

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF )      CASE NO.  
NATURAL ENERGY UTILITY CORPORATION )      2013-00438

ORDER

On May 20, 2002, Natural Energy Utility Corporation adopted the tariffs, including a Gas Cost Adjustment (“GCA”) Clause, for furnishing gas service to the customers previously served by American Natural Gas Corporation.<sup>1</sup>

On December 12, 2013, Natural Energy filed its proposed GCA to become effective January 1, 2014.

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

1. Natural Energy’s notice includes a revised rate 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 \$4.7226 per Mcf. Natural Energy miscalculated its actual Mcf purchases for the 12 months ended September 2013. Correcting this produces volumes purchased of 107,750 Mcf instead of 107,000 Mcf. Natural Energy miscalculated its Total Expected Gas Cost by failing to multiply its Average Expected Cost per Mcf Purchased by its purchase volume of 107,750 Mcf on Schedule II. Correcting this produces an EGC of

---

<sup>1</sup> Natural Energy Utility Corporation Tariff, PSC Ky. No. 1, First Revised Sheet No. 17 (effective Apr. 15, 2006).

\$4.7334 per Mcf, which is an increase of \$.6791 per Mcf from the previous EGC of \$4.0543 per Mcf.

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 \$.0355 per Mcf. Natural Energy did not adjust its August sales volume for greater than 5 percent line loss. Correcting this produces a current quarter AA of \$.0352 per Mcf. Natural Energy's total AA is \$.4508 per Mcf, which is an increase of \$.0331 per Mcf from the previous total AA of \$.4177 per Mcf.

5. Natural Energy's GCA is \$5.1842 per Mcf, which is an increase of \$.7122 per Mcf from the previous GCA of \$4.4720 per Mcf.

6. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Natural Energy on and after January 11, 2014. Natural Energy did not provide 30 days' advance notice for its increase in rates to become effective January 1, 2014, as required by KRS 278.180(1) and its GCA tariff.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Natural Energy is denied.
2. The rate in the Appendix, attached hereto and incorporated herein, is approved for service rendered on and after January 11, 2014.
3. Within 20 days of the date of this Order, Natural Energy shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED  
JAN 06 2014  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00438 DATED **JAN 06 2014**

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	\$5.1842	\$9.4242

Minimum Bill

The minimum bill shall be \$9.4242

H. Jay Freeman  
President  
Natural Energy Utility Corporation  
2560 Hoods Creek Pike  
Ashland, KENTUCKY 41102