

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2009-00481

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 8, 2009, Natural Energy filed its proposed GCA to be effective January 1, 2010. Natural Energy did not give the 30 days' notice required for rates to become effective January 1. Natural Energy's rate change pursuant to its GCA filing will be effective January 7, 2010.

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 \$5.5697 per Mcf, which is an increase of \$.0015 per Mcf from the previous EGC of \$5.5682 per Mcf.

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

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment ("RA").

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of (\$.1392) per Mcf. In calculating its current quarter AA, Natural Energy failed to use the EGC of \$4.0652 per Mcf that was in effect for July, August, and September 2009, and it failed to adjust its sales figures for excess line loss. Correcting for this produces a current quarter AA of (\$.0060) per Mcf and a total AA of (\$1.0046) per Mcf, which is an increase of \$.1128 per Mcf from the previous total AA of (\$1.1174) per Mcf.

5. Natural Energy's GCA is \$4.5651 per Mcf, which is an increase of \$.1143 per Mcf from the previous GCA of \$4.4508 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 7, 2010.

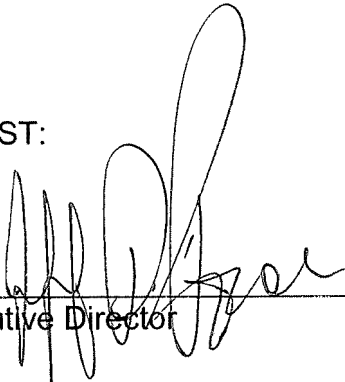
IT IS THEREFORE ORDERED that:

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 7, 2010.
3. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariffs setting out the rates authorized herein and reflecting that they were authorized by this Order.

By the Commission

ENTERED *SW*
DEC 23 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00481 DATED **DEC 23 2009**

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	\$4.5651	\$8.8051

Minimum Bill

The minimum bill shall be \$8.8051.

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