

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

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

FEBRUARY 27, 2009

RECEIVED

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

2009-00095


FEB 27 2009
PUBLIC SERVICE
COMMISSION

DEAR MR. DEROUEN:

I HAVE ENCLOSED THE GAS COST RECOVERY FILING FOR AUXIER ROAD GAS TO BE EFFECTIVE FOR THE PERIODS APRIL 1, 2009 through JUNE 31, 2009.

IF YOU HAVE ANY QUESTIONS PLEASE DO NOT HESITATE TO CONTACT ME AT 606-886-2314.

SINCERELY,


KIMBERLY CRISP

Auxier Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

February 27, 2009

Date Rates to be Effective:

April 1, 2009

Reporting Period is Calendar Quarter Ended:

December 31, 2008

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.2835
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(2.8393)
+ Balance Adjustment (BA)	\$/Mcf	.031
= Gas Cost Recovery Rate (GCR)	\$/Mcf	4.4752

GCR to be effective for service rendered from April to June.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	759123
+ Sales for the 12 months ended <u>Dec 31, 2008</u>	Mcf	104225
= Expected Gas Cost (EGC)	\$/Mcf	7.2835
<u>B. REFUND ADJUSTMENT CALCULATION</u>	<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	
<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(1.6202)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2895)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.3138)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.6788)
= Actual Adjustment (AA)	\$/Mcf	(2.8393)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.031
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	.001
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(.018)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.017
= Balance Adjustment (BA)	\$/Mcf	.031

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended December 31, 2008

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Installation			76207	6.95	529639
Wei-Kaas			4183	3.10	12967
Hoopate Energy			14421	8.874	127982
Wfs Exploration			10000	4.38	43800
Hoopate (undivided)			5545	8.874	49206
Totals			<u>110356</u>		<u>763584</u>

Line loss for 12 months ended December 31, 2008 is .06 & based on purchases of 110356 Mcf and sales of 109711 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	763584
+ Mcf Purchases (4)	Mcf	110356
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.9193
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	109711
= Total Expected Gas Cost (to Schedule IA.)	\$	759123

*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 Dec 31, 2008

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Oct)</u>	<u>Month 2 (Nov)</u>	<u>Month 3 (Dec)</u>
Total Supply Volumes Purchased	Mcf	6046	10935	16010
Total Cost of Volumes Purchased	\$	44721	80643	135274
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6027	11622	16092
= Unit Cost of Gas	\$/Mcf	7.4201	6.9388	8.4325
- EGC in effect for month	\$/Mcf	12.7483	12.7483	12.7483
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(5.3282)	(5.8095)	(4.3158)
x Actual sales during month	Mcf	6027	11622	16092
= Monthly cost difference	\$	(32113)	(67518)	(69234)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(168865)
+ Sales for 12 months ended <u>Dec 31, 2008</u>	Mcf	104225
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(1.6202)

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended Dec 31, 2008

<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.	\$	(61474)
Less: Dollar amount resulting from the AA of <u>(.6109)</u> \$/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 <u>104225</u> Mcf during the 12-month period the AA was in effect.	\$	(64713)
Equals: Balance Adjustment for the AA.	\$	<u>3239</u>
(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)	\$	<u>3239</u>
Sales for 12 months ended <u>Dec 31, 2008</u>	Mcf	<u>104225</u>
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>.031</u>

TOTAL P.07

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</u> <u>Per</u>	<u>TOTAL</u>
FIRST MCG (Minimum Bill)	5.11	4.4752	9.5852
ALL OVER FIRST MCG	4.2599	4.4752	8.7351

Constellation NewEnergy - Gas Division

8800 Corporate Center Dr. Suite 2000, Louisville, KY 40223
 Phone: (502) 428-4500 Fax: (502) 428-8000

Sally Brinkham
 865-866-2314
 606-899-9905

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>(Based 2008 Consumption)</small>	(G) Total Cost Monthly (E)(F)
Jan-09	\$5.8810	\$0.8500	0.97846	\$0.2157	\$8.1189	14,968	\$121,493.63
Feb-08	\$6.9290	\$0.8500	0.97846	\$0.2157	\$8.1659	11,328	\$92,503.86
Mar-09	\$6.8980	\$0.8500	0.97846	\$0.2157	\$8.1343	8,751	\$71,181.90
Apr-09	\$4.3890	\$0.8500	0.97846	\$0.2157	\$5.5780 (6.31)	8,213	\$34,606.61
May-09	\$4.4770	\$0.8500	0.97846	\$0.2157	\$5.6600 (6.12)	5,249	\$29,709.18
Jun-09	\$4.6250	\$0.8500	0.97846	\$0.2157	\$5.8112 (6.11)	3,578	\$20,798.38

1.223
 = 6.95

WACOG = \$7.39

69,028 \$179,303.58

PA
2/18/09
CKH027483

48,791.2+
48,791.2*

0.*

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

02 18 09
09:00

Auxier Road Gas Company, Inc.
P. O. Box 798
Prestonsburg, KY 40366
Essex Station

SEQ 1
SEQ 2
2/18/09

DATE	AMOUNT	DATE
01/09	\$24,435.00	01/09
01/09	\$24,300.10	01/09
02/18/09	\$7.10	
02/18/09	\$3.441	
02/18/09	\$3.431	
02/18/09	\$6.812	

X1.2499
= 8.874

INVOICE AMOUNT DUE ** \$48,791.20

NET AMOUNT DUE ON OR BEFORE FEBRUARY 28, 2009 **

CHESAPEAKE APPALACHIA, LLC

PO BOX 6070
CHARLESTON CITY WV 25362-0070

IF COMPANY IS NOT RECEIVING THIS BILL, CONTACT