COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT FILING OF NATURAL ENERGY UTILITY CORPORATION	)))	CASE NO. 2025-00379

ORDER

On November 21, 2025, Natural Energy Utility Corporation (Natural Energy) filed its proposed Gas Cost Recovery (GCR) rate report to be effective January 1, 2026. Included in the GCR report was Natural Energy's response to Commission Staff's Request for Information, that was attached to the Commission's September 4, 2025 final Order in Case No. 2024-00369.[1] On December 23, 2025, the Commission suspended Natural Energy's GCR rate report filing for one day, until January 2, 2026, to give the Commission time to investigate the proposed GCR rates, and to allow Natural Energy to begin charging the GCR rates, subject to refund, provided it submits written notice to the Commission of its intention to do so as required by KRS 278.190(2).[2] Natural Energy filed its Notice of Intent to implement its proposed rates on December 23, 2025.[3] Natural Energy's previous GCR rate was approved in Case No. 2025-00270.[4]

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[1] Case No. 2024-00369, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Sept. 4, 2025).

[2] Order (Ky. PSC Dec 23, 2025) at 1-2.

[3] Natural Energy's Notice of Intent to Implement Rates (filed Dec 23, 2025).

[4] Case No. 2025-00270, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Sept 29, 2025).

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

> In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates, or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.[5]

Pursuant to 807 KAR 5:001, Section 13(1), "[a]ll material on file with the commission shall be available for examination by the public unless the material is confidential." A request for confidential treatment must establish specific grounds pursuant to KRS 61.878 for classification of that material as confidential.[6] A request for confidential treatment in a case must be made by motion.[7] The motion and one copy of the material in paper medium, with only those portions for which confidentiality is sought redacted, shall be served on all parties.[8] However, a copy of the materials containing the material for which confidential treatment is sought shall be filed with the Commission under seal.[9]

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[5] KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

[6] 807 KAR 5:001, Section 13(2)(a)1.; 807 KAR 5:001, Section 13(3)(a)1.

[7] 807 KAR 5:001, Section 13(2)(a).

[8] 807 KAR 5:001, Section 13(2)(b).

[9] 807 KAR 5:001, Section 13(2)(a).

Notwithstanding the requirement in 807 KAR 5:001, Section 13(2)(a), that a request for confidential treatment in a case be made pursuant to a motion, a person filing a paper in a case must encrypt or redact the paper so that personal information cannot be read.[10] Personal information includes, among other things, a business name or an individual's first and last name in combination with one or more of the following data elements:

> 1. The digits of a Social Security number or taxpayer identification number;
> 2. The month and date of an individual's birth;
> 3. The digits of an account number, credit card number, or debit card number that, in combination with any required security code, access code, or password, would permit access to an account;
> . . .
> 7. The address, phone number, or email address of an individual who is not a party and has not requested to be a party.

BACKGROUND

Special Contract Customers

Natural Energy's Tariff sets forth that customers with a high load factor or high usage may be served by special contract, at the discretion of Natural Energy and with the approval of the Commission.[11] In response to Commission Staff's Second Request for Information in Case No. 2024-00369, Natural Energy provided information indicating that it served four Special Contract customers.[12] However, in its response to the Request for

[10] 807 KAR 5:001, Section 4(10)(a).

[11] Natural Energy's Tariff, PSC KY No. 1, Original Sheet No. 1; and PSC KY No. 1, 1st Revised Sheet No. 5, Sheet No. 5.

[12] Case No. 2024-00369, Natural Energy's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed Feb. 20, 2025), Item 8.

Information that was included as an Appendix to the final Order in Case No. 2024-00369,[13] Natural Energy stated that only one active customer was taking service under a special contract.[14]

Natural Energy clarified the change in special contract customers with its response to Commission Staff's Second Request for Information in Case No. 2026-00042.[15] It confirmed that as of February 20, 2025, it did have four special contract customers; however, Natural Energy currently only serves one special contract customer that is not included in the GCR calculation. With respect to the remaining three customers previously identified as special contract customers, one customer receives transportation service, the second customer was ordered by the Commission to be included in the GCR effective January 1, 2026, and the third customer's special contract expired, after which the customer transitioned to tariff service and is now included in the GCR calculation.[16] The Commission suspended multiple proceedings to investigate whether the inclusion of the special contract customer in the GCR calculation, that was ultimately ordered to be included effective January 1, 2026, was warranted.

When asked how the cost of gas purchased for the special contract customer is accounted for in the calculation of the GCR rate, including the gas cost rate assigned to the special contract customer, Natural Energy stated that the cost of gas purchased for

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[13] Case No. 2024-00369, Sept. 4, 2025 Order, Appendix, Commission Staff's Request for Information (Staff's Request).

[14] Natural Energy's Response to Commission Staff's Request (filed Nov. 21, 2025) Item 3.

[15] Case No. 2026-00042, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation*, Natural Energy's Response to Commission Staff's Second Request (filed June 15, 2025) Item 4.

[16] Case No, 2026-00042, June 15, 2026 Natural Energy's Response to Staff's Second Request, Item 4.

the Special Contract customer(s) is accounted for in the same manner as the Tariff customers.[17] Natural Energy stated that it combines all gas purchases and calculates a weighted average cost per unit, which is then applied to both special contract customers and Tariff customers.[18] According to Natural Energy, gas enters its distribution system through multiple receipt points and once combined within the pipeline system, it is not possible to identify which supplier's gas is ultimately delivered to a particular customer.[19] As a result, Natural Energy asserted that it cannot determine the specific cost of gas purchased to service the special contract customer(s) and therefore uses a weighted average cost to allocate gas costs to all customers.[20]

Suspended Cases

On November 19, 2024, Natural Energy filed its quarterly GCR rate report in Case No. 2024-00369 with a proposed effective date of January 1, 2025.[21] The Commission issued a suspension order on December 26, 2024, suspending Case No. 2024-00369 for one day, until January 2, 2025, to give the Commission time to investigate the proposed GCR rates and to allow Natural Energy to begin charging the GCR rates, pending a final Order and subject to refund, provided Natural Energy provides written notice to the Commission of its intention to do so as required by KRS 278.190(2).[22] Natural Energy

[17] Case No. 2025-00379, Natural Energy's Nov. 21, 2025 Response to Staff's Request Item 6.

[18] Case No. 2025-00379, Natural Energy's Nov. 21, 2025 Response to Staff's Request Item 6.

[19] Case No, 2026-00042, Natural Energy's June 15, 2026 Response to Staff's Second Request, Item 3.

[20] Case No, 2026-00042, Natural Energy's June 15, 2026 Response to Staff's Second Request, Item 3.

[21] Case No. 2024-00369, Nov. 19, 2024 GCR Rate Report.

[22] Case No. 2024-00369, Dec. 26, 2024 Order at ordering paragraphs 1 and 2.

did not file a Notice of Intent to implement its proposed rates in Case No. 2024-00369; it did, however, file with the Commission's Tariff Filing System revised rates setting out the proposed GCR rates.[23] Natural Energy's next two quarterly GCR rate reports, Case Nos. 2025-00049 and 2025-00149, were also suspended because Case No. 2024-00369 was an ongoing proceeding.[24] While Natural Energy did not file a Notice of Intent to implement the rates proposed in these cases, it again filed with the Commission's Tariff Filing System its proposed rates for Case No. 2025-00049[25] and for Case No. 2025-00149.[26]

The Commission's September 4, 2026, final Order in Case No. 2024-00369 determined that the single remaining special contract customer should be included in the GCR calculation beginning with rates effective January 1, 2026.[27] The reasoning behind this decision was, when the special contract customer was first approved in Case No. 2018-00164,[28] the special contract customer was [redacted].[29] Natural Energy filed an Addendum to the original contract on May 8, 2024,[30] to change the rates

[23] TFS2025-00342, Aug. 4, 2025 Revised Tariff filing of GCR rates for Natural Energy effective Jan. 2, 2025.

[24] Case No. 2025-00049, Mar. 31, 2025 Order at ordering paragraph 1; and Case No. 2025-00149, June 30, 2025 Order at ordering paragraph 1.

[25] TFS2025-00343, Aug. 4, 2025 Revised Tariff filing of GCR rates for Natural Energy effective Apr. 2, 2025.

[26] TFS2025-00344, Aug. 4, 2025 Revised Tariff filing of GCR rates for Natural Energy effective Jul. 2, 2025.

[27] Case No. 2024-00369, Dec. 26, 2024 Order at ordering paragraph 1.

[28] Case No. 2018-00164, *The Filing of a Special Contact by Natural Energy Utility Corporation* (Ky. PSC Sept. 6, 2018).

[29] Case No. 2024-00369, Dec. 26, 2024 Order at 6.

[30] Case No. 2024-00369, Dec. 26, 2024 Order at 6.

charged to the special contract customer. The Addendum [redacted]. Therefore, the Commission found that the special contract customer's [redacted] should be included in the GCR calculation.[31] Following the Commission's final Order in Case No. 2024-00369, which addressed and resolved issues in Case Nos. 2025-00049 and Case No. 2025-00149, those cases were closed.[32] Additionally, the Commission ordered that any over- or under-recoveries resulting from the suspension in Case Nos. 2024-00369, 2025-00049, and 2025-000149 shall be reconciled in the quarterly GCR rate report filed by Natural Energy for rates effective January 1, 2026.[33]

On August 13, 2025, Natural Energy filed its next quarterly GCR rate report in Case No. 2025-00270 for rates effective October 1, 2025.[34] In the September 29, 2025 final Order, the Commission found that Natural Energy should be allowed to place its proposed GCR rate of $2.4005 per Mcf into effect.[35] However, due to uncertainty of what had been charged to the customers of Natural Energy during the previous proceedings, the Commission found that any remaining under- or over-recoveries of gas costs that would have otherwise been reconciled in Case No. 2025-00270 would be held for reconciliation in Natural Energy's subsequent GCR rate report.[36]

[31] Case No. 2024-00369, Dec. 26, 2024 Order at 10.

[32] Case No. 2025-00049, Sept. 23, 2025 Order; and Case No. 2025-00149, Sep. 24, 2025 Order.

[33] Case No. 2024-00369, Dec. 26, 2024 Order at 11.

[34] Case No. 2025-00270, Aug. 13, 2025 GCR Rate Report.

[35] Case No. 2025-00270, Sept. 29, 2025 Order at 4–5.

[36] Case No. 2025-00270, Sept. 29, 2025 Order at 4.

In the current proceeding, Natural Energy filed its quarterly GCR rate report on November 21, 2025, with a proposed effective date of January 1, 2026.[37] The filing also contained responses to Commission Staff's Request for Information that was attached as an Appendix to the final Order in Case No. 2024-00369.[38] As part of its response, Natural Energy confirmed the rates it had charged its customers following the period ending June 2024.[39] See table below:

Begin Date	**End Date**	**ACA**	**EGC**	**GCR**
July 1, 2024	September 30, 2024	$ (2.0037)	$ 3.9111	$ 1.9074
October 1, 2024	December 31, 2024	(2.0797)	3.9098	1.8301
January 1, 2025	April 1, 2025	(2.1076)	3.8050	1.6974
April 2, 2025	July 1, 2025	(1.9319)	4.6926	2.7607
July 2, 2025	September 30, 2025	(0.8675)	3.6494	2.7819
October 1, 2025	December 31, 2025	(0.7261)	3.1266	2.4005

On February 19, 2026, Natural Energy filed its next quarterly GCR rate report initiating Case No. 2026-00042.[40] The Commission suspended Case No. 2026-00042 on March 31, 2026, for one day, pending a final Order in the current proceeding.[41] On April 1, 2026, Natural Energy filed its Notice of Intent to implement its proposed rates in Case No. 2026-00042.[42] The suspension Order further included a Request for Information, responses to which were to be filed on or before April 16, 2026. On April 15, 2026, Natural Energy filed its responses to the Commission's Request for Information, confirming,

[37] Case No. 2025-00379, Nov. 21, 2025 GCR Rate Report at 1.

[38] Case No. 2024-00369, Sept. 4, 2025 Order, Appendix, Commission Staff's First Request.

[39] Natural Energy's Response to Staff's Request (filed Nov. 21, 2025) item 2.

[40] Case No. 2026-00042, Feb. 19, 2026 GCR Rate Report.

[41] Case No. 2026-00042, Mar. 31, 2026 Order.

[42] Case No. 2026-00042, Natural Energy's Apr. 1, 2026 Notice of Intent to Implement Rates.

among other things, the rates charged for the months of January to March 2026 to be $6.6962[43] per Mcf.[44]

On May 19, 2026, Natural Energy filed its next quarterly GCR rate report initiating Case No. 2026-00131.[45] Natural Energy proposed a GCR rate of $4.0800 per Mcf that consisted of an EGC and ACA component of $3.3824 per Mcf and $0.6976 per Mcf, respectively. The total ACA component was made up of a current quarter ACA of $1.0356 per Mcf and first, second and third previous quarterly ACA components of $0.1636 per Mcf, ($0.2177) per Mcf and ($0.2839) per Mcf, respectively.[46] The Commission suspended Case No. 2026-00131 for one day on June 30, 2026, as the previous Case Nos. 2025-00379 and 2026-00042 were ongoing proceedings.[47] On June 30, 2026, Natural Energy filed its Notice of Intent to implement its proposed rates on or after July 2, 2026.[48]

DISCUSSION AND FINDINGS

The Commission's September 4, 2025, final Order in Case No. 2024-00369 determined that any under- or -over recovery of gas costs that would have otherwise been reconciled in Case Nos. 2024-00369, 2025-00049, and 2025-00149 would be reconciled in the GCR rate report filed by Natural Energy for rates effective January 1, 2026, which

[43] Natural Energy's base rate reflected in its current tariff is $4.24 per Mcf. Its proposed GCR in Case No. 2025-00379 was $2.4562, resulting in a total charge to customers of $6.6962 per Mcf for January to March 2026.

[44] Case No. 2026-00042, Natural Energy's Response to Staff's Second Request, Item 3.

[45] Case No. 2026-00131, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (filed May 19, 2026) GCR Rate Report.

[46] Case No. 2026-00131, May 19, 2026 GCR Rate Report at 1.

[47] Case No. 2026-00131, June 30, 2026 Order at 2.

[48] Case No. 2026-00131, Natural Energy's June 30, 2026 Notice of Intent.

is the current proceeding.[49] Because the GCR rate report filed in Case No. 2024-00369 was intended to true-up the quarter beginning July 2024,[50] and the GCR rate report filed in the current proceeding is intended to reconcile gas costs through September 2025,[51] the Commission has calculated the amount of gas cost expenses incurred and gas cost revenues collected by Natural Energy for the period from July 2024 through September 2025. In making this calculation, the Commission relied upon the purchased gas costs reported in Natural Energy's GCR rate reports, the rates placed into effect during the applicable quarters, and the reconciliation of prior ACA quarters, discussed below.

In the final Order in Case No. 2024-00369, the Commission included a request for information, with responses to be filed with Natural Energy's GCR rate report for rates effective January 1, 2026.[52] In response to Commission Staff's request, Natural Energy confirmed the rates it charged its customers during the period beginning July 2024 through September 2025,[53] as discussed above. Natural Energy's responses demonstrate that it charged the rates proposed in Case Nos. 2024-00369, 2025-00049, and 2025-00149, as though it had filed a Notice of Intent to implement those rates, even though no notice had been filed into the record. Accordingly, the rates identified in Natural Energy's responses provide the rates actually charged to customers during each quarter and will be used in the reconciliation of Natural Energy's gas costs in this proceeding.

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[49] Case No. 2024-00369, Dec. 26, 2024 Order at 11.

[50] Case No. 2024-00369, Nov. 19, 2024 GCR Rate Report at 5.

[51] GCR Rate Report at 4.

[52] Case No. 2024-00369, Dec. 26, 2024 Order, Appendix at 1.

[53] Natural Energy's Response to Staff's Request (filed Nov. 21, 2025), Item 2.

The GCR rate charged by Natural Energy for the quarter beginning July 2024 was $1.9074 per Mcf, as approved in Case No. 2024-00169.[54] This rate consisted of an EGC component of $3.9111 per Mcf and a total ACA component of ($2.0037) per Mcf.[55] The total ACA component consisted of a current quarter ACA of ($0.8402) per Mcf and first, second, and third previous quarterly ACA components of ($0.5667) per Mcf,[56] ($0.2475) per Mcf,[57] and ($0.3493) per Mcf,[58] respectively. The rates approved in the next proceeding, Case No. 2024-00295,[59] for rates effective October 2024, were established in the last proceeding in which the Commission approved Natural Energy's proposed rates, before the Commission's approval of the rates proposed in Case No. 2025-00270.[60] The GCR rate approved in Case No. 2024-00295 consisted of an EGC component of $3.9098 per Mcf and a total ACA component of ($2.0797) per Mcf.[61] Following Case No. 2024-00295, Natural Energy did not file a Notice of Intent in Case Nos. 2024-00369, 2025-00049, or 2025-00149, as noted above. Accordingly, without a Commission approved

[54] Natural Energy's Response to Staff's Request (filed Nov. 21, 2025) Item 2.

[55] Case No. 2024-00169, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Jun. 28, 2024) final Order at 2.

[56] Case No. 2024-00041, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Mar. 28, 2024) final Order at 2.

[57] Case No. 2023-00396, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Dec 22, 2023) final Order at 2.

[58] Case No. 2023-00292, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Oct. 2, 2023) final Order at 2.

[59] Case No. 2024-00295, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Oct. 9, 2024) final Order.

[60] Case No, 2025-00270, Sept. 29, 2025 Order.

[61] Case No. 2024-00295, Oct. 9, 2024 Order.

rate or a Notice of Intent to implement the proposed rates, the ACA components should have continued to flow through the ACA until each previously approved rate expired.

Accordingly, beginning in January 2025,[62] the Commission did not incorporate the proposed current quarter ACA components from Case Nos. 2024-00369, 2025-00049, and 2025-00149 of ($0.2754) per Mcf,[63] ($0.3910) per Mcf,[64] and $0.2242 per Mcf,[65] respectively, into its reconciliation of prior ACA quarters. Instead, the Commission continued to carry forward the previously approved ACA components, allowing each component to remain in effect until its twelve-month effective period expired. As a result, for the quarter ending September 2025, only the previously approved ACA component from Case No. 2024-00295 of ($0.4253)[66] per Mcf remained in effect.

The Commission, in order to calculate the reconciliation of prior ACA quarters, used the previously approved ACA components beginning in July 2024 and multiplied the total ACA component by Natural Energy's sales for each month to determine the amount of revenue recovered or refunded under each ACA component. Specifically, for the quarter beginning July 2024, the Commission multiplied the previously approved total ACA component of ($2.0037) per Mcf[67] by Natural Energy's sales during the quarter to determine the amount that was refunded through that ACA component. This

[62] January 2025 was the effective date for the proposed GCR rates in Case No. 2024-00369. As a result of the rates proposed in that proceeding not being approved by that Commission, and no Notice of Intent filed into the record, the rates should not have gone into effect.

[63] Case No. 2024-00369, Nov. 11, 2024 Natural Energy's GCR Rate Report at 5.

[64] Case No. 2025-00049, Feb. 26, 2025 Natural Energy's GCR Rate Report at 5.

[65] Case No. 2025-00149, May 19, 2025 Natural Energy's GCR Rate Report at 5.

[66] Case No. 2024-00295, Oct. 9, 2024 final Order at 2.

[67] Case No. 2024-00169, June 28, 2024 final Order at 2.

methodology was applied in each subsequent quarter, with the third previous ACA component expiring as its twelve-month recovery period ended. For the quarter beginning October 2024, the Commission used the current quarter ACA component of ($0.4253) per Mcf and a total ACA component of ($2.0797) per Mcf, as approved in Case No. 2024-00295.[68] However, for the quarter beginning January 2025, there was not a previously approved current quarter ACA component to replace the component that had expired. Accordingly, the ACA components continued to expire without a new current quarter ACA component being incorporated.

For the quarter beginning July 2025 and ending September 2025, the ACA component of ($0.4253) per Mcf was the only remaining Commission approved ACA component. After applying the applicable ACA components to the sales reported by Natural Energy in its GCR rate report filings, the Commission determined that Natural Energy should have refunded ($354,312.92) to its customers if the ACA components had expired as expected. However, because Natural Energy charged its proposed rates as though it had filed a Notice of Intent to implement its proposed rates, it actually refunded ($412,931.90) to its customers. Accordingly, the reconciliation of prior ACA components for the July 2024 through September 2025 period shows that Natural Energy under recovered $58,618.68 as a result of including its proposed ACA components into the ACA rate it charged its customers, when the rates were not approved and no Notice of Intent had been filed.[69]

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[68] Case No. 2024-00295, Oct. 9, 2024 final Order at 2.

[69] As noted in the following paragraphs, the Commission also calculated the true-up of the actual cost of gas from July 2024 through September 2025 by comparing the actual cost of gas during that period to EGC's charged during that period. For that reason, any over or under recovery during that period that would have been trued-up through the quarterly ACA components calculated for those periods would have been captured in that broader cumulative true-up. If Natural Energy's previously proposed ACA

In order to calculate the amount of over- or -under recovery associated with the EGC components, the Commission aggregated the gas costs reported by Natural Energy for the period beginning July 2024 and ending September 2025; resulting in total gas costs of $705,908.00. The Commission then calculated the revenue collected through the EGC components by multiplying the EGC rate Natural Energy charged by the applicable sales for each month during which the rates were in effect. Based on this calculation, the Commission determined that Natural Energy collected $870,953.43 through the EGC component, resulting in an over-recovery of $165,045.43. Because the ACA reconciliation resulted in a charge to customers of $58,618.68, while the EGC reconciliation resulted in a credit to customers of $165,045.43, the resulting net amount due to be refunded to customers for the July 2024 through September 2025 period is $106,426.75.

Additionally, the twelve-month recovery period for the ACA components that Natural Energy placed into effect in Case Nos. 2024-00369, 2025-00049, and 2025-00149 extended past the reconciliation period of July 2024 through September 2025. Specifically, the current quarter ACA component of ($0.2754) per Mcf placed into effect in Case No. 2024-00369 was effective for the period from October 2025 through December 2025; the ACA component of ($0.3910) per Mcf placed into effect in Case No. 2025-00049 was in effect for the months from October 2025 through March 2026; and the ACA of $0.2242 per Mcf placed into effect in Case No. 2025-00149 was in effect from

components truing up the actual gas cost from July 2024 through September 2025 were charged and those charges were not accounted for, then those true-ups would be reflected in rates twice, whether they were over or under recoveries. Thus, regardless of whether the previous ACAs were correctly calculated or procedural appropriate, it is necessary to account for Natural Energy's previous true-ups of the actual gas costs to avoid including the true-up in rates twice.

October 2025 through June 2026.[70] Additionally, the ACA component of ($0.2839) per Mcf, that Natural Energy placed into effect in Case No. 2025-00270, was in effect from October 2025 through June 2026 and the ACA component of ($0.2177) per Mcf, that Natural Energy placed into effect in Case No. 2025-00379, was in effect from January 2025 through June 2026. Accordingly, any amounts collected or refunded to customers through those components, that were not included in the reconciliation for the July 2024 through September 2025 period, are addressed separately. Specifically, the applicable ACA components will be expired, as those rates were placed into effect by Natural Energy without prior Commission approval or a Notice of Intent to implement the proposed rates. As a result, Natural Energy should recover from customers the portion of the refunds attributable to the period those components were in effect. For the ACA components that Natural Energy had in effect beyond the July 2024 through September 2025 reconciliation period discussed above, the Commission multiplied the applicable ACA rate by the sales volumes during the months in which those rates were in effect. The resulting net amount that Natural Energy refunded to customers during this period is $132,920.90 and Natural Energy should receive credit for that refund as part of the total over or under calculation.

With the amount owed to customers for the July 2024 through September 2025 period being $106,426.75, and the amount due to be collected from customers for the October 2025 through June 2026 period being $132,920.90, Natural Energy is entitled to collect a net amount of $26,494.15. See table below:

[70] Since the reconciliation of these components prior to October 2025 is included in the ACA reconciliation for the July 2024 through September 2025 period, the reconciliation for these components will all start October 2025 through their respective twelve-month period.

Gas Cost Expenses			Gas Cost Revenue			Charge or (Credit) Amount		
$ 705,908.00	Gas Cost							
-	Disallowed gas cost (5%)							
$ 705,908.00	Allowed Gas Cost pass thru	-	$ 870,953.43	EGC Revenue	=	$ (165,045.43)	EGC Credit to Customers	
$ (354,312.92)	Reconciliation of prior ACA Quarters	-	$ (412,931.60)	ACA Revenue	=	$ 58,618.68	ACA Credit to Customers	
$ 351,595.08	**Gas Cost to be Collected**	-	**$ 458,021.83**	**Total GCR Revenue**	=	**$ (106,426.75)**	**Amount of Credit to Customers**	**Jul. 2024 - Sep. 2025**
					+	**$ 132,920.90**	**Amount of Credit to Customers**	**Oct. 2025 - Jun. 2025**
					=	**$ 26,494.15**		

The Commission finds that the net under collected amount of $26,494.15, resulting from the $106,426.75 refund for the July 2024 through September 2025 period and $132,920.90 charge for the October 2025 through June 2026 period, should be included in the calculation of the ACA component in Natural Energy's most recent GCR rate report, Case No. 2026-00225.[71] The incorporation of the $26,494.15 refund into the ACA calculation for Case No. 2026-00225 will increase the total cost difference from ($157,260.00)[72] to ($130,765.85) and, based on the reported sales for the twelve months ended June 2026 of 250,476 Mcf,[73] the current quarter ACA for Case No. 2026-00225 will also increase from ($0.6278) per Mcf to ($0.5221) per Mcf.[74]

The Commission, upon reviewing the GCR rate reports in the current proceeding, Case Nos. 2026-00042, and 2026-00131, finds that Natural Energy has followed the Commission's directive set forth in its September 4, 2025, final Order in Case No. 2024-00369 to [redacted]

[71] Case No. 2026-00225, *Electronic Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (filed Aug. 17, 2026).

[72] Case No. 2026-00225, Aug. 17, 2026 Natural Energy's GCR Rate Report at 4.

[73] Case No. 2026-00225, Aug. 17, 2026 Natural Energy's GCR Rate Report at 4.

[74] The ACA component is calculated by taking the total cost difference and dividing it by twelve-months of sales. In Natural Energy's GCR rate report for Case No. 2026-00225, it had a total cost difference of ($157,260) and sales for the twelve months ending June 2026 of 250,476 Mcf, resulting in a current quarter ACA of ($0.6278) per Mcf. However, with the refund of $65,165.05 being included in the ACA calculation, the total cost difference will decrease to ($222,425.05), resulting in a revised current quarter ACA of ($0.8880) per Mcf. Notably, the Commission intends to include this true-up in the ACA to be effective October 1, 2026, instead of one of the earlier ACA components, because that will allow the over recovery to be true-up over a full year.

[redacted].[75] Therefore, the Commission finds that Natural Energy's proposed quarterly EGC components of $3.1246 per Mcf, $6.5074 per Mcf, and $3.3824 per Mcf, respectively, are reasonable and approved as filed.

The Commission finds that the ACA component of $0.1636 per Mcf proposed by Natural Energy in Case No. 2026-00042[76] and placed into effect pursuant to its April 1, 2026 Notice of Intent[77] is approved. The $0.1636 per Mcf ACA component was placed into effect to true up the EGC of $3.1266 per Mcf approved in Case No. 2025-00270 for rates effective October 2025 through December 2025.[78] Accordingly, no additional reconciliation of the EGC for that period is necessary as the $0.1636 per Mcf ACA component is intended to account for the difference between the EGC of $3.1266 per Mcf and Natural Energy's actual gas costs for the October 2025 through December 2025 period. The Commission therefore finds that Natural Energy's proposed ACA of $0.1636 per Mcf is reasonable and approved as filed.

The Commission finds that the current quarter ACA component of $1.0356 per Mcf,[79] placed into effect in Case No. 2026-00131,[80] is reasonable and approved as filed. The $1.0356 per Mcf ACA component was calculated based on the EGC of $3.1246 per

[75] Case No. 2024-00369, Sept. 4 2024, Order at ordering paragraph 1.

[76] Case No. 2026-00042, Natural Energy's Feb. 19, 2026 GCR Rate Report at 4.

[77] Case No. 2026-00042, Natural Energy's Apr. 1, 2026 Notice of Intent.

[78] Case No. 2025-00270, Natural Energy's Aug. 13, 2025 GCR Rate Report.

[79] Case No. 2026-00131, Natural Energy's May 19, 2026 GCR Rate Report at 4.

[80] Case No. 2026-00131, Natural Energy's filed June 30, 2026 Norice of Intent.

Mcf that Natural Energy placed into effect in Case No. 2025-00379.[81] The Commission notes that, due to extreme winter weather during the quarter in which the EGC of $3.1246 per Mcf was in effect, particularly January and February 2026, gas prices rose substantially, making Natural Energy's actual gas cost exceed what was expected. As a result, there is a high-cost difference between the EGC and actual gas costs for this period of $251,804.00, resulting in a current quarter ACA of $1.0356 per Mcf for Case No. 2026-00131.[82]

Additionally, the total ACA rate that Natural Energy's placed into effect in Case No. 2026-00131 was $0.6976 per Mcf, which consisted of the current quarter ACA of $1.0356 per Mcf mentioned above and first, second, and third previous ACA quarters of $0.1636 per Mcf, ($0.2177) per Mcf, and ($0.2839) per Mcf. [83] The ACA components of ($0.2177) per Mcf and ($0.2839) per Mcf were placed into effect in Case Nos. 2025-00379[84] and 2025-00270,[85] respectively, and were meant to true up the EGC components of $3.6493 per Mcf and $4.6929 per Mcf that Natural Energy placed into effect in Case Nos. 2025-00049[86] and 2025-00149.[87] The Commission finds that, because the EGC components of $4.6929 per Mcf and $3.6494 per Mcf established in Case Nos. 2025-00049 and 2025-00149, respectively, were included in the EGC reconciliation for the period from July 2024

[81] Case No. 2025-00379, Natural Energy's Dec. 23, 2026 Notice of Intent.

[82] Case No. 2026-00131, Natural Energy's May 19, 2026 GCR Rate Report at 4.

[83] Case No. 2026-00131, Natural Energy's May 19, 2026 GCR Rate Report at 1.

[84] Case No. 2025-00379, Natural Energy's Nov. 21, 2025 GCR Rate Report at 4.

[85] Case No. 2026-00270, Natural Energy's Aug. 13, 2025 GCR Rate Report at 5.

[86] Case No. 2025-00049, Natural Energy's Feb. 25, 2025 GCR Rate Report at 2.

[87] Case No. 2025-00149, Natural Energy's May 19, 2025 GCR Rate Report at 2.

through September 2025, and because the ACA components of ($0.2177) per Mcf and ($0.2839) per Mcf established in Case Nos. 2025-00270 and 2025-00379, respectively, were intended to true up those EGC components, these ACA components can be expired.

The Commission further finds that, because the ACA components of ($0.2177) per Mcf and ($0.2839) per Mcf were included in the calculation of the total ACA component of $0.6976 per Mcf in Case No. 2026-00131, Natural Energy should recover the amounts refunded through those components, that are not included in the broader adjustment above. Accordingly, Natural Energy should account for the inclusion of the ($0.2177) per Mcf and ($0.2839) per Mcf ACA components in the rate charged during the July 2026 through September 2026 period by multiplying both components by the applicable sales volumes for those periods during which they were in effect.[88] The resulting amount refunded through the ($0.2177) per Mcf and ($0.2839) per Mcf ACA components should be incorporated into Natural Energy's current quarter ACA calculation for rates effective January 1, 2027.

The Commission finds that, in each of Natural Energy's future quarterly GCR rate reports, Natural Energy should provide an Excel spreadsheet that clearly identifies and supports all gas costs and volumes included in the GCR calculation. The spreadsheet should, at minimum, separately identify (1) the gas cost incurred by Natural Energy to serve its customers; (2) the volumes of gas purchased; (3) the customer sales and corresponding volumes to which gas costs are applicable; (4) and the sales and

[88] To the extent that these components were changed prior to July 2026, they were reconciled as part of the cumulative true-up discussed above. Additionally, as discussed herein, they are expected to be removed from the GCR effective October 1, 2026. Thus, the only period that should need to be addressed in the next GCR filings is the period from July 1, 2026 through September 30, 2026.

corresponding volumes associated with the special contract customers included in the GCR. The Excel spreadsheet should be sufficiently detailed to allow the Commission to reconcile each amount included in the GCR calculation to the underlying invoices or reports. Natural Energy should identify, for each item, the corresponding invoice, usage report, or other sources of which the data was derived.

IT IS THEREFORE ORDERED that:

1. The $26,494.15 cumulative charge shall be included in the calculation of the current quarter ACA component in Case No. 2026-00225 for rates effective October 1, 2026.

2. The EGC component of $6.5074 per Mcf and the ACA component of $01636 per Mcf proposed by Natural Energy in Case No. 2026-00042 are approved as filed.

3. The EGC component of $3.3824 per Mcf and the ACA component of $1.0356 per Mcf proposed by Natural Energy in Case No. 2026-00131 are approved as filed.

4. Natural Energy shall account for the inclusion of the ACA components of ($0.2177) per Mcf and ($0.2839) per Mcf in the total ACA component of $1.0356 per Mcf from July 2026 through September 2026 by using the methodology discussed herein above and shall reflect any resulting true-up in the calculation of the ACA component to be effective January 1, 2027.

5. Except to the extent they are included in and discussed with respect to the true-ups above, the rates proposed in this GCR filing are denied.

6. The rates placed into effect subject refund in Case No. 2026-00131 shall remain in place, subject to refund, until further order by the Commission in Case No. 2026-00225 and Case No. 2026-00131, consistent with this Order.

7. A copy of this Order shall be entered into the record in Case No. 2026-00042 and 2026-00131.

8. Natural Energy, beginning with the quarter for rates effective January 1, 2027, shall include with each future GCR filing an Excel spreadsheet containing the information discussed herein above.

9. Should Natural Energy purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount shall be documented in its cover letter to the Commission.

10. This case is closed and removed from the Commission's docket.

Entered on this 21st day of September, 2026.

PUBLIC SERVICE COMMISSION

Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
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ATTEST:

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