

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

RECEIVED

FEB 28 2005

PUBLIC SERVICE
COMMISSION

(606) 886-2314

Estill B. Branham
President

FEBRUARY 24, 2005

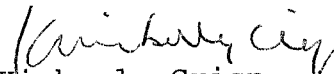
Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

2005-00092

Dear Ms. O'Donnell:

Enclosed is the Gas Cost Recovery for April 2005 thru June 2005.
If you have any questions, please call at the above number.

Sincerely,


Kimberly Crisp

Auxier Road Gas Co

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

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FEB 28 2005
PUBLIC SERVICE
COMMISSION

Date Filed:

February 24, 2005

Date Rates to be Effective:

April 1, 2005

Reporting Period is Calendar Quarter Ended:

December 31, 2004

SCHEDULE I
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.4266
+ Refund Adjustment (RA)	\$/Mcf	.2571
+ Actual Adjustment (AA)	\$/Mcf	.0817
+ Balance Adjustment (BA)	\$/Mcf	.0817
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>8.7654</u>

GCR to be effective for service rendered from April to June.

A. <u>EXPECTED GAS COST CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)		\$	888238
+ Sales for the 12 months ended <u>Dec 31, 2004</u>		Mcf	105409
<u>= Expected Gas Cost (EGC)</u>		\$/Mcf	<u>8.4266</u>
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>		\$/Mcf	<u>_____</u>
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)		\$/Mcf	.1955
+ Previous Quarter Reported Actual Adjustment		\$/Mcf	(.0642)
+ Second Previous Quarter Reported Actual Adjustment		\$/Mcf	(.2620)
+ Third Previous Quarter Reported Actual Adjustment		\$/Mcf	.3878
<u>= Actual Adjustment (AA)</u>		\$/Mcf	<u>.2571</u>
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)		\$/Mcf	.0183
+ Previous Quarter Reported Balance Adjustment		\$/Mcf	.061
+ Second Previous Quarter Reported Balance Adjustment		\$/Mcf	(.104)
+ Third Previous Quarter Reported Balance Adjustment		\$/Mcf	.1064
<u>= Balance Adjustment (BA)</u>		\$/Mcf	<u>.0817</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended Dec 31, 2004

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			43692	9.0899	397156
AEI-KAAS			3750	3.10	11625
EQUITABLE			8802	10.0671	88611
CBS/EWANS			17031	2.9768	50698
Columbia			27117	12.5436	340145
Totals			<u>100392</u>		<u>888235</u>

Line loss for 12 months ended Dec 31, 2004 is 0 % based on purchases of 100392 Mcf and sales of 105409 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	888235
+ Mcf Purchases (4)	Mcf	100392
= Average Expected Cost Per Mcf Purchased	\$/Mcf	8.8477
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	100392
= Total Expected Gas Cost (to Schedule IA.)	\$	888238

*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 Dec 31, 2004

Particulars	Unit	Month 1 (Oct)	Month 2 (Nov)	Month 3 (Dec)
Total Supply Volumes Purchased	Mcf	3320	9544	15848
Total Cost of Volumes Purchased	\$	29069	67582	155944
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6554	9716	15657
= Unit Cost of Gas	\$/Mcf	4.4353	7.2544	9.9600
- EGC in effect for month	\$/Mcf	7.3582	7.3582	7.3582
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(2.9229)	(1.1038)	2.6018
x Actual sales during month	Mcf	6554	9316	15657
= Monthly cost difference	\$	(19157)	(967)	40736

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	20612
÷ Sales for 12 months ended <u>Dec 31, 04</u>	Mcf	105409
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.1955

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended Dec 31, 2004

<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 <u>(.2852)</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>105409</u> Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA.	\$ \$ \$	(28132) <u>(30083)</u> 1931
(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)	\$	1931
+ Sales for 12 months ended <u>Dec 31, 04</u>	Mcf	<u>105409</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	.0183

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 Bill)	5.11	8.7654	13.8754
ALL OVER First MCE	4.2599	8.7654	13.0253

**EQUITABLE
ENERGY LLC**110 Allegheny Center Mall
Pittsburgh, PA 15212-5331

February 24, 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 April to June 2005 the price is \$8.30/DTH. This price is for indication purpose only due to constant fluctuation of the NYMEX. Your purchased volumes are as follows:

April	2,667/dth/month	\$8.30DTH X BTU FACTOR¹1.2129 = \$10.0671
May	255/dth/month	
June	51/dth/month	

Any usage above or below these volumes will be charged at current market prices.

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

Regards,


Brian C. Shafronek
Manager of Origination

Constellation NewEnergy - Gas Division

Estill Brantheim
606-886-2314
606/889-0466

3860 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
Phone: (502) 426-4500 Fax: (502) 426-8600

AUXIER ROAD GAS COMPANY
Estimated Citygate Prices if Bought Monthly

*B.T.M. Facility
1.2.12.9*

Month	(A) NYMEX 02/23/05	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Used 2004 Consumption)</small>	(G) Total Cost Monthly (E*F)
Apr-05	\$6.6200	\$0.3300	0.97435	\$0.2300	$\$7.3630 \times 1.2129$	7,433	\$54,728.88
May-05	\$6.7980	\$0.3300	0.97435	\$0.2300	$\$7.4533 \times 1.2129$	3,205	\$23,887.75
Jun-05	\$6.7680	\$0.3300	0.97435	\$0.2300	$\$7.5149 \times 1.2129$	4,658	\$35,004.20
						15,296	\$113,620.84

*8,9305
9,10401
9,1148*

WACOG = \$7.43 - 9.0899

Road Gas Co., Inc.
P. O. Box 785
burg, Kentucky 41653

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BETH O'DONNELL
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT, KY 40602

FEB 28 2005
PUBLIC SERVICE
COMMISSION