

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
NATURAL ENERGY UTILITY CORPORATION)	2012-00510

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”).¹

On November 27, 2012, Natural Energy filed its proposed GCA to become effective January 1, 2013.

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 \$3.9780 per Mcf. Natural Energy miscalculated its Total Expected Gas Cost 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 \$3.9758 per Mcf, which is an increase of \$.1979 per Mcf from the previous EGC of \$3.7779 per Mcf.

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

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

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of \$.0021 per Mcf. Natural Energy's total AA is (\$.4575) per Mcf, which is an increase of \$.0075 per Mcf from the previous total AA of (\$.4650) per Mcf.

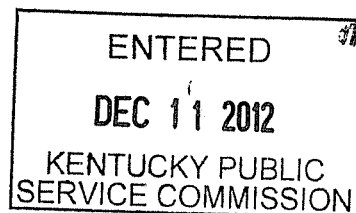
5. Natural Energy's GCA is \$3.5183 per Mcf, which is an increase of \$.2054 per Mcf from the previous GCA of \$3.3129 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Natural Energy on and after January 1, 2013.

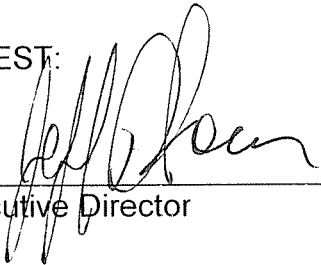
IT IS THEREFORE ORDERED that:

1. The rates proposed by Natural Energy are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after January 1, 2013.
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



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00510 DATED DEC 11 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	\$3.5183	\$7.7583

Minimum Bill

The minimum bill shall be \$7.7583

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102