



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

November 30, 2006

Case #: 2006-00???

Case No. 2006-00528

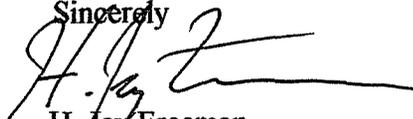
Dear Ms. O'Donnell

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2006-00???. The calculated gas cost recovery rate enclosed in this report is \$7.8167 and the base rate is \$4.24. The minimum billing rate starting January 1, 2007 should be \$12.0567 for all MCF.

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

Sincerely



H. Jay Freeman
President

Enclosure

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

COMPONENT	UNIT	AMOUNT
EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$8.2905
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	(\$0.4738)
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$7.8167

GCRR to be effective for service rendered from October 1 to December 31, 2006

A.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	TOTAL EXPECTED GAS COST (SCHEDULE II)	\$	\$698,650.00
	/ SALES FOR THE 12 MONTHS ENDED _____ Sep-06	MCF	84,271
	= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$8.2905

B.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	SUPPLIER REFUND ADJUSTMENT FOR REPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	+ PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	= REFUND ADJUSTMENT (RA)	\$/MCF	\$0.00

C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
	ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	\$0.0091
	+ PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0137)
	+ SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$1.1312)
	+ THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.6620
	= ACTUAL COST ADJUSTMENT (ACA)	\$/MCF	(\$0.4738)

SCHEDULE II

EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED			Sep-06		
(1)	(2)	(3)	(4)	(5)	(6)
SUPPLIER	DTH	BTU CONVERSION FACTOR	MCF	RATE	(4)*(5) COST
North Coast Energy	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	89,610	1.0300	87,000	\$7.850	\$682,950
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0
COLUMBIA GAS	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
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COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
KOG	0	1.1000	0	\$0.000	\$0
<i>ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS</i>					
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	89,610	1.0300	87,000	\$7.85	\$682,950.00

	UNIT	AMOUNT
TOTAL EXPECTED COST OF PURCHASES (6)	\$	\$682,950.00
/ MCF PURCHASES (4)	MCF	87,000
= AVERAGE EXPECTED COST PER MCF PURCHASED	\$/MCF	\$7.8500
* ALLOWABLE MCF PURCHASES	MCF	89,000
(MUST NOT EXCEED MCF SALES / .95)		
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$698,650.00

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

DETAILS FOR THE 9 MONTHS ENDED

Sep-06

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST	\$	\$0.00
= REFUND ADJUSTMENT INCLUDING INTEREST	\$	\$0.00
/ SALES FOR 12 MONTHS ENDED	MCF	84,271
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00

ACTUAL ADJUSTMENT

For the 3 month period ended:	Particulars	Sep-06	Unit	(Jul-06)	(Aug-06)	(Sep-06)
	Total Supply Volumes Purchased		Mcf	2,500	2,900	3,300
	Total Cost of Volumes Purchased		\$	\$15,613	\$21,807	\$17,709
	Total Sales (may not be less than 95% of supply volumes)		Mcf	2,427	2,761	3,154
	Unit cost of Gas		\$/Mcf	\$6.4331	\$7.8981	\$5.6149
	EGC in effect for month		\$/Mcf	\$6.5163	\$6.5163	\$6.5163
	Difference [(Over-)/Under-Recovery]		\$/Mcf	(\$0.0832)	\$1.3818	(\$0.9014)
	Actual sales during month		Mcf	2,427	2,761	3,154
	Monthly cost difference		\$	(\$201.81)	\$3,815.05	(\$2,842.96)

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$770.28
Sales for 12 Months ended	Mcf	84,271
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	\$0.0091