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AUXIER ROAD GAS COMPANY, INC.  
P O BOX 408  
PRESTONSBURG, KY 41653

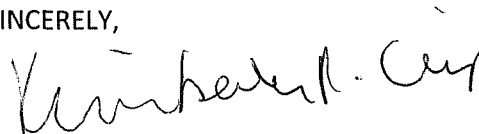
FEBRUARY 27, 2013

MR. JEFF DEROUEN, EXE DIR  
PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT, KY 40602

DEAR SIR:

PLEASE FIND ENCLOSED THE GAS COST RECOVERY TO BE EFFECTIVE ON APRIL 1, 2013. IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT (606)886-2314.

SINCERELY,



KIMBERLY R. CRISP  
ACCOUNTANT

Auxier Road Gas

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

February 27, 2013

Date Rates to be Effective:

April 1, 2013

Reporting Period is Calendar Quarter Ended:

January 31, 2013

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.9490
Refund Adjustment (RA)	\$/Mcf	(.7436)
Actual Adjustment (AA)	\$/Mcf	
Balance Adjustment (BA)	\$/Mcf	
<u>Gas Cost Recovery Rate (GCR)</u>	<u>\$/Mcf</u>	<u>4.2054</u>

to be effective for service rendered from April 1, 2013 to April 30, 2013.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	475449
sales for the 12 months ended <u>Jan 31, 2013</u>	Mcf	96069
<u>Expected Gas Cost (EGC)</u>	<u>\$/Mcf</u>	<u>4.9490</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>	<u>\$/Mcf</u>	<u></u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.2393) (.0012)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0128) (.0172)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0274) (.046)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0060 (.0976)
<u>Actual Adjustment (AA)</u>	<u>\$/Mcf</u>	<u>(.0526) (.1125)</u>
		<u>(.1514)</u>

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>	<u>\$/Mcf</u>	<u>(.7436)</u>

SCHEDULE II  
 EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended Jan 31, 2013

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley			95256	4.7920	456467
Oil-Karn Drilling			3686	3.10	11427
Wps Exploration			8429	4.38	36919
Totals			<u>107371</u>		<u>504813</u>

Net loss for 12 months ended Jan 31, 2013 is .11 % based on purchases of 107371 Mcf and sales of 96069 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	504813
<u>Mcf Purchases (4)</u>	Mcf	<u>107371</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.7016
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>101,125</u>
Total Expected Gas Cost (to Schedule IA.)	\$	475449

Not adjusted pursuant to Gas Cost Adjustment Clause and explained herein.  
 Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

or the 3 month period ended Jan 31, 2013

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(JAN)</u>	<u>Month 2</u> <u>( )</u>	<u>Month 3</u> <u>( )</u>
Total Supply Volumes Purchased	Mcf	14657		
Total Cost of Volumes Purchased	\$	66830		
Total Sales (may not be less than 95% of supply volumes)	Mcf	16817		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>3.9740</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>5.3410</u>		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u>(1.367)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>16817</u>		
Monthly cost difference	\$	(22989)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(22989)
<u>Sales for 12 months ended</u> <u>Jan 31, 2013.</u>	Mcf	<u>96069</u>
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	<u>(.2393)</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	_____

AUXIER ROAD GAS COMPANY, INC.  
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PRESTONSBURG, KY 41653

	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	4.2054	\$ 10.5654
ALL OVER FIRST MCF	5.0645	4.2054	\$ 9.2699

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

**Subject:** APR-13 CVR EGC

**Date:** Wed 02/27/13 10:27 AM

Kim

APR-13 CVR EGC is \$4.7920/MCF

Dennis

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