

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2010-00040
COMPANY, INC.)

ORDER

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

On January 29, 2010, Auxier filed its proposed GCA to be effective March 1, 2010.

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 \$7.6150 per Mcf, which is an increase of \$.4787 per Mcf from its prior EGC of \$7.1363 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 (\$.0685) per Mcf. Auxier's total AA of (\$1.5050) per Mcf is an increase of \$.6102 per Mcf from its previous total AA of (\$2.1152) per Mcf.

5. Auxier's notice sets out no current quarter Balance Adjustment ("BA"). Auxier failed to calculate under-recoveries remaining from the AA of (\$.2895) per Mcf which expired December 31, 2009. The current quarter BA should be (\$.0012) per Mcf. The total BA of \$.0056 per Mcf is a decrease of \$.0012 per Mcf from the previous total BA of \$.0068 per Mcf.

6. Auxier's gas cost recovery rate is \$6.1156 per Mcf, which is an increase of \$1.0877 per Mcf from its previous rate of \$5.0279 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 March 1, 2010.

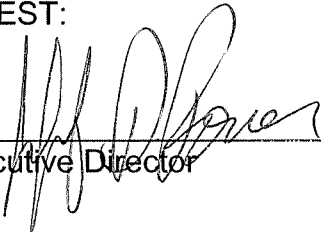
IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are hereby denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after March 1, 2010.
3. Within 20 days of the date of this Order, Auxier shall file its revised tariff sheets with this Commission, setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED ^{EW}
FEB 12 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00040 DATED FEB 12 2010

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	\$6.1156	\$12.4756
All Over 1 Mcf	\$ 5.0645	\$6.1156	\$ 11.1801

Kimberly R Crisp
Auxier Road Gas Company, Inc.
P. O. Box 785
Prestonsburg, KY 41653