

2008-00156

AUXIER ROAD GAS CO., INC.

Post Box 785
Prestonsburg, KY 41653

Sallye M. Branham, President

Phone: 606-886-2314
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April 28, 2008

RECEIVED

APR 30 2008

PUBLIC SERVICE
COMMISSION

Stephanie Stumbo, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602

Dear Mrs. Stumbo:

By this letter Auxier Road Gas Company, Inc. is informing Public Service Commission in filing of the Application for Rate Adjustment earlier today, Auxier inadvertently did not include its adjusted tariff information. Auxier is enclosing one original and ten (ten) copies of its adjusted tariff.

If any further information is needed please contact us at the above address.

Sincerely,



Sallye M. Branham, President

FOR Entire Service Area

P.S.C. KY No. _____

_____ Sheet No. _____

Cancelling P.S.C. KY No. _____

_____ Sheet No. _____

AUXIER ROAD GAS CO., INC.

RULES AND REGULATIONS

GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a gas cost recovery rate (GCR) with the Commission at least 20 days prior to the first day of each month. The GCR shall become effective for billing for service rendered on and after the first day of each month.

The gas cost recovery rate is comprised of:

1. The expected gas cost (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
2. The actual adjustment (AA), on a dollar-per-Mcf basis, which compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period and for the three preceding calendar quarters.
3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refund, the company may apply to the Commission for the right to depart from the refund procedures set forth herein.
4. The balance adjustment (BA) on a dollar-per-Mcf basis, which compensates for any remaining under-or over-collections which have occurred as a result of prior actual, refund, and balance adjustments.

Billing

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$GCR = EGC + AA + RA + BA$$

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY _____ President

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AUXIER ROAD GAS CO., INC.

RULES AND REGULATIONS

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For purposes of this tariff:

1. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonable expected to be in effect during the month, on purchased volumes for the most recently available twelve-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month period shall be calculated as: sales volumes + .95. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustment of this type shall be described in the quarterly GCR application.
2. The "GCR" is the total of the expected gas cost and all adjustments.
3. The "Calendar Quarters" are: 1st January, February, and March; 2nd April, May, June; 3rd July, August, September and 4th October, November, and December.
4. "Reporting Period" means the three month accounting period that ended approximately 60 days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar quarters ended March 31, June 30, September 30 and December 31 of each year.

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY _____ President