

AUXIER ROAD GAS COMPANY, INC.
P O BOX 408
PRESTONSBURG, KY 41653

JUNE 25, 2012

RECEIVED

JUN 28 2012

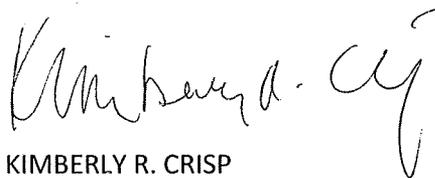
PUBLIC SERVICE
COMMISSION

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

DEAR MR. DEROUEN,

PLEASE FIND ENCLOSED THE GAS COST RECOVERY TO BE EFFECTIVE AUGUST 1, 2012.
IF YOU HAVE ANY QUESTIONS, LET US KNOW.

SINCERELY,

A handwritten signature in black ink, appearing to read "Kimberly R. Crisp". The signature is fluid and cursive, with a large, stylized initial "K" and "C".

KIMBERLY R. CRISP

ACCOUNTANT

Amherst Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

June 25, 2012

Date Rates to be Effective:

August 1, 2012

Reporting Period is Calendar Quarter Ended:

May 31, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Page 1

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.3979
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(1.025)
<u>Balance Adjustment (BA)</u>	\$/Mcf	
Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>3.3729</u>

to be effective for service rendered from Aug 1, 2012 to Aug 31, 2012.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	427029
Sales for the 12 months ended <u>May 31, 2012</u>	Mcf	97099
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>4.3979</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	
<u>Refund Adjustment (RA)</u>	\$/Mcf	<u>_____</u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.046) (.0064)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.088) (.0527)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1125) (.0823)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1514) (.0829)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.2459) .0049</u>
	\$/Mcf	<u>(.1662) (.0656)</u>
	\$/Mcf	<u>(1.025)</u>

BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
Previous Quarter Reported Balance Adjustment	\$/Mcf	
Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
<u>Balance Adjustment (BA)</u>	\$/Mcf	<u>_____</u>

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended May 31, 2012

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley			96997	4.0688	394661
Oei-Kaars			3999	3.10	12397
Mtis Exploration			8944	4.38	39175
Chesapeake (Underbilled)			5545	6.54	36264
Totals			<u>115485</u>		<u>482497</u>

Net loss for 12 months ended May 31, 2012 is 15.9¢ based on purchases of 115485 Mcf and sales of 97099 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	482497
<u>Mcf Purchases (4)</u>	Mcf	<u>115485</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.1780
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>102209</u>
Total Expected Gas Cost (to Schedule IA.)	\$	427029

Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
 Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

or the 3 month period ended May 31, 2012

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(May)</u>	Month 2 <u>()</u>	Month 3 <u>()</u>
Total Supply Volumes Purchased	Mcf	6746		
Total Cost of Volumes Purchased	\$	20819		
Total Sales (may not be less than 95% of supply volumes)	Mcf	6409		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>3.2484</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>4.1914</u>		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u>(.943)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>4735</u>		
Monthly cost difference	\$	(4465)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(4465)
Sales for 12 months ended <u>May 31, 2012</u>	Mcf	97099
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	<u>(.046)</u>

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	

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From: "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>
SpamShield Pro Actions...

To: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>

Subject: Re: BTU EIA-176

Date: Thu 06/21/12 12:47 PM

Kim,

The average heating value for gas supply to BTU for 2011 was 1012.6 btu. The EGC for Cumberland gas for Aug is \$4.0688/Mcf.

Thanks,

Dennis

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>

To: "dennis horner" <dhorner@kyfrontiergas.com>

Subject: BTU EIA-176

Date: Thu, 21 Jun 2012 07:22:45 -0700

DENNIS,

I NEED FOR THE EIA-176 REPORT ON BTU GAS AN AVERAGE OF THE BTU HEATING FACTOR FOR 2011. ALSO, WHENEVER YOU CAN , I NEED THE 08-12 EST GAS COST FOR CUMBERLAND IN MCF'S.

GREATLY APPRECIATED!

KIM

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AUXIER ROAD GAS COMPANY, INC.
P O BOX 408
PRESTONSBURG, KY 41653

	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	3.3729	\$9.7329
ALL OVER FIRST MCF	5.0645	3.3729	\$8.4374