

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

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

April 29, 2010

Jeff Derouen
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

RECEIVED

APR 30 2010

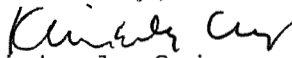
PUBLIC SERVICE
COMMISSION

Re: Gas Cost Recovery

2010-00189

Please find enclosed the gas cost recovery for June 1, 2010.
If you have any questions, please call us at the above number.

Sincerely,


Kimberly Crisp
Accountant

Auxier Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

April 29, 2010

Date Rates to be Effective:

June 1, 2010

Reporting Period is Calendar Quarter Ended:

March 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.3548
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.07238)
+ Balance Adjustment (BA)	\$/Mcf	.1212
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>7.4036</u>

R to be effective for service rendered from June 1, 2010 to June 30, 2010.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	772059
Sales for the 12 months ended <u>March 31, 2010</u>	Mcf	104973
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>7.3548</u>

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	(.178) .015
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.0826 (.0993)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0525 (.0003)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0685) (.0965)
= Actual Adjustment (AA)	\$/Mcf	<u>(.1002) .1141</u>
	\$/Mcf	<u>(.07238)</u>

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.1156
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0012)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0068
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)	\$/Mcf	<u>.1212</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended March 31, 2010

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			85983	7.25	623977
AEI-Kaars			4499	3.10	13947
Chesapeake Energy			6549	7.82	51213
Nyris Exploration			9169	4.38	40160
Chesapeake (under Billed)			5545	7.82	43362
Totals			<u>111745</u>		<u>772059</u>

Line loss for 12 months ended March 31, 2010 is 3.5 % based on purchases of 108805 Mcf and sales of 104973 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	772059
+ Mcf Purchases (4)	Mcf	108805
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.0958
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	108805
= Total Expected Gas Cost (to Schedule IA.)	\$	772059

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

-2940 from purchases due to dual Bn by counties

6109 1470
8109 1470

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended March 31, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 (<u>March</u>)	Month 2 (<u> </u>)	Month 3 (<u> </u>)
Total Supply Volumes Purchased	Mcf	12155		
Total Cost of Volumes Purchased	\$	84805		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	13545		
= Unit Cost of Gas	\$/Mcf	6.2388		
- EGC in effect for month	\$/Mcf	7.6150		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(1.3762)		
x Actual sales during month	Mcf	13545		
= Monthly cost difference	\$	(18641)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(18641)
÷ Sales for 12 months ended <u>March 31, 2010.</u>	Mcf	104973
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.178)

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	

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>Gas Cost Rec</u>	<u>total</u>
First MCF (minimum Btu)	6.36	7.4036	13.7636
All over first MCF	5.0645	7.4036	12.4681

Constellation NewEnergy - Gas Division

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

Kentucky Frontier Gas
 606-886-2431
 606-889-9196

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 2009 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jun-10	\$4.6080	\$0.7200	0.97938	\$0.2038	\$5.6500	1,675	\$9,463.71

1,675 \$9,463.71

WACOG = \$5.65

X 1.212
 = 6.85

CHESAPEAKE APPALACHIA, LLC
 777 N.W. Grand Boulevard
 P. O. Box 18496
 Oklahoma City, OK 73154-0496

DATE: 03/22/10
 BUS. PERIOD: February 2010

Email: sborum@aol.com
 kcrisp@vfrontiergas.com

CLIENT NO.: 884266
 CONTRACT NO.: SSE003
 INVOICE NUMBER: SSE0031003
 VOUCHER NUMBER: 01003634
 ARTESIA INVOICE NUMBER: SSE31003

NAME: Auxier Road Gas Company Inc.
 ADDRESS: P.O. Box 785
 Oklahoma City, OK 73154-0785

Phone: 405-41653

BILLING RATE	AMOUNT	DATE
\$6.19	\$38.34	February 2010
\$6.19	\$35.34	February 2010

*X 1.264
 = 1.824*

*Pd
 3/24/10
 CH 028586*

** INVOICE AMOUNT DUE **
 ** NET AMOUNT DUE ON OR BEFORE April 25, 2010

\$71.68

CHESAPEAKE APPALACHIA, LLC
 PO BOX 96-0277
 OKLAHOMA CITY, OK 73196-0277

Invoice With Your Remittance