

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2010-00344
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 August 31, 2010, Auxier filed its proposed GCA to be effective October 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 \$6.5068 per Mcf, which is a decrease of \$.5442 per Mcf from its prior EGC of \$7.0510 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 (\$.0392) per Mcf. Auxier's total AA calculation includes an expired \$.0150 AA and does not include an unexpired (\$.1007) AA. Correcting for this produces a total AA of (\$.5984) per Mcf, which is a decrease of \$.0542 per Mcf from its previous total AA of (\$.5442) per Mcf.

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). Auxier incorrectly set out a total BA of \$.0003 per Mcf. Auxier's total BA of (\$.0095) per Mcf, consisting of the two previous quarter BAs of (\$.0083) and (\$.0012) per Mcf, represents a decrease of \$.0098 per Mcf from the previous total BA of \$.0003 per Mcf.

6. Auxier's Gas Cost Recovery rate is \$5.8989 per Mcf, which is a decrease of \$.6082 per Mcf from its previous rate of \$6.5071 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 October 1, 2010.

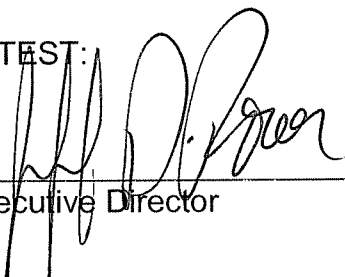
IT IS THEREFORE ORDERED that:

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 October 1, 2010.
3. Within 20 days of the date of this Order, Auxier shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *M*
SEP 24 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00344 DATED **SEP 24 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	\$5.8989	\$12.2589
All Over 1 Mcf	\$ 5.0645	\$5.8989	\$10.9634

Kimberly R Crisp
Auxier Road Gas Company, Inc.
2963 KY RT 321
P. O. Box 408
Prestonsburg, KY 41653