

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Sallye Branham
President

March 31, 2010

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

RECEIVED
APR 01 2010

Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

**PUBLIC SERVICE
COMMISSION**

Re: Gas Cost Recovery

2010-00141

Please find enclosed the Gas Cost Recovery effective
May 1, 2010.

If you have any questions please call the above phone
number.

Sincerely,



Kimberly Crisp

Alvise Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

March 31, 2010

Date Rates to be Effective:

May 1, 2010

Reporting Period is Calendar Quarter Ended:

February 28, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.8527
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	1.2504
+ Balance Adjustment (BA)	\$/Mcf	.0056
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>7.1087</u>

GCR to be effective for service rendered from May 1, 2010 to May 31, 2010.

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	699823
	+ Sales for the 12 months ended <u>Feb 28, 2010</u>	Mcf	102123
	= Expected Gas Cost (EGC)	\$/Mcf	<u>6.8527</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	.0826
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.0525
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0685)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0503
	= Actual Adjustment (AA)	\$/Mcf	<u>(.0993)</u>
		\$/Mcf	(.0003)
		\$/Mcf	.4141
		\$/Mcf	.2504
D.	<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	
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.0068
	= Balance Adjustment (BA)	\$/Mcf	<u>.0056</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended May 28, 2010

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			81509	6.96	526548
Oil-Kaces			4396	3.10	13628
Chesapeake			9819	7.82	76785
Wys Exploration			9019	4.38	39503
Chesapeake (underground)			5545	7.82	43362
Totals			<u>110288</u>		<u>699826</u>

Line loss for 12 months ended Feb 28, 2010 is 4.9 % based on purchases of 107348 Mcf and sales of 102123 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	699826
+ Mcf Purchases (4)	Mcf	107348
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.5192
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	107348
= Total Expected Gas Cost (to Schedule IA.)	\$	699823

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV
ACTUAL ADJUSTMENT

or the 3 month period ended February 28, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 (Feb)	Month 2 ()	Month 3 ()
Total Supply Volumes Purchased	Mcf	17646		
Total Cost of Volumes Purchased	\$	128142		
Total Sales (may not be less than 95% of supply volumes)	Mcf	16764		
<u>Unit Cost of Gas</u>	\$/Mcf	7.6439		
<u>EGC in effect for month</u>	\$/Mcf	7.1363		
Difference [(Over-)/Under-Recovery]	\$/Mcf	.5076		
<u>Actual sales during month</u>	Mcf	16609		
Monthly cost difference	\$	8431		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	8431
<u>Sales for 12 months ended Feb 28, 2010.</u>	Mcf	102123
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	10826

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	<u>Base Rate</u>	<u>Gas Cost</u> <u>Rec</u>	<u>total</u>
First MCF (Minimum Bill)	6.36	7.1087	13.4687
All over first MCF	5.0645	7.1087	12.1732

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

DATE: 03/22/10
 BUS. PERIOD: February 2010

Email: sbornun@aol.com
 krtisp@kyfrontiergas.com

CLIENT NO.: 884266
 CONTRACT NO.: SSE003
 INVOICE NUMBER: SSE0031003
 VOUCHER NUMBER: 01003634
 ARTESIA INVOICE NUMBER: SSE31003

NAME: Auxier Road Gas Company Inc.
 ADDRESS: P. O. Box 786
 Distribution # 41853

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

DTH
 5.87
 5.71
 11.58

*X1,264
 = 7,824*

BILLING RATE	AMOUNT	DATE
\$8.19	\$36.34	February 2010
\$6.19	\$35.34	February 2010

**** INVOICE AMOUNT DUE ****
**** NET AMOUNT DUE ON OR BEFORE April 25, 2010**

\$71.68

CHESAPEAKE APPALACHIA, LLC
 PO BOX 96-0277
 OKLAHOMA CITY, OK 73196-0277

Invoice With Your Remittance

PD
3/24/10
CHH 028586

Constellation NewEnergy - Gas Division

9850 Corporate Campus Dr, Suite 2000, Louisville, KY 40223
 Phone: (502) 428-4500 Fax: (502) 428-9800

Sally Branham
 606-896-2314
 606-769-0401

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)
May-10	\$4.2310	\$0.7800	0.97938	\$0.2098	\$5.3263	2,494	\$13,283.80

2,494 \$13,283.80

WACOG = \$5.33

Handwritten:
 \$11,212

 6.33