



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

July 25, 2005

Case #: 2005-00120

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 2005-00120. The calculated gas cost recovery rate enclosed in this report is \$6.9491 and the base rate is \$4.24. The minimum billing rate starting April 01, 2005 should be \$11.1891 for all MCF.

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

Sincerely

H. Jay Freeman
President

Enclosure



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
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Mark David Goss
Chairman

Gregory Coker
Commissioner

July 5, 2005

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

RE: Case No. 2005-00120
Second Reminder Letter

Dear Mr. Freeman:

On June 3, 2005, we sent you a first reminder letter requesting that you file your revised tariff within 15 days as ordered in the Final Order dated March 29, 2005, wherein it was ordered that "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." To date, this information has not been received.

You must now make this filing not later than **10 days** from the date of this letter. Please submit this to Beth O'Donnell, Executive Director, Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602, **ATTN: Brenda Talley**.

If you do not make this filing, the Commission will take all appropriate legal remedies against you. If you have any questions concerning this filing, please contact Brenda Talley of the Filings Division at (502) 564-3940, extension 435.

Sincerely,

Michael F. Burford
Director
Division of Filings

Enclosure

/bt



Ernie Fletcher
Governor

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Mark David Goss
Chairman

Gregory Coker
Commissioner

June 3, 2005

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

RE: Case No. 2005-00120
First Reminder Letter

Dear Mr. Freeman:

The Commission entered the enclosed Final Order in this case on March 29, 2005. It was ordered that "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." To date, this information has not been received. Please make the filing, referencing Case Number 2005-00110, not later than 15 days from the date of this letter.

If you have questions concerning this letter, please contact Brenda Talley of the Filings Division at (502) 564-3940, extension 435. Otherwise, please mail the required filing to Beth O'Donnell, Executive Director, **ATTN: Brenda Talley**, Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Sincerely,

Michael F. Burford
Director
Division of Filings

Enclosure

/bt

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF NATURAL)
ENERGY UTILITY CORPORATION) CASE NO. 2005-00120

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ("Natural Energy"), formerly American Natural Gas Corporation, and provided for their further adjustment in accordance with Natural Energy's gas cost adjustment ("GCA").¹

On March 22, 2005, Natural Energy filed its proposed GCA to be effective April 1, 2005.

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 proposed an expected gas cost ("EGC") of \$6.6690 per Mcf. Natural Energy incorrectly adjusted its EGC for line loss. Correcting for this error produces an EGC of \$6.7597, which is \$1.0953 per Mcf less than the previous EGC of \$7.8550.
3. Natural Energy's notice sets out no current quarter supplier refund adjustment ("RA"). Natural Energy's notice sets out no total RA.

¹ Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company, Order dated December 18, 1991.

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of 8.23 cents per Mcf. Natural Energy carried forward an incorrect prior quarter AA. Correcting for this produces a total AA of 18.94 cents per Mcf, which is 31.83 cents per Mcf more than the previous total AA.

5. Natural Energy's GCA is \$6.9491 per Mcf, which is 77.7 cents per Mcf less than the previous GCA of \$7.7261.

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 April 1, 2005.

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 April 1, 2005.
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.

Done at Frankfort, Kentucky, this 29th day of March, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00120 DATED March 29, 2005

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utililty 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	\$6.9491	\$11.1891

Minimum Bill

The minimum bill shall be \$11.1891