

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
NATURAL ENERGY UTILITY CORPORATION)	2014-00320

ORDER

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

On September 5, 2014, Natural Energy filed its Gas Cost Recovery (“GCR”) rate application to become effective October 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 \$5.0637 per Mcf. On Schedule II of its application, Natural Energy’s sales for the 12 months ended June 30, 2014, do not match the sum of the monthly sales volumes provide in Schedule IV of this application and Natural Energy’s three previous applications. Correcting this produces sales volumes of 116,485 Mcf instead of 116,279 Mcf. Natural Energy’s corrected GCR is \$5.0547 per Mcf, which is an increase of \$.0835 per Mcf from the previous EGC of \$4.9712 per Mcf.

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

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 Cost Adjustment ("ACA") of \$.0614 per Mcf. Because Natural Energy filed its last GCR application with less than 30 days' notice, the \$4.7063 per Mcf EGC in effect for the month of April was approved effective April 13, 2014, instead of April 1, 2014. The EGC in effect from April 1, 2014, through April 12, 2014, was \$4.7334 per Mcf. Correcting the ACA calculation to pro-rate the EGCs in effect during the month of April produces a current quarter ACA of \$.0606 per Mcf. Natural Energy's corrected total ACA is \$.8001 per Mcf, which is a decrease of \$.0599 per Mcf from the previous total ACA of \$.8600 per Mcf.

5. Natural Energy's GCR is \$5.8548 per Mcf, which is an increase of \$.0236 per Mcf from the previous GCR of \$5.8312 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 October 5, 2014. Natural Energy did not provide the 30 days' notice required for its increase in rates to become effective October 1, 2014.

7. The Commission finds that Natural Energy's next GCR filing for rates effective January 1, 2015, which should be timely filed no later than December 2, 2014, should include:

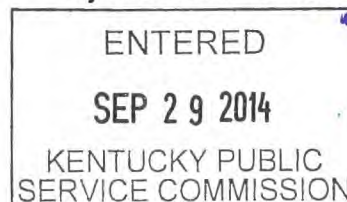
a. The day of the month Natural Energy bills its sales customers subject to the GCR rate. Provide the date or dates bills were sent to customers for the months of January 2014 through June 2014, and the rates that were charged for each billing month.

b. The impact on customer bills and Natural Energy's recovery of gas cost due to the GCR rate's having been approved after the proposed effective dates in Case Nos. 2014-00095² and 2013-00438.³

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 October 6, 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.
4. In Natural Energy's next GCR filing for rates effective January 1, 2015, it shall provide the information required in finding paragraph 7 above.

By the Commission



ATTEST:



Executive Director

² Case No. 2014-00095, Purchased Gas Adjustment Filing of Natural Energy Utility Corporation (Ky. PSC Mar. 28, 2014).

³ Case No. 2013-00438, Purchased Gas Adjustment Filing of Natural Energy Utility Corporation (Ky. PSC Jan. 6, 2014).

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00320 DATED **SEP 29 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	\$5.8548	\$10.0948

Minimum Bill

The minimum bill shall be \$10.0948

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