



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

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

February 29, 2012

Case # 2011-00????

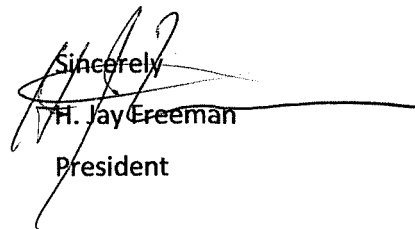
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PUBLIC SERVICE
COMMISSION

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 2012-00?????. The calculated gas cost recovery rate for this reporting period is \$ 3.7345. The base rate remains \$4.24. The minimum billing rate starting April 1, 2012 should be \$7.9745 for all MCF.

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

Sincerely

H. Jay 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. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$7.9745 - covers 0-1 MCF
Cost Per MCF: \$7.9745

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 02/29/12 DATE EFFECTIVE 04/01/12
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.9382
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.2037)
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$3.7345
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to be effective for service rendered from: 04-01-2012 to 06-30-2012

A) EXPECTED GAS COST CALCULATION		<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)		\$/MCF	\$392,221.09
/ Sales for the 12 Months ended:	Dec-11	\$/MCF	99,594
= Expected Gas Cost (EGC)		\$/MCF	\$3.9382

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
= 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	(0.1935)
+ Previous Quarter Supplier Refund Adjustment		\$/MCF	(0.0054)
+ Second Previous Quarter Supplier Refund Adjustment		\$/MCF	0.0404
+ Third Previous Quarter Supplier Refund Adjustment		\$/MCF	(0.0452)
= Actual Adjustment (AA)		\$/MCF	(0.2037)

D) BALANCE ADJUSTMENT CALCULATION		<u>Unit</u>	<u>Amount</u>
+ 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
= Balance Adjustment (BA)			\$0.0000

SCHEDULE II
EXPECTED GAS COST

Actual MCF Purchases for 12 months ended:

Dec-11

(1)	(2)	(3) BTU	(4)	(5)	(6) '(4)X(5) Cost
Supplier	DTH's	Conv Factor	MCF	Rate	
Marathon Petroleum	104,121	1.03	101,088	\$3.88	\$392,221.09

Totals	101,088	\$392,221.09
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Line loss for 12 months ended 12/31/2011 is based on purchases of 101,088
and sales of 99,594

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$392,221.09
/ MCF Purchases (4)		101,088
<hr/>		
= Average Expected Cost Per MCF Purchased		\$3.88
X Allowable MCF Purchases (must not exceed MCF sales / .95)		101,088
<hr/>		
= Total Expected Gas Cost (to SCH I A)		\$392,221.09

SCHEDULE III

REFUND ADJUSTMENTS

		<u>Unit</u>	<u>Amount</u>
Total Supplier Refunds Received		\$\$\$	\$0.00
+ Interest		\$\$\$	\$0.00
= Refund Adjustment including Interest		\$\$\$	\$0.00
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/ Sales for 12 Months Ended	Dec-11	MCF	99,594
= Supplier Refund Adjustment for the Reporting Period (to Schedule I B)		\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 months ended: Dec-11

<u>Particulars</u>	<u>Unit</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>
Total Supply Volumes Purchased	MCF	7,018	9,074	13,790
Total Cost of Volumes Purchased	\$\$\$	\$27,791	\$34,572	\$51,437
/ Total Sales	MCF	6,914	8,940	13,586
= Unit Cost of Gas	\$/MCF	\$4.0195	\$3.8671	\$3.7860
- EGC in Effect for Month	\$/MCF	\$4.5201	\$4.5201	\$4.5201
= Difference	\$/MCF	(\$0.5006)	(\$0.6530)	(\$0.7341)
X Actual Sales during Month	\$/MCF	6,914	8,940	13,586
= Monthly Cost Difference	\$\$\$	(\$3,461)	(\$5,838)	(\$9,973)

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$\$\$	(\$19,272)
/ Sales for 12 Months ended: <u>Dec-11</u>	MCF	99,594
= Actual Adjustment for the reporting period (to SCH I C)	\$\$\$	(\$0.1935)

May not be less than 95% of Supply Volume