

AUXIER ROAD GAS COMPANY, INC.
P O BOX 408
PRESTONSBURG, KY 41653

SEPTEMBER 26, 2012

RECEIVED

SEP 28 2012

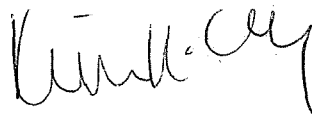
PUBLIC SERVICE
COMMISSION

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

DEAR MR. DEROUEN,

PLEASE FIND ENCLOSED THE GAS COST RECOVERY TO BE EFFECTIVE NOVEMBER 1, 2012.
IF YOU HAVE ANY QUESTIONS, LET US KNOW.

SINCERELY,



KIMBERLY R. CRISP

ACCOUNTANT

Auxier Road Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

September 26, 2012

Date Rates to be Effective:

November 1, 2012

Reporting Period is Calendar Quarter Ended:

August 31, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Page 1

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.4695
Refund Adjustment (RA)	\$/Mcf	
Actual Adjustment (AA)	\$/Mcf	(.9713)
<u>Balance Adjustment (BA)</u>	\$/Mcf	
Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>3.4982</u>

to be effective for service rendered from Nov 1, 2012 to Nov 30, 2012.

EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)		428175
Sales for the 12 months ended <u>Aug 31, 2012</u>	\$ Mcf	95800
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>4.4695</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>	\$/Mcf	<u> </u>

ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0012) (1519)
Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0172) (24591)
Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0019) (2662)
Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.046) (6064)
<u>Actual Adjustment (AA)</u>	\$/Mcf	<u>(.0876) (1125) (10823)</u>
		(.9713)

BALANCE ADJUSTMENT CALCULATION

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

SCHEDULE II
 EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended August 31, 2012

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley Res			96 996	4.1489	40 2427
Oei-Kaan			3 934	3.10	12 195
Mytis Exploration			8 997	4.38	39 407
Chesapeake (undeveloped)			5 545	6.54	36 264
Totals			<u>115 472</u>		<u>490 293</u>

Net loss for 12 months ended Aug. 31, 2012 is 17 % based on purchases of 115 472 Mcf and sales of 95 800 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	490 293
<u>Mcf Purchases (4)</u>	Mcf	<u>115 472</u>
Average Expected Cost Per Mcf Purchased	\$/Mcf	4.2460
<u>Allowable Mcf purchases (must not exceed Mcf sales + .95)</u>	Mcf	<u>100 842</u>
Total Expected Gas Cost (to Schedule IA.)	\$	428 175

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 Aug. 31, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (AUG)</u>	<u>Month 2 ()</u>	<u>Month 3 ()</u>
Total Supply Volumes Purchased	Mcf	5307		
Total Cost of Volumes Purchased	\$	22012		
Total Sales (may not be less than 95% of supply volumes)	Mcf	5042		
<u>Unit Cost of Gas</u>	<u>\$/Mcf</u>	4.3657		
<u>EGC in effect for month</u>	<u>\$/Mcf</u>	4.3979		
Difference [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	(.0322)		
<u>Actual sales during month</u>	<u>Mcf</u>	3562		
Monthly cost difference	\$	(115)		

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(115)
Sales for 12 months ended <u>Aug 31, 2012</u>	Mcf	95800
Actual Adjustment for the Reporting Period (to Schedule IC.)	<u>\$/Mcf</u>	(.0012)

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	_____

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From: "Kentucky Frontier Gas LLC" <dhorner@kyfrontiergas.com>
SpamShield Pro Actions...

To: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>

Subject: Re: 11-12 EST GAS COST FOR CUMBERLAND VALLEY RES

Date: Mon 09/24/12 03:40 PM

CVR NOV EGC = \$4.1489/mcf

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
To: "dennis horner" <dhorner@kyfrontiergas.com>
Subject: 11-12 EST GAS COST FOR CUMBERLAND VALLEY RES
Date: Mon, 24 Sep 2012 13:05:49 -0700

DENNIS:

I NEED THE 11-12 ESTIMATED GAS COST IN MCF'S FOR CUMBERLAND VALLEY RES.

THANKS,

KIM

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Attachments

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AUXIER ROAD GAS COMPANY, INC.
P O BOX 408
PRESTONSBURG, KY 41653

	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	3.4982	\$ 9.8582
ALL OVER FIRST MCF	5.0645	3.4982	\$ 8.5627