



# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

RECEIVED

DEC 01 2010

PUBLIC SERVICE  
COMMISSION

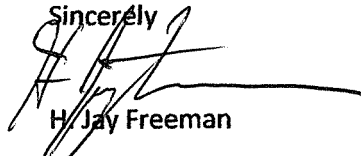
Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY. 40602

November 30, 2010

Case # 2010-?????

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky Public Service Commission (PSC). The enclosed report has a case number of 2010-00???. The calculated gas cost recovery rate for this reporting period is \$5.0804. The base rate remains \$4.24. The minimum billing rate starting January 01, 2011 should be \$9.3204 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerely  
  
H. Jay Freeman  
President



SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$5.2227
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.1423)
Balance Adjustment (BA)	\$/MCF	\$0.0000
<hr/>		
Gas Cost Recovery Rate (GCR)	\$/MCF	\$5.0804

to be effective for service rendered from: 01-01-2011 to 03-31-2011

A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$522,750.00
/ Sales for the 12 Months ended: September-10	\$/MCF	100,092
= Expected Gas Cost (EGC)	\$/MCF	\$5.2227

B) REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Supplier refund adjustment for reporting period (SCH III)	\$/MCF	\$0.0000
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.0000
<hr/>		
= Refund Adjustment (RA)	\$/MCF	\$0.0000

C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	\$0.0000
+ Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0923)
+ Second Previous Quarter Reported Actual Adjustment	\$/MCF	\$0.1496
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.1996)
<hr/>		
= Actual Adjustment (AA)	\$/MCF	(\$0.1423)

D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (SCH V)	\$/MCF	\$0.0000
+ Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
<hr/>		
= Balance Adjustment (BA)	\$/MCF	\$0.0000

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended 9/30/2010

(1)	(2)	(3) BTU Conversion Factor	(4)	(5)	(6) (4) X (5) Cost	
Supplier	Dth		Mcf	Rate		
Marathon Petroleum	105,575		1.03	102,500	\$5.10	\$522,750

---

Totals			102,500	\$522,750.00
--------	--	--	---------	--------------

Line loss for 12 months ended 09/30/2010 is based on purchase of 105,000  
and sales of 100,092 Mcf

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$522,750.00
/ Mcf Purchases (4)		102,500
<hr/>		
= Average Expected Cost Per Mcf Purchased		\$5.10
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		100,092
<hr/>		
= Total Expected Gas Cost (to Schedule I A)		\$510,469.20

SCHEDULE III

REFUND ADJUSTMENTS

	<u>Unit</u>	<u>Amount</u>
Total Supplier Refuds Received	\$	\$0.00
+ INTEREST	\$	\$0.00
= Refund Adjustment including Interest	\$	\$0.00
/ Sales for 12 Months Ended      Sep-10	Mcf	100,092
= Supplier Refund Adjustment for the Reporting Period (To Schedule IB)	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended:      Sep-10

<u>Particulars</u>	<u>Unit</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>
Total Supply Volumes Purchased	Mcf	2,750	2,750	3,300
Total Cost of Volumes Purchased	\$	\$13,963	\$13,754	\$15,914
/ Total Sales	Mcf	2,614	2,671	3,235
= Unit Cost of Gas	\$/Mcf	\$5.3415	\$5.1493	\$4.9192
- EGC in Effect fo Month	\$/Mcf	\$5.1203	\$5.1203	\$5.1203
= Difference	\$/Mcf	\$0.2212	\$0.0290	(\$0.2011)
X Actual Sales during Month	Mcf	2,614	2,671	3,235
= Monthly Cost Difference	\$	\$578	\$77	(\$651)

		<u>Unit</u>	<u>Amount</u>
Total Cost Difference		\$	\$5
/ Sales for 12 Months ended	Sep-10	Mcf	100,092
= Actual Adjustment for the Reporting Period (to SCH IC)		\$	\$0.0000

**\*\*May not be less than 95% of Supply Volume\*\***