2560 Hoods Creek Pike · Ashland, Kentucky 41102

RECEVE

DEC 0 1 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.

606 324-3920 Fax: 606 325-2991

av Freeman

President



# FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING	P.S.C.	KY.	NO.
	SHEE	T NO	•

#### RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$9.3204 - covers 0-1 MCF

Cost Per MCF: \$9.3204

A copy of the Company's billing format is attached on Sheet 21.

- 2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).
- 3) CUSTOMER CLASSIFICATIONS:

Residential:

Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial:

Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE 11/30/10 DATE EFFECTIVE 01/01/11

MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. MGR. MGR. TITLE

### SCHEDULE I

# GAS COST RECOVERY RATE SUMMARY

Component	<u>Unit</u>	Amount
Expected Gas Cost (EGC) Refund Adjustment (RA) Actual Adjustment (AA) Balance Adjustment (BA)	\$/MCF \$/MCF \$/MCF _\$/MCF	\$5.2227 \$0.0000 (\$0.1423) \$0.0000
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) / Sales for the 12 Months ended: September-10 = Expected Gas Cost (EGC)	\$/MCF _\$/MCF \$/MCF	\$522,750.00 100,092 \$5.2227
B) REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
Supplier refund adjustment for reporting period (SCH III) + Previous Quarter Supplier Refund Adjustment + Second Previous Quarter Supplier Refund Adjustment + Third Previous Quarter Supplier Refund Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	\$0.0000 \$0.0000 \$0.0000 \$0.0000
= Refund Adjustment (RA)	\$/MCF	\$0.0000
C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (SCH IV) +Previous Quarter Reported Actual Adjustment +Second Previous Quarter Reported Actual Adjustment + Third Previous Quarter Reported Actual Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	<b>\$0.0000</b> (\$0.0923) <b>\$0.1496</b> (\$0.1996)
= Actual Adjustment (AA)	\$/MCF	(\$0.1423)
D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
Balance Adjustment for the Reporting Period (SCH V) + Previous Quarter Reported Balance Adjustment + Second Previous Quarter Reported Balance Adjustment + Third Previous Quarter Reported Balance Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	\$0.0000 \$0.0000 \$0.0000 \$0.0000
= Balance Adjustment (BA)	\$/MCF	\$0.0000

### SCHEDULE II

## EXPECTED GAS COST

Actual Mc	fF	Purchases	for	12	months	ended
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9/30/2010

Actual falci i dicitases for 12 months ended 9/30/2010						
(1)	(2)	(3) BTU		(4)	(5)	(6) (4) X (5)
Supplier	Dth	Conversion Factor	Λ	1cf R	ate	Cost
Marathon Petroleum	105,57	5	1.03	102,500	<b>\$5</b> .1	0 \$522,750
Totals				102,500	1919 Hannes and a dis-	\$522,750.00
Line loss for 12 months ended <u>09/30/2010</u> is based on purchase of <u>105,000</u> and sales of 100,092 Mcf						
Total Expected Cost of / Mcf Purchases (4)	of Purchase	es (6)		ŭ	<u>nit</u>	Amount \$522,750.00 102,500
= Average Expected (x Allowable Mcf Purch			es / .95)			\$5.10 100,092
= Total Expected Gas Cost (to Schedule I A)					\$510,469.20	

### SCHEDULE III

### REFUND ADJUSTMENTS

Total Supplier Refuds Received + INTEREST = Refund Adjustment including Interest		<u>Unit</u> \$ \$ \$	<u>Amount</u> \$0.00 \$0.00 \$0.00
/ Sales for 12 Months Ended	Sep-10	Mcf	100,092
= Supplier Refund Adjustment fo (To Schedule IB)	r the Reporting Period	\$/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 - EGC in Effect fo Month	\$/Mcf \$/Mcf	\$5.3415 \$5.1203	\$5.1493 \$5.1203	\$4.9192 \$5.1203
	7,	70200		40.1.200
= 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	nit <u>/</u>	<u>Amount</u>
Total Cost Difference		\$		\$5
/ Sales for 12 Months ended	Sep-10		lcf	100,092
= Actual Adjustment for the Reporting Period (to SCH IC)		\$		\$0.0000

<sup>\*\*</sup>May not be less than 95% of Supply Volume\*\*