

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2012-00415

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ("Natural Energy") and provided for their further adjustment in accordance with Natural Energy's Gas Cost Adjustment ("GCA") clause.¹

On September 10, 2012, Natural Energy filed its proposed GCA to become effective October 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Natural Energy's notice sets out an Expected Gas Cost ("EGC") of \$3.7740 per Mcf. Natural Energy miscalculated its Total EGC by failing to multiply its Average Expected Cost per Mcf Purchased by its Mcf purchase volume of 93,000 Mcf. Correcting for this produces an EGC of \$3.7779 per Mcf, which is an increase of \$.0194 per Mcf from the previous EGC of \$3.7585 per Mcf.

¹ Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company (Ky. PSC Dec. 18, 1991).

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment.

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of (\$.1043) per Mcf. Natural Energy did not adjust its May sales volumes for greater than five percent line loss. Correcting this produces a current AA of (\$.1053) per Mcf. Natural Energy's total AA is (\$.4650) per Mcf, which is a decrease of \$.1457 per Mcf from the previous total AA of (\$.3193) per Mcf.

5. Natural Energy's GCA is \$3.3129 per Mcf, which is a decrease of \$.1263 per Mcf from the previous GCA of \$3.4392 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered on and after October 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Natural Energy are denied.

2. The rates in the Appendix to this Order are approved for service rendered on and after October 1, 2012.

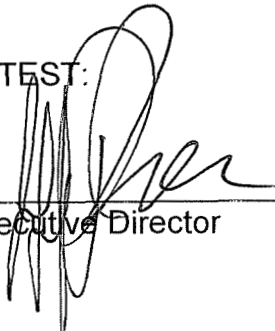
3. Within 20 days of the date of this Order, Natural Energy shall file its revised tariff sheets with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED 7A
SEP 19 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

Commissioner Breathitt is abstaining from this proceeding.

ATTEST:



Executive Director

Case No. 2012-00415

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00415 DATED **SEP 19 2012**

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$3.3129	\$7.5529

Minimum Bill

The minimum bill shall be \$7.5529.

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
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