

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

April 17, 2009

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RECEIVED

APR 20 2009

PUBLIC SERVICE
COMMISSION

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

RE: Rules and Regulations
Special Nonrecurring Charges
Case Number 2008-00156

Dear Mr. Derouen:

You will find enclosed the necessary filings for the up-dated Rules and Regulations, as shown in the above case number.

Please attach the enclosed sheet with the previous sheet that was mailed to you on April 8, 2009.

Thank you very much.

Sincerely,



Sallye M. Branham
President

For Entire Area Served

P.S.C. Ky No. _____

_____ Sheet No. _____

Cancelling P.S.C. Ky No. _____

_____ Sheet No. _____

Auxier Road Gas Company, 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 30 days prior to the first date of each calendar month. The GCR shall become effective for billing for service rendered on and after the first day of each calendar 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 months expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period. This will be filed on a monthly basis.
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 April 17, 2009
Month Day Year

Date Effective April 2, 2009

Issued By Sallye Brandon President
Name Title

P.O. Box 785
Prestonsburg, KY 41653
Address