

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

MARCH 26, 2013

RECEIVED

APR - 1 2013

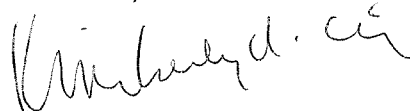
PUBLIC SERVICE
COMMISSION

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 MAY 1, 2013. IF YOU HAVE ANY
QUESTIONS, PLEASE CALL US AT (606)886-2314.

SINCERELY,



KIMBERLY R. CRISP
ACCOUNTANT

Auxin Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

MARCH 26, 2013

Date Rates to be Effective:

MAY 1, 2013

Reporting Period is Calendar Quarter Ended:

February 28, 2013

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component

| <u>Unit</u> | <u>Amount</u> |
|-------------|---------------|
| | 5.4599 |
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | (.6572) |
| \$/Mcf | |
| \$/Mcf | <u>4.8027</u> |

Expected Gas Cost (EGC)
 Refund Adjustment (RA)
 Actual Adjustment (AA)
 Balance Adjustment (BA)
Gas Cost Recovery Rate (GCR)

to be effective for service rendered from MAY 1, 2013 to MAY 31, 2013.

EXPECTED GAS COST CALCULATION

| <u>Unit</u> | <u>Amount</u> |
|-------------|---------------|
| \$ | 577899 |
| Mcf | 97969 |
| \$/Mcf | <u>5.4599</u> |

Total Expected Gas Cost (Schedule II)
 Sales for the 12 months ended Feb 28, 2013
Expected Gas Cost (EGC)

REFUND ADJUSTMENT CALCULATION

| <u>Unit</u> | <u>Amount</u> |
|-------------|---------------|
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |

Supplier Refund Adjustment for Reporting Period (Sch. III)
 Previous Quarter Supplier Refund Adjustment
 Second Previous Quarter Supplier Refund Adjustment
 Third Previous Quarter Supplier Refund Adjustment
Refund Adjustment (RA)

ACTUAL ADJUSTMENT CALCULATION

| <u>Unit</u> | <u>Amount</u> |
|-------------|----------------|
| \$/Mcf | (.061) |
| \$/Mcf | (.2373) |
| \$/Mcf | (.0128) |
| \$/Mcf | (.0214) |
| \$/Mcf | <u>.0060</u> |
| \$/Mcf | (.0526) |
| \$/Mcf | (.0012) |
| \$/Mcf | (.0172) |
| \$/Mcf | (.0019) |
| \$/Mcf | (.046) |
| \$/Mcf | (.0816) |
| \$/Mcf | <u>(.1125)</u> |

Actual Adjustment for the Reporting Period (Schedule IV)
 Previous Quarter Reported Actual Adjustment
 Second Previous Quarter Reported Actual Adjustment
 Third Previous Quarter Reported Actual Adjustment
Actual Adjustment (AA)

BALANCE ADJUSTMENT CALCULATION

| <u>Unit</u> | <u>Amount</u> |
|-------------|---------------|
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |
| \$/Mcf | |

Balance Adjustment for the Reporting Period (Schedule V)
 Previous Quarter Reported Balance Adjustment
 Second Previous Quarter Reported Balance Adjustment
 Third Previous Quarter Reported Balance Adjustment
Balance Adjustment (BA)

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended Feb 28, 2013

| (1) Supplier | (2) Dth | (3) Btu Conversion Factor | (4) Mcf | (5)** Rate | (6) (4)x(5) Cost |
|----------------------|------------|---------------------------------|---------------|---------------|------------------------|
| Comberland Valley | | | 102430 | 5.3317 | 546126 |
| AET - KAVIS Drilling | | | 3790 | 3.10 | 11749 |
| Netis Exploration | | | 8573 | 4.38 | 37550 |
| Totals | | | <u>114793</u> | | <u>595425</u> |

Net loss for 12 months ended February is 147 based on purchases of 114793 Mcf and sales of 97969 Mcf.

| | Unit | Amount |
|--|--------|---------------|
| Total Expected Cost of Purchases (6) | \$ | 595425 |
| <u>Mcf Purchases (4)</u> | Mcf | <u>114793</u> |
| Average Expected Cost Per Mcf Purchased | \$/Mcf | 5.1869 |
| <u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u> | Mcf | <u>103125</u> |
| Total Expected Gas Cost (to Schedule IA.) | \$ | 534899 |

Or 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 February 28, 2013

| <u>Particulars</u> | <u>Unit</u> | <u>Month 1</u> <u>(Feb)</u> | <u>Month 2</u> <u>()</u> | <u>Month 3</u> <u>()</u> |
|--|---------------|--------------------------------|------------------------------|------------------------------|
| Total Supply Volumes Purchased | Mcf | 19332 | | |
| Total Cost of Volumes Purchased | \$ | 84335 | | |
| Total Sales (may not be less than 95% of supply volumes) | Mcf | 18365 | | |
| <u>Unit Cost of Gas</u> | <u>\$/Mcf</u> | <u>4.5922</u> | | |
| <u>EGC in effect for month</u> | <u>\$/Mcf</u> | <u>4.9748</u> | | |
| <u>Difference</u> <u>[(Over-)/Under-Recovery]</u> | <u>\$/Mcf</u> | <u>(.3826)</u> | | |
| <u>Actual sales during month</u> | <u>Mcf</u> | <u>15711</u> | | |
| <u>Monthly cost difference</u> | <u>\$</u> | <u>(6011)</u> | | |

| | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total cost difference (Month 1 + Month 2 + Month 3) | \$ | (6011) |
| <u>Sales for 12 months ended February 28, 2013</u> | Mcf | <u>97969</u> |
| Actual Adjustment for the Reporting Period (to Schedule IC.) | \$/Mcf | (.061) |

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 | _____ |

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| | BASE RATE | GAS COST RECOVERY | TOTAL |
|--------------------------|-----------|-------------------|------------|
| FIRST MCF (MINIMUM BILL) | 6.36 | 4.8067 | \$ 11.1667 |
| ALL OVER FIRST MCF | 5.0645 | 4.8067 | \$ 9.8712 |

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From: "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>
SpamShield Pro Actions...
To: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
Subject: Re: 05-13 EST GAS COST FOR CUMBERLAND
Date: Mon 03/25/13 10:59 AM

Attachments

| Name | Type | Save | View |
|---------|-----------|----------------------|------|
| Message | text/html | Save | |

Kim,

May-13 Cumberland EGC is \$5.3317/Mcf.

Thanks,

Dennis

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
To: "dennis horner" <dhorner@kyfrontiergas.com>
Subject: 05-13 EST GAS COST FOR CUMBERLAND
Date: Fri, 22 Mar 2013 13:43:38 -0700

DENNIS,

I NEED THE 05-13 EST GAS COST FOR CUMBERLAND IN MCF'S SO I CAN DO THE GAS COST ADJ NEXT WK FOR ARG.

THANKS,

KIM

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