

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

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

DECEMBER 9, 2009

RECEIVED

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

2009-00486

DEC 10 2009
PUBLIC SERVICE
COMMISSION

RE: GAS COST RECOVERY

DEAR MR. DEROUSEN:

PLEASE FIND ENCLOSED OUR GAS COST RECOVERY TO BE EFFECTIVE
JANUARY 1, 2010.

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

SINCERELY,


KIMBERLY R CRISP

Amherst Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

December 9, 2009

Date Rates to be Effective:

January 1, 2010

Reporting Period is Calendar Quarter Ended:

October 31, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.7632
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(2.4559)
+ Balance Adjustment (BA)	\$/Mcf	.0068
= Gas Cost Recovery Rate (GCR)	\$/Mcf	4.3141

GCR to be effective for service rendered from Jan, 2010 to Jan 31, 2010.

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	681848
+ Sales for the 12 months ended <u>Oct 31, 2009</u>	Mcf	100818
= Expected Gas Cost (EGC)	\$/Mcf	6.7632

B. REFUND ADJUSTMENT CALCULATION

	<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. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.0003
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0072)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.015
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0997)
= Actual Adjustment (AA)	\$/Mcf	(.0915)

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.0098
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0015)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0015)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)	\$/Mcf	.0068

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended October 31, 2009

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			32439	7.5694	245544
Constellation			32440	7.5213	243991
AEI-KARLS			3337	3.10	10345
CHESAPEAKE ENERGY			25983	4.52	117443
MYTIS EXPLORATION			9009	4.38	39459
CHESAPEAKE ENERGY (UnderBilled)			5545	4.52	25063
Totals			<u>108753</u>		<u>681845</u>

Line loss for 12 months ended Oct. 31, 2009 is 4.1 % based on purchases of 105813 Mcf and sales of 100818 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	681845
+ Mcf Purchases (4)	Mcf	105813
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.4439
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	105813
= Total Expected Gas Cost (to Schedule IA.)	\$	681848

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

Note: Excluded in purchases is 2940 Mcf's that was due to a line break (by county).

6/18/09 - 1470
8/14/09 - 1470
2940

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended Oct. 31, 2009

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Oct)</u>	<u>Month 2</u> <u>()</u>	<u>Month 3</u> <u>()</u>
Total Supply Volumes Purchased	Mcf	7010		
Total Cost of Volumes Purchased	\$	38145		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6660		
= Unit Cost of Gas	\$/Mcf	5.7275		
- EGC in effect for month	\$/Mcf	5.7224		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.0051		
x Actual sales during month	Mcf	6318		
= Monthly cost difference	\$	32		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	32
÷ Sales for 12 months ended <u>Oct 31, 2009</u>	Mcf	100818
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.0003

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	_____

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 REC</u>	<u>TOTAL</u>
FIRST MCE (minimum bill)	6.36	4.3141	10.6741
ALL OVER FIRST MCE	5.0645	4.3141	9.3786

Constellation NewEnergy - Gas Division

9987 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
 Phone: (502) 426-4500 Fax: (502) 426-6800

Sally Branham
 606-896-2314
 806/889-9995

**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 2006 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jan-10	\$5.1570	\$0.7100	0.97871	\$0.2098	\$6.2044	14,753	\$91,533.89

14,753 \$91,533.89

WACOG = \$6.20

X 1,219.83
 = 7,5694

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

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 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
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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: Salge Branham
 Title: President
 Date: _____