

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

Office (606) 886-2314
Fax (606) 889-9995

JUNE 30, 2009

RECEIVED

JUL 01 2009

JEFF DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
P O BOX 615
FRANKFORT, KY 40602

2009-00251

PUBLIC SERVICE
COMMISSION

DEAR MR. DEROUEN:

I HAVE ENCLOSED THE GAS COST RECOVERY FILING FOR AUXIER ROAD
GAS TO BE EFFECTIVE FOR THE MONTH OF AUGUST 2009.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL AT THE ABOVE NUMBER.

SINCERELY,


KIMBERLY CRISP, ACCOUNTANT

Mexia Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

RECEIVED

JUL 01 2009

PUBLIC SERVICE
COMMISSION

Date Filed:

June 30, 2009

Date Rates to be Effective:

August 1, 2009

Reporting Period is Calendar Quarter Ended:

May 31, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.8471
+ Refund Adjustment (RA)	\$/Mcf	(2.1747)
+ Actual Adjustment (AA)	\$/Mcf	(.0015)
+ Balance Adjustment (BA)	\$/Mcf	3.6709
= Gas Cost Recovery Rate (GCR)	\$/Mcf	

GCR to be effective for service rendered from Aug 1, 2009 to Aug 31, 2009.

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	588437
+ Sales for the 12 months ended <u>May 31, 2009</u>	Mcf	100638
= Expected Gas Cost (EGC)	\$/Mcf	5.8471

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

C. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0003)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.4191
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.6202)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2095)
= Actual Adjustment (AA)	\$/Mcf	(.4109)

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	-0-
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0015)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)	\$/Mcf	(.0015)

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended May 31, 2009

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			33923	6.24	211680
Constellation			33923	5.66	192004
AGG - KAANS			3541	3.10	10977
Chesapeake Energy			22867	5.30	121195
Nytris Exploration			9216	4.38	40629
Chesapeake (Under Billed)			5545	5.30	29389

Totals

109075

605874

Line loss for 12 months ended May 31, 2009 is 10⁸ % based on purchases of 109075 Mcf and sales of 100638 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	605874
+ Mcf Purchases (4)	Mcf	109075
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.5547
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	105935
= Total Expected Gas Cost (to Schedule IA.)	\$	588477

*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 May 31, 2009

<u>Particulars</u>	<u>Unit</u>	Month 1 (<u>MAY</u>)	Month 2 (<u> </u>)	Month 3 (<u> </u>)
Total Supply Volumes Purchased	Mcf	4455		
Total Cost of Volumes Purchased	\$	31320		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	4305		
= Unit Cost of Gas	\$/Mcf	7.2753		
- EGC in effect for month	\$/Mcf	7.2875		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(0.0082)		
x Actual sales during month	Mcf	4305		
= Monthly cost difference	\$	(35)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(35)
÷ Sales for 12 months ended <u>May 31, 2009</u>	Mcf	100638
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(0.0003)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended May 31, 2009

<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	<u>0</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

Office (606) 886-2314
Fax (606) 889-9995

	<u>BASE RATE</u>	<u>GAR Cost Rec</u>	<u>TOTAL</u>
First MCE (Minimum Bill)	6.36	3.6709	10.0309
ALL OVER FIRST MCE	5.0645	3.6709	8.7354

Constellation NewEnergy - Gas Division

9960 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
 Phone: (502) 426-4500 Fax: (502) 428-8800

Sally Branham
 606-886-2314
 606/889-9995

AUXIER ROAD GAS COMPANY Estimated Citygate Prices if Bought Monthly

Month	(A) NYMEX	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Used 2008 Consumption)</small>	(G) Total Cost Monthly (E*F)
Aug-09	\$4.2350	\$0.6000	0.97871	\$0.2098	\$5.1500	3,000	\$15,449.93

3,000 \$15,449.93

WACOG = \$5.15

1.211

6.24

CHESAPEAKE APPALACHIA, LLC
 900 Pennsylvania Avenue
 P. O. Box 6070
 Charleston, West Virginia 25362-0070

DATE: 06/18/09
 BUS. PERIOD: 05/09

CLIENT NO.: 884266
 CONTRACT NO: SSE003
 INVOICE NUMBER: SSE0030906
 VOUCHER NUMBER: 00906534
 ARTESIA INVOICE NUMBER: SSE03906

NAME: Auxier Road Gas Company Inc. FAX: 606-889-9995
 ADDRESS: P.O. Box 785
 CITY: Prestonburg, KY 41653
 ATTN: Esill Brantam

DESCRIPTION	DTH	BILLING RATE	AMOUNT	DATE
Meter 837016-01 (Martin Co FED Prison) @ TCO index Plus \$0.66	588.60	\$4.24	\$2,495.68	05/09
Meter 837016-02 (Martin Co FED Prison) @ TCO index Plus \$0.66	813.95	\$4.24	\$2,803.16	05/09
	<u>1,202.55</u>			

** INVOICE AMOUNT DUE **

\$5,098.81

** NET AMOUNT DUE ON OR BEFORE

JULY 3, 2009 **

Make Check Payable To:

CHESAPEAKE APPALACHIA, LLC

Please Remit Check To:

PO BOX 96-0277
 OKLAHOMA CITY, OK 73196-0277

Please Return One Copy Of This Invoice With Your Remittance