

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

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

July 31, 2009

2009-00322

RECEIVED

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

AUG 03 2009
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 SEPTEMBER 2009.

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

SINCERELY,


KIMBERLY CRISP, ACCOUNTANT

Amical Road Gas Co

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

July 31, 2009

Date Rates to be Effective:

September 1, 2009

Reporting Period is Calendar Quarter Ended:

June 30, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.3910
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(2.3523)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>3.0387</u>

GCR to be effective for service rendered from Sept 1, 2009 to Sept 30, 2009.

A. <u>EXPECTED GAS COST CALCULATION</u>		
Total Expected Gas Cost (Schedule II)	\$	541926
+ Sales for the 12 months ended <u>June 30, 2009</u>	Mcf	100525
= Expected Gas Cost (EGC)	\$/Mcf	<u>5.3910</u>
B. <u>REFUND ADJUSTMENT CALCULATION</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. <u>ACTUAL ADJUSTMENT CALCULATION</u>		
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(0.1533)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0003)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.4411
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.6202)
= Actual Adjustment (AA)	\$/Mcf	<u>(0.3197)</u> <u>(0.0788)</u>
D. <u>BALANCE ADJUSTMENT CALCULATION</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	
= Balance Adjustment (BA)	\$/Mcf	<u>Amount (2.3523)</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended June 30, 2009

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			33273	5.87	195313
Constellation			33274	5.87	195318
Oli-Kaas			3548	3.10	10999
Chesapeake Energy			23122	3.87	89482
Nuts Exploration			9135	4.38	40011
Chesapeake (underground)			5545	3.87	21459
Totals			<u>107897</u>		<u>552582</u>

Line loss for 12 months ended June 30, 2009 is .07 % based on purchases of 107897 Mcf and sales of 100525 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	552582
+ Mcf Purchases (4)	Mcf	107897
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1214
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	105816
= Total Expected Gas Cost (to Schedule IA.)	\$	541920

*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 June 30, 2009

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(June)</u>	Month 2 <u>()</u>	Month 3 <u>()</u>
Total Supply Volumes Purchased	Mcf	3056		
Total Cost of Volumes Purchased	\$	12623		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3850		
= Unit Cost of Gas	\$/Mcf	3.28		
- EGC in effect for month	\$/Mcf	7.2835		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(4.0035)		
x Actual sales during month	Mcf	3850		
= Monthly cost difference	\$	(15413)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(15413)
÷ Sales for 12 months ended <u>June 30, 2009</u>	Mcf	100525
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(0.1533)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended June 30, 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>GAS COST</u> <u>REC</u>	<u>TOTAL</u>
FIRST MCF (MINIMUM BCU)	6.36	3.0387	9.3987
ALL OVER FIRST MCF	5.0645	3.0387	8.1032

Constellation NewEnergy - Gas Division

9960 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
 Phone: (502) 426-4500 Fax: (502) 426-6600

Sally Branham
 606-886-2314
 606/869-9995

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)
Sep-09	\$3.8480	\$0.6500	0.97871	\$0.2098	\$4.8056	2,269	\$10,904.01

2,269 \$10,904.01

WACOG = \$4.81

1.22
 (5.87)

CONSTELLATION NEWENERGY – GAS DIVISION, LLC
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY



Constellation
NewEnergy™
 Gas Division

Date: April 2, 2009

Transaction Confirmation #: NGFF15307462PR

Facility: Prestonsburg, KY

This Transaction Confirmation is subject to the Base Contract between CNEG and Customer dated **May 1, 2006**. The terms of this Transaction Confirmation are binding unless disputed in writing within two (2) Business Days of receipt unless otherwise specified in the Base Contract.

Constellation NewEnergy – Gas Division, LLC
 9960 Corporate Campus Drive, Suite 2000
 Louisville, KY 40223
 Attn: Contract Administration
 Phone: (502) 214-6340/6341
 Fax: (502) 214-6381
 Base Contract No. AES07269
 Transporter: _____
 Transporter Contract Number: _____

Auxier Road Gas Company
 P.O. Box 785
 Prestonsburg, KY 41653
 Attn: Susan Crum
 Phone: (606) 886 – 2314
 Fax: (606) 889 – 0770
 Base Contract No. _____
 Transporter: _____
 Transporter Contract Number: _____

Delivery Period: Begin: May 1, 2009 End: March 31, 2010

Performance Obligation: Firm

Fixed Quantity and Price:

Month/Year	Quantities In MMBtus	NYMEX Price Per MMBtu
May-09	2,625	\$4.1100
June-09	1,790	\$4.1100
July-09	1,600	\$4.1100
August-09	1,500	\$4.1100
September-09	1,135	\$4.1100
October-09	2,767	\$4.1100
November-09	1,966	\$5.6000
December-09	3,153	\$5.6000
January-10	2,951	\$5.6000
February-10	1,288	\$5.6000
March-10	1,750	\$5.6000

The above referenced price represents the NYMEX portion of the purchase price and does not include applicable basis to the delivery point.

Incremental Quantities & Price: For all additional gas quantities required by Customer, in excess of the nominated volumes each month, or for gas quantities bought back from Customer by CNEG due to Customer's requirements being less than the nominated volumes each month, the price for such additional purchases or buybacks shall be based on the then-current spot market price, as determined by CNEG in its reasonable discretion.

Delivery Point/Point of Sale: Auxier Road Gas – TCO MTR# 804637

Special Conditions: None

CONSTELLATION NEWENERGY – GAS DIVISION, LLC

By: Brian Franz
 Title: Brian Franz
VP - Gas Operations
 Date: 4.2.09

AUXIER ROAD GAS COMPANY

By: Deezye Branham
 Title: President
 Date: _____

CONSTELLATION NEWENERGY – GAS DIVISION, LLC
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY



**Constellation
NewEnergy™**
Gas Division

Date: April 9, 2009

Transaction Confirmation #: B75Z4EAH2

Facility: Prestonsburg, KY

This Transaction Confirmation is subject to the Base Contract between CNEG and Customer dated **May 1, 2006**. The terms of this Transaction Confirmation are binding unless disputed in writing within two (2) Business Days of receipt unless otherwise specified in the Base Contract.

Constellation NewEnergy – Gas Division, LLC
 9960 Corporate Campus Drive, Suite 2000
 Louisville, KY 40223
 Attn: Contract Administration
 Phone: (502) 214-6340/6341
 Fax: (502) 214-6381
 Base Contract No. AES07269
 Transporter:
 Transporter Contract Number:

Auxier Road Gas Company
 P.O. Box 785
 Prestonsburg, KY 41653
 Attn: Susan Crum
 Phone: (606) 886 -- 2314
 Fax: (606) 889 - 0770
 Base Contract No.
 Transporter:
 Transporter Contract Number:

Delivery Period: Begin: May 1, 2009 End: March 31, 2010

Performance Obligation: Firm

Fixed Quantity and Price:

Month/Year	Quantities In MMBtus	Basis per MMBtu
May-09	2,625	\$0.5650
June-09	1,790	\$0.5650
July-09	1,600	\$0.5650
August-09	1,500	\$0.5650
September-09	1,135	\$0.5650
October-09	2,767	\$0.5650
November-09	1,966	\$0.5650
December-09	3,153	\$0.5650
January-10	2,951	\$0.5650
February-10	1,288	\$0.5650
March-10	1,750	\$0.5650

The above referenced price represents basis only and it does not include any applicable commodity price.

Incremental Quantities & Price: For all additional gas quantities required by Customer, in excess of the nominated volumes each month, or for gas quantities bought back from Customer by CNEG due to Customer's requirements being less than the nominated volumes each month, the price for such additional purchases or buybacks shall be based on the then-current spot market price, as determined by CNEG in its reasonable discretion.

Delivery Point/Point of Sale: Auxier Road Gas – TCO MTR# 804637

Special Conditions: None

CONSTELLATION NEWENERGY – GAS DIVISION, LLC
 By: Brian Franz
 Title: VP - Gas Operations
 Date: 4-10-09

AUXIER ROAD GAS COMPANY
 By: Saege Branham
 Title: President
 Date: _____

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

DATE: 07/10/2009
 BUS. PERIOD: 06/09

CLIENT NO.: 919588
 CONTRACT NO.: ASW006
 INVOICE NUMBER: ASW0060907
 VOUCHER NUMBER: 00907534
 ARTESIA INVOICE NUMBER: ASW60907

Natural Gas Distribution Company
 Drive
 24210
 VIA E-MAIL TO: gcarroll@appnatgas.com
cblevins@appnatgas.com

0.*

	DTH	BILLING RATE	AMOUNT	DATE
1,075.59+				
1,075.59*	@ TCO Index Plus \$0.10 286.06	3.76000	\$1,075.59	06/09

** INVOICE AMOUNT DUE ** \$1,075.59

** NET AMOUNT DUE ON OR BEFORE AUGUST 1, 2009

CHESAPEAKE APPALACHIA, LLC
 P.O. Box 96-0277
 Oklahoma City, OK 73196-0277

1,075.59

PD
7/20/09
CRH 027909

Fax Server

CHESAPEAKE ENERGY