Gas Company, Inc.

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Prestonsburg, Kentucky 41653

Office (606) 886-2314
Fax (606) 889-9196

SEPTEMBER 27, 2011

PUBLIC SERVICE COMMISSION
MR. JEFF DEROUEN
EXECUTIVE DIRECTOR
P O BOX 615
FRANKFORT, KY 40602

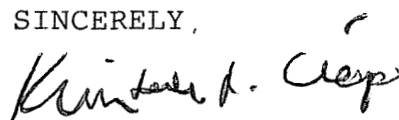
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COMMISSION

DEAR MR. DEROUEN,

ENCLOSED YOU WILL FIND THE GAS COST RECOVERY FOR NOVEMBER 1, 2011.

IF YOU HAVE ANY QUESTIONS, CALL US AT THE ABOVE NUMBER.

SINCERELY,


KIMBERLY R. CRISP

Aurora Rd Gas Co

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

September 27, 2011

Date Rates to be Effective:

November 1, 2011

Reporting Period is Calendar Quarter Ended:

August 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0093
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.9449)
Balance Adjustment (BA)	\$/Mcf	
<u>Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>4.0644</u>

to be effective for service rendered from Nov 1, 2011 to Nov 30, 2011.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	529,083
Costs for the 12 months ended <u>August 31, 2011</u>	Mcf	10,562
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>5.0093</u>

REFUND ADJUSTMENT CALCULATION

	<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>	\$/Mcf	<u>_____</u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0129)
Previous Quarter Reported Actual Adjustment	\$/Mcf	10049
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0056)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1084)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.0186)</u>
		(.9449)

BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
Previous Quarter Reported Balance Adjustment	\$/Mcf	
Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
<u>Balance Adjustment (BA)</u>	\$/Mcf	<u>_____</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended August 31, 2011

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Res			98662	4.6824	461975
AEI-KAAS			4214	3.10	13063
Chesapeake			4562	6.54	29835
Matix Exploration			9160	4.38	40121
Chesapeake (underbilled)			5545	6.54	36264
			<u>122143</u>		<u>581258</u>

Loss for 12 months ended August 31, 2011 is 13.5% based on purchases of 122143 Mcf and sales of 105621 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	581258
Total Expected Cost of Purchases (4)	Mcf	122143
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.7588
Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	111180
Total Expected Gas Cost (to Schedule IA.)	\$	529083

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

SCHEDULE IV
ACTUAL ADJUSTMENT

the 3 month period ended August 31, 2011

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(AUG)</u>	Month 2 <u>()</u>	Month 3 <u>()</u>
Total Supply Volumes Purchased	Mcf	4917		
Total Cost of Volumes Purchased	\$	26918		
Total Sales (may not be less than 95% of supply volumes)	Mcf	4671		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>5.7628</u>		
<u>REG in effect for month</u>	<u>\$/Mcf</u>	<u>6.0822</u>		
<u>Difference</u> <u>[(Over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>(.3194)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>4252</u>		
<u>Monthly cost difference</u>	<u>\$</u>	<u>(1358)</u>		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(1358)
<u>Volumes for 12 months ended August 31, 2011</u>	<u>Mcf</u>	<u>105621</u>
<u>Actual Adjustment for the Reporting Period</u> <u>(to Schedule IC.)</u>	<u>\$/Mcf</u>	<u>(.0129)</u>

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____

<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. Less: Dollar amount resulting from the AA 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 AA was in effect. Equals: Balance Adjustment for the AA.	\$	_____
(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.	\$	_____
(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.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
+ Sales for 12 months ended _____	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	_____

	<u>Base Rate</u>	<u>Gas cost</u> <u>Per</u>	<u>TOTAL</u>
First MCF (minimum)	6.36	4.0644	10.4244
ALL over first MCF	5.0645	4.0644	9.1289

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From: "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>
SpamShield Pro Actions...

To: "Kim Crisp" <kcrisp@kyfrontiergas.com>

Subject: NOV ECG for Cumberland

Date: Mon 09/26/11 02:44 PM

Kim,

Use \$4.6824/Mcf for Nov. EGC.

Dennis

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Attachments

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