

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2010-00464

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 December 1, 2010, Natural Energy filed its proposed GCA to be effective January 1, 2011.

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 \$5.2227 per Mcf, which is a decrease of \$.0106 per Mcf from the previous EGC of \$5.2333 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 \$.0000 per Mcf. Natural Energy did not use the \$5.1245 "EGC in effect for month" in calculating the monthly cost differences for July, August, and September. Correcting this error produces a current AA of (\$.0003) per Mcf. Natural Energy's total AA is (\$.1426) per Mcf, which is an increase of \$.0057 per Mcf from the previous total AA of (\$.1483) per Mcf.

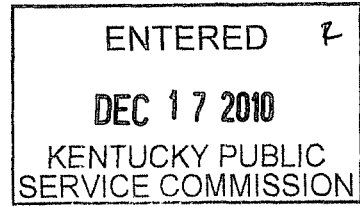
5. Natural Energy's GCA is \$5.0801 per Mcf, which is a decrease of \$.0049 per Mcf from the previous GCA of \$5.0850 per Mcf.

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, 2011.

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, 2011.
3. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariff sheets setting out the rates authorized herein, reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

Jeff Deaven by Stephanie Bell
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00464 DATED **DEC 17 2010**

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 | \$5.0801 | \$9.3201 |

Minimum Bill

The minimum bill shall be \$9.3201

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