

# Auxier Road Gas Company, Inc.

Box  
Prestonsburg, Kentucky 41653

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

May 26, 2010

RECEIVED

MAY 27 2010

PUBLIC SERVICE  
COMMISSION

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

RE: Gas Cost Recovery

2010-00211

Please find enclosed the gas cost recovery for July 1, 2010.  
If you have any questions, please call us at the above number.

Sincerely, -

  
Kimberly Crisp  
Accountant

Quaker Road Gas

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

May 26, 2010

Date Rates to be Effective:

July 1, 2010

Reporting Period is Calendar Quarter Ended:

April 30, 2010

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.7308
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.5455)
Balance Adjustment (BA)	\$/Mcf	.1212
<u>Gas Cost Recovery Rate (GCR)</u>	<u>\$/Mcf</u>	<u>6.3065</u>

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

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	698659
sales for the 12 months ended <u>April 30, 2010</u>	Mcf	103801
<u>Expected Gas Cost (EGC)</u>	<u>\$/Mcf</u>	<u>6.7308</u>

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	
<u>Refund Adjustment (RA)</u>	<u>\$/Mcf</u>	<u></u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.2042) .015
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1776) (.0993)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0826 (.0003)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0525 (.0965)
<u>Actual Adjustment (AA)</u>	<u>\$/Mcf</u>	<u>(.1002)</u> .0012
		(.5455)

BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.1156
Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0012)
Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0008
Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
<u>Balance Adjustment (BA)</u>	<u>\$/Mcf</u>	<u>.1212</u>

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended April 30, 2010

(1) <u>Supplier</u>	(2) <u>Dth</u>	(3) Btu <u>Conversion Factor</u>	(4) <u>Mcf</u>	(5)** <u>Rate</u>	(6) <u>(4)x(5) Cost</u>
Constellation			85579	6.62	566533
Aei-Kaers			4592	3.10	14235
Chesapeake Energy			4286	7.82	33517
Nyris Exploration			9363	4.38	41010
Chesapeake (undelivered)			5545	7.82	43362
<b>Totals</b>			<u>109365</u>		<u>698657</u>

Line loss for 12 months ended April 30, 2010 is \_\_\_\_\_% based on purchases of 106425 Mcf and sales of 103801 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	698657
<u>Mcf Purchases (4)</u>	Mcf	<u>106425</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	6.5678
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>106425</u>
Total Expected Gas Cost (to Schedule IA.)	\$	698659

For 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 that was due to a line break by county.

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

SCHEDULE IV  
ACTUAL ADJUSTMENT

or the 3 month period ended April 30, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(April)</u>	<u>Month 2</u> <u>( )</u>	<u>Month 3</u> <u>( )</u>
Total Supply Volumes Purchased	Mcf	4554		
Total Cost of Volumes Purchased	\$	23122		
Total Sales (may not be less than 95% of supply volumes)	Mcf	6030		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>3.8345</u>		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	<u>7.3498</u>		
<u>Difference</u> <u>[(Over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>(3.5153)</u>		
<u>Actual sales during month</u>	<u>Mcf</u>	<u>6030</u>		
<u>Monthly cost difference</u>	<u>\$</u>	<u>(21198)</u>		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(21198)
Sales for 12 months ended <u>April 30, 2010</u>	Mcf	<u>103801</u>
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.2042)

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended \_\_\_\_\_

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
<p>(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.</p>	<p>\$  \$  \$</p>	<p>_____  _____  _____</p>
<p>(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.</p>	<p>\$  \$  \$</p>	<p>_____  _____  _____</p>
<p>(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.</p>	<p>\$  \$  \$</p>	<p>_____  _____  _____</p>
<p>Total Balance Adjustment Amount (1) + (2) + (3)</p>	<p>\$</p>	<p>_____</p>
<p>Sales for 12 months ended _____</p>	<p>Mcf</p>	<p>_____</p>
<p>Balance Adjustment for the Reporting Period (to Schedule ID.)</p>	<p>\$/Mcf</p>	<p>_____</p>

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First MCE (Minimum Bill)	6.36	6.7065	12.6665
All over first MCE	5.0645	6.7065	11.371

# Constellation NewEnergy - Gas Division

9960 Corporate Campus Dr., Suite 2000, Louisville, KY 40223  
 Phone: (502) 426-4500 Fax: (502) 426-8800

Kentucky Frontier Gas  
 606-886-2431  
 606-889-9196

## 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 2009 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jul-10	\$4.4190	\$0.7200	0.97938	\$0.2098	\$5.4570	1,583	\$8,638.43

1,583

\$8,638.43

WACOG = \$5.46

71.213 =

6.62



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

CLIENT NO.: 884266  
 CONTRACT NO.: SSE003  
 INVOICE NUMBER: SSE0031003  
 VOUCHER NUMBER: 01003534  
 ARTESIA INVOICE NUMBER: SSE31003

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

Email: sbcrum@aol.com  
 kcrisp@kytronlengas.com

NAME: Auxier Road Gas Company Inc.  
 ADDRESS: P.O. Box 785 / 41653

DTH	BILLING RATE	AMOUNT	DATE
5.87	\$6.19	\$36.34	February 2010
5.71	\$6.19	\$35.34	February 2010
11.58			

\*(ison) @ TCO Index Plus \$0.66  
 \*(ison) @ TCO Index Plus \$0.66

**\*\* 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

Buy or this Invoice With Your Remittance

*pd*  
*3/24/10*  
*CKH 028586*