

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

**Estill B. Branham**  
President

(606) 886-2314

RECEIVED

August 31, 2005

SEP 1 2005

PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, ky 40602

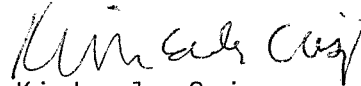
Case 2005-00353

Dear Ms. O'Donnell:

Enclosed is the Gas Cost Recovery for October 1, 2005 thru  
December 31, 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

Date Filed:

August 31, 2005

Date Rates to be Effective:

October 1, 2005

Reporting Period is Calendar Quarter Ended:

June 30, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	12.1591
+ Refund Adjustment (RA)	\$/Mcf	(1.9537)
+ Actual Adjustment (AA)	\$/Mcf	.0749
+ Balance Adjustment (BA)	\$/Mcf	<u>11.2803</u>
= Gas Cost Recovery Rate (GCR)		

GCR to be effective for service rendered from October to December.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	1295719
+ Sales for the 12 months ended <u>June 30, 2005</u>	Mcf	106564
= Expected Gas Cost (EGC)	\$/Mcf	<u>12.1591</u>

<u>B. 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	
= Refund Adjustment (RA)	\$/Mcf	

<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(1.1893)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.8957)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.1955
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>(1.0642)</u>
= Actual Adjustment (AA)	\$/Mcf	<u>(1.9537)</u>

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(1.011)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	.0066
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0183
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>.061</u>
= Balance Adjustment (BA)	\$/Mcf	<u>.0749</u>

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended June 30, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			55385	14.1726	784949
Osi-Kaale			3847	3.10	11926
Equitable			10394	17.4747	181632
CBSI Evans			17709	2.9768	52716
Columbia NR			16789	15.7520	264460
Totals			<u>104124</u>		<u>1295683</u>

Line loss for 12 months ended June 30, 2005 is 0 % based on purchases of 104124 Mcf and sales of 106364 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	1295683
+ Mcf Purchases (4)	Mcf	104124
= Average Expected Cost Per Mcf Purchased	\$/Mcf	12.444
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	104124
= Total Expected Gas Cost (to Schedule IA.)	\$	1295719

\*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 June 30, 2005

Particulars	Unit	Month 1 (Apr)	Month 2 (May)	Month 3 (June)
Total Supply Volumes Purchased	Mcf	7651	6277	3893
Total Cost of Volumes Purchased	\$	76268	48411	13526
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	8195	6351	4249
= Unit Cost of Gas	\$/Mcf	9.3067	7.6226	7.1833
- EGC in effect for month	\$/Mcf	8.7266	8.7266	8.7266
= Difference [(Over-)/Under-Recovery]	\$/Mcf	1.8801	(.804)	(5.2433)
x Actual sales during month	Mcf	8195	6351	4249
= Monthly cost difference	\$	7212	(5106)	(22219)

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(20173)
÷ Sales for 12 months ended <u>June 30, 2005</u>	Mcf	106564
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.1893)

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended June 30, 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.	\$	48140
Less: Dollar amount resulting from the AA of <u>.3878</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>106564</u> Mcf during the 12-month period the AA was in effect.	\$	41326
Equals: Balance Adjustment for the AA.	\$	<u>(1186)</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)	\$	<u>(1186)</u>
+ Sales for 12 months ended <u>June 30, 2005</u>	Mcf	<u>106564</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>(.011)</u>

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

**Estill B. Branham**  
President

(606) 886-2314

	<u>Base Rate</u>	<u>Gas Cost</u> <u>Rec</u>	<u>TOTAL</u>
First MCF (minimum)	5.11	11.2803	16.3903
ALL over first MCF	4.2599	11.2803	15.5402

**Constellation NewEnergy - Gas Division**

Esfill Branham  
606-886-2314  
506/889-9995

9960 Corporate Campus Dr., Suite 2000, Louisville, KY 40223  
Phone: (502) 426-4590 Fax: (502) 426-8600

**AUXIER ROAD GAS COMPANY  
Estimated Citygate Prices if Bought Monthly**

Month	(A) NYMEX 06/26/05	(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)
Oct-05	\$10.1000	\$0.3800	0.97993	\$0.2300	\$10.9246	2,524	\$27,573.80
Nov-05	\$10.5300	\$0.3800	0.97993	\$0.2300	\$11.3634	13,411	\$152,395.21
Dec-05	\$10.9400	\$0.3800	0.97993	\$0.2300	\$11.7818	18,470	\$217,610.69
						34,405	\$397,579.69

WACOG = \$11.56

B.T.U. FACTOR 1.2260 X \$1156 = \$14.1726 PER MCF



# EQUITABLE ENERGY

August 29, 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 October to December 2005 the price is \$14.34/DTH. This price is for indication purpose only due to constant fluctuation of the NYMEX.

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

Regards,



Brian C. Shafranek  
Manager of Origination

**B.T.U. FACTOR 1.2186 X \$14.34 = \$17.4747 PER MCF**

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

CLIENT NO.: 089985-01  
 CONTRACT NO.: SSE003  
 INVOICE NUMBER: SSE0030401  
 VOUCHER NUMBER: 00401579

DATE: -  
 BUS. PERIOD:  
 NAME: Auxier Road Gas Company Inc.  
 ADDRESS: P.O. Box 785  
 CITY: Prestonburg, KY 41653  
 ATTN: Estill Branham

ESTIMATED CITYGATE PRICE

DESCRIPTION	DTH	BILLING RATE	AMOUNT	DATE
Current Volumes	OCT-05 685	\$12.6323	\$ 8,653.13	AUG 30,05
	NOV-05 781	\$12.8517	\$10,037.18	AUG 30,05
	DEC-05 3,960	\$13.0609	\$51,721.16	AUG 30,05
	5,426		\$70,411.47	

AVERAGE PRICE PER DTH \$12.8483

PRICE PER MCF/B.T.U. FACTOR X \$12.8483=\$15.7520

\*\* INVOICE AMOUNT DUE \*\*

\*\* NET AMOUNT DUE ON OR BEFORE :

837016

Make Check Payable To:

Columbia Natural Resources, Inc.

Please Remit Check To:

P.O. Box 1073  
 Charleston, WV 25324

Please Return One Copy Of This Invoice With Your Remittance