

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS)
COMPANY, INC.) CASE NO. 2009-00322

ORDER

On April 2, 2009, in Case No. 2008-00156,¹ the Commission approved the Gas Cost Adjustment (“GCA”) clause of Auxier Road Gas Company, Inc. (“Auxier”) allowing for the monthly adjustment of its rates.

On August 3, 2009, Auxier filed its proposed GCA to be effective September 1, 2009. Auxier supplemented its filing on August 12, 2009. Auxier did not provide the 30 days’ notice required for a change in rates; however, since its filing represents a decrease in rates, a September 1, 2009 effective date is appropriate.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier’s notice sets out an Expected Gas Cost (“EGC”) of \$5.8177 per Mcf, which is a decrease of \$.0294 per Mcf from its prior EGC of \$5.8471 per Mcf.
3. Auxier’s notice sets out no current Refund Adjustment.

¹ Case No. 2008-00156, Application of Auxier Road Gas Company, Inc. for an Adjustment in Rates and Certain Nonrecurring Charges (Ky. PSC Apr. 2, 2009).

4. Auxier's notice sets out a current month Actual Adjustment ("AA") of (\$.0993) per Mcf to return over-collections of gas cost from June 2009. Auxier proposed a total AA of (\$2.2983) per Mcf. An unexpired previous quarter AA of (\$.2895) per Mcf was not included in the calculation. Correcting this error produces a total AA of (\$2.5878) per Mcf, which is a decrease of \$.0992 per Mcf from its previous total AA of (\$2.4886) per Mcf.

5. Auxier's notice sets out no current quarter Balance Adjustment ("BA"). Auxier neglected to calculate the BA resulting from the expiration of a previous AA. The current quarter BA should be (\$.0015). Auxier proposed a total BA of \$0. In calculating its total BA, the current quarter BA should be added to a previous quarter BA, also of (\$.0015) per Mcf, for a total BA of (\$.0030) per Mcf. This represents a decrease of \$.0015 per Mcf from the previous total BA of (\$.0015) per Mcf.

6. Auxier's gas cost recovery rate is \$3.2269 per Mcf, which is a decrease of \$.1301 per Mcf from its previous rate of \$3.3570 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after September 1, 2009.

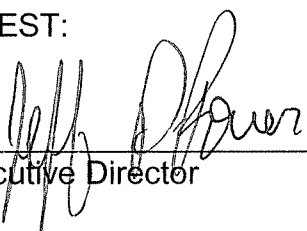
IT IS THEREFORE ORDERED that:

1. Auxier's proposed rates are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after September 1, 2009.
3. Within 20 days of the date of this Order, Auxier shall file with this Commission its revised tariff sheets setting out the rates approved herein.

By the Commission

ENTERED *EW*
AUG 25 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2009-00322

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00322 DATED **AUG 25 2009**

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 6.36	\$3.2269	\$9.5869
All Over 1 Mcf	\$ 5.0645	\$3.2269	\$8.2914

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