

2009-00322

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

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

AUGUST 10, 2009

RECEIVED

AUG 12 2009

PUBLIC SERVICE
COMMISSION

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

DEAR MR. DEROUEN:

I HAVE ENCLOSED A REVISED GAS COST RECOVERY FILING FOR AUXIER ROAD GAS TO BE EFFECTIVE FOR THE MONTH OF SEPTEMBER 2009, DUE TO A CHANGE IN OUR SUPPLIERS (CHESAPEAKE ENERGY) INVOICE.

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

SINCERELY,



KIMBERLY CRISP

Alexia Road Gas Co

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

August 10, 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	5.8177
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(2.2983)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>3.5194</u>

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

A. <u>EXPECTED GAS COST CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	584824
+ Sales for the 12 months ended <u>June 30, 2009</u>	Mcf	<u>100525</u>
= Expected Gas Cost (EGC)	\$/Mcf	<u>5.8177</u>
B. <u>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	
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(1.0993)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.0003)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.4141
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>(1.6202)</u>
= Actual Adjustment (AA)	\$/Mcf	<u>(2.3138)</u> <u>(.6788)</u>
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		
	<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	
= Balance Adjustment (BA)	\$/Mcf	<u>(2.2983)</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
Qee-Kee			3548	3.10	10999
Chesapeake Energy			24077	5.40	129854
Nyco Exploration			9135	4.38	40011
Chesapeake (underbilled)			5545	5.40	29943
Totals			108822		601438

Line loss for 12 months ended June 30, 2009 is 0% based on purchases of 108822 Mcf and sales of 100525 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	601438
+ Mcf Purchases (4)	Mcf	108822
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.5268
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	105816
= Total Expected Gas Cost (to Schedule IA.)	\$	584824

*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	3981		
Total Cost of Volumes Purchased	\$	18044		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3850		
= Unit Cost of Gas	\$/Mcf	4.69		
- EGC in effect for month	\$/Mcf	7.2835		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(2.5935)		
x Actual sales during month	Mcf	3850		
= Monthly cost difference	\$	(9985)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(9985)
÷ Sales for 12 months ended <u>June 30, 2009</u>	Mcf	100525
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.0993)

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	— 0 —

	<u>BASE RATE</u>	<u>GAS COST</u> <u>PER</u>	<u>TOTAL</u>
FIRST MCE (Minimum Bill)	6.36	3.5194	9.8794
ALL OVER FIRST MCE	5.0645	3.5194	8.5839

0**

6 496 81 +
1 079 5 --
5 421 22 *

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

REVISED
8/2/2009

CLIENT NO.: 894266
CONTRACT NO.: SSE003
INVOICE NUMBER: SSE0030907
VOUCHER NUMBER: 00907534
ARTESIA INVOICE NUMBER: SSE30907

Company Inc. FAX: 806-889-9995

41653

Pd
8/3/09
CHK 027957

	DTH	BILLING RATE	AMOUNT	DATE
ison) @ TCO Index Plus \$0.66	727.85	\$4.32	\$3,144.36	06/09
ison) @ TCO Index Plus \$0.66	776.93	\$4.32	\$3,352.45	06/09
	1,503.89			

1,249.90

** INVOICE AMOUNT DUE **

** NET AMOUNT DUE ON OR BEFORE

AUGUST 3, 2009 **

\$6,496.81
- 1,075.59 Pd 7/20/09
\$ 5,421.22 Br

CHK# 027909

Make Check Payable To:

CHESAPEAKE APPALACHIA, LLC

Please Remit Check To:

PO BOX 96-0277
OKLAHOMA CITY, OK 73196-0277

Please Return One Copy Of This Invoice With Your Remittance

01374000 01001311 01001517

Constellation NewEnergy - Gas Division

9960 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
 Phone: (502) 428-4500 Fax: (502) 426-8800

Sally Branham
 606-886-2314
 606/889-9995

**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



Date: April 2, 2009
 Transaction Confirmation #: NGFF15307462PR
 Facility: Prestonsburg, KY

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

Constellation NewEnergy – Gas Division, LLC
 Corporate Campus Drive, Suite 2000
 Prestonsburg, KY 40223
 Contract Administration
 Phone: (502) 214-6340/6341
 Fax: (502) 214-6381
 Contract No. AES07269
 Order:
 Order 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

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.

Optional 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

Brian Franz

Brian Franz
 VP - Gas Operations

4.2.09

AUXIER ROAD GAS COMPANY

By: *Alece Branham*

Title: *President*

Date:

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



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
 30 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

Delivered Quantity and Price:

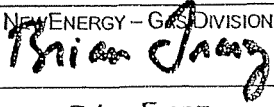
Month/Year	Quantities In MMBtus	Basis per MMBtu
May-09	2,625	\$0.5650
June-09	1,790	\$0.5650
July-09	1,600	\$0.5650
August-09	1,500	\$0.5650
September-09	1,135	\$0.5650
October-09	2,767	\$0.5650
November-09	1,966	\$0.5650
December-09	3,153	\$0.5650
January-10	2,951	\$0.5650
February-10	1,288	\$0.5650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

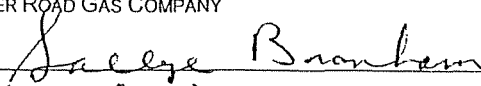
The above referenced price represents basis only and it does not include any applicable commodity price.

Additional 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

 Brian Franz
 VP - Gas Operations
 4-10-09

AUXIER ROAD GAS COMPANY
 By: 
 Title: President
 Date: