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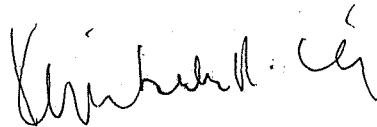P O BOX 408
PRESTONSBURG, KY 41653

NOVEMBER 28, 2012

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 JANUARY 1, 2013.
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:

November 28, 2012

Date Rates to be Effective:

January 1, 2013

Reporting Period is Calendar Quarter Ended:

October 31, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	$/Mcf	5.3411
Refund Adjustment (RA)	$/Mcf	
Actual Adjustment (AA)	$/Mcf	(.8829)
Balance Adjustment (BA)	$/Mcf	
Gas Cost Recovery Rate (GCR)	$/Mcf	4.4582

to be effective for service rendered from Jan 1, 2013 to Jan 31, 2013 .

EXPECTED GAS COST CALCULATION

	Unit	Amount
Total Expected Gas Cost (Schedule II)	$	505061
Sales for the 12 months ended Oct 31, 2012	Mcf	94562
Expected Gas Cost (EGC)	$/Mcf	5.3411

REFUND ADJUSTMENT CALCULATION

	Unit	Amount
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	

ACTUAL ADJUSTMENT CALCULATION

	Unit	Amount	
Actual Adjustment for the Reporting Period (Schedule IV)	$/Mcf	.0060	(.046)
Previous Quarter Reported Actual Adjustment	$/Mcf	(.0526)	(.0876)
Second Previous Quarter Reported Actual Adjustment	$/Mcf	(.0012)	(.1125)
Third Previous Quarter Reported Actual Adjustment	$/Mcf	(.0172)	(.1514)
Actual Adjustment (AA)	$/Mcf	(.0019)	(.2459)
			(.1662)
			(.0064)
			(.8829)

BALANCE ADJUSTMENT CALCULATION

	Unit	Amount
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	
Balance Adjustment (BA)	$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended ___Oct 31, 2012___

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Cumberland Valley			99615	5.1306	511085
Ari-Kaan Drilling			3906	3.10	12109
Nytes Exploration			8731	4.38	38242
Chesapeake (underwriess)			5545	6.54	36264
tals			117797		597700

ne loss for 12 months ended ___Oct 31, 2012___ is __17.7__% based on purchases of __117797__ Mcf and sales of __94562__ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	$	597700
Mcf Purchases (4)	Mcf	117797
Average Expected Cost Per Mcf Purchased	$/Mcf	5.0740
Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	99539
Total Expected Gas Cost (to Schedule IA.)	$	505061

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 Oct 31, 2012

Particulars	Unit	Month 1 (Oct)	Month 2 ( )	Month 3 ( )
Total Supply Volumes Purchased	Mcf	8692		
Total Cost of Volumes Purchased	$	35099		
Total Sales (may not be less than 95% of supply volumes)	Mcf	8257		
Unit Cost of Gas	$/Mcf	4.2508		
EGC in effect for month	$/Mcf	4.1611		
Difference [(Over-)/Under-Recovery]	$/Mcf	.0897		
Actual sales during month	Mcf	6335		
Monthly cost difference	$	568		

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	$	568
Sales for 12 months ended Oct 31, 2012.	Mcf	94562
Actual Adjustment for the Reporting Period (to Schedule IC.)	$/Mcf	.0060

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended _____

	Particulars	Unit	Amount

(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 $/Mcf
    (to Schedule ID.)

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

	BASE RATE	GAS COST RECOVERY	TOTAL
FIRST MCF (MINIMUM BILL)	6.36	4.4582	$ 10.8182
ALL OVER FIRST MCF	5.0645	4.4582	$ 9.5227

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		Attachments

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

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

Subject: Re: est gas cost for cumberland

Date: Wed 11/28/12 09:51 AM

Name	Type	Save View
Message	text/html	Save

Jan-13 CVR EGC is $5.1306/mcf

--- kcrisp@kyfrontiergas.com wrote:

From: "Kentucky Frontier Gas LLC" <kcrisp@kyfrontiergas.com>
To: "dennis horner" <dhorner@kyfrontiergas.com>
Subject: est gas cost for cumberland
Date: Tue, 27 Nov 2012 14:06:52 -0800

I NEED THE 01-13 EST GAS COST FOR CUMBERLAND IN MCF'S.

THANKS,

KIM

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