

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

Sallye Branham  
President

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

FEBRUARY 25, 2010

2010-00101

PUBLIC SERVICE COMMISSION  
JEFF DEROUEN, EXE DIR  
P O BOX 615  
FRANKFORT, KY 40602

RECEIVED  
MAR 02 2010  
PUBLIC SERVICE  
COMMISSION

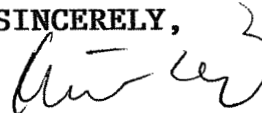
RE: GAS COST REC FOR APRIL 2010

DEAR MR. DEROUEN:

ENCLOSED PLEASE FIND THE GAS COST RECOVERY FOR APRIL 2010.

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

SINCERELY,



KIMBERLY CRISP

APPENDIX B  
Page 1

Amber Rd Gas

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

February 25, 2010

Date Rates to be Effective:

April 1, 2010

Reporting Period is Calendar Quarter Ended:

January 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.3499
+ Refund Adjustment (RA)	\$/Mcf	(.1683)
+ Actual Adjustment (AA)	\$/Mcf	.0056
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	7.1872

GCR to be effective for service rendered from April 1, 2010 to April 30, 2010.

<b>A.</b>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	729745
	+ Sales for the 12 months ended <u>Jan 31, 2010</u>	Mcf	99286
	= Expected Gas Cost (EGC)	\$/Mcf	7.3499
<b>B.</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	
<b>C.</b>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.053
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0685)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0503
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.10072)
	= Actual Adjustment (AA)	\$/Mcf	.015
		\$/Mcf	(.0993)
		\$/Mcf	(.0003)
		\$/Mcf	(.0141)
		\$/Mcf	(.001)
		\$/Mcf	(.0965)
<b>D.</b>	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(.0012)
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	.0068
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
	= Balance Adjustment (BA)	\$/Mcf	.0056

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended January 31, 2010

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			70059	7.4749	523684
Ole - Kaons			4282	3.10	13274
Chesapeake			17755	6.58	116828
Nys Exploration			9012	4.38	39473
Chesapeake (undivided)			5545	6.58	36486
Totals			<u>106653</u>		<u>729745</u>

Line loss for 12 months ended Jan 31, 2010 is 4 % based on purchases of 103713 Mcf and sales of 99286 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	729745
+ Mcf Purchases (4)	Mcf	103713
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.0362
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	103713
= Total Expected Gas Cost (to Schedule IA.)	\$	729745

\*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 January 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Jan)</u>	<u>Month 2</u> <u>( )</u>	<u>Month 3</u> <u>( )</u>
Total Supply Volumes Purchased	Mcf	17106		
Total Cost of Volumes Purchased	\$	127739		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	18116		
= Unit Cost of Gas	\$/Mcf	7.0512		
- EGC in effect for month	\$/Mcf	6.7632		
= Difference [(Over-)/Under-Recovery]	\$/Mcf	1288		
x Actual sales during month	Mcf	18116		
= Monthly cost difference	\$	5217		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	5217
÷ Sales for 12 months ended <u>Jan 31, 2010</u>	Mcf	99286
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.053

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	_____

	<u>Base Rate</u>	<u>Gas Cost Rec</u>	<u>TOTAL</u>
First MCE (Minimum Bill)	6.36	7.1872	13.5472
ALL OVER First MCE	5.0645	7.1872	12.2517

**Constellation NewEnergy - Gas Division**

8860 Corporate Campus Dr. Suite 2000, Louisville, KY 40223  
 Phone: (502) 428-4500 Fax: (502) 428-8800

Sally Branham  
 608-886-2314  
 608-789-0401

**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)
Apr-10	\$5.0760	\$0.7300	0.97871	\$0.2098	\$6.1421	4,583	\$28,149.24

*X(6.21)  
 = 7.4748*

4,583 \$28,149.24

WACOG = \$6.14



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

DATE: 01/27/10  
 BUS. PERIOD: Dec. 2009

FAX: 606-889-8985

CLIENT NO.: 884266  
 CONTRACT NO.: SSE003  
 INVOICE NUMBER: SSE0031001  
 VOUCHER NUMBER: 01001534  
 ARTESIA INVOICE NUMBER: SSE31001

NAME: Auxier Road Gas Company Inc.

KY 41853  
 n

0.00\*

0.00\*

D.Prison) @ TCO Index Plus \$0.66  
 D.Prison) @ TCO Index Plus \$0.66

DTH

22.85  
 21.88  
 44.53

BILLING  
 RATE

\$5.32  
 \$5.32

AMOUNT

\$120.50  
 \$116.40

DATE

Dec. 2009  
 Dec. 2009

236.90  
 236.90

**\*\* INVOICE AMOUNT DUE \*\***

**\$236.90**

**\*\* NET AMOUNT DUE ON OR BEFORE**

**February 25, 2010**

**CHESAPEAKE APPALACHIA, LLC**

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

**his Invoice With Your Remittance**

*Pd*  
*2/2/10*  
*ck# 028501*