

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Ms. Beth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40602

RECEIVED OCT 3 0 2007 PUBLIC SERVICE COMMISSION

October 29, 2007

Case #: 2007-00083

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 2007-00083. The calculated gas cost recovery rate enclosed in this report is \$6.6709 and the base rate is \$4.24. The minimum billing rate starting April 1, 2007 should be \$10.9109 for all MCF.

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

Sincerel Yax Freeman esident

Enclosure



FOR Entire Service Area

P.S.C. KY. NO._2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO. R

SHEET NO. S

RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$10.9109 - covers 0-1 MCF Cost Per MCF: \$10.9109

A copy of the Company's billing format is attached on Sheet 21.

2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).

3) CUSTOMER CLASSIFICATIONS:

Residential:Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial:Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE 05/20/02	
	DATE EFFECTIVE_04/01/07
MONTH DAY YEAR	MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN H.	MGR. / nesident
NAME OF OFFICER	TITLE

Ernie Fletcher Governor

Teresa J. Hill, Secretary Environmental and Public Protection Cabinet

Timothy J. LeDonne 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 psc.ky.gov

October 22, 2007

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

> RE: Case No. 2007-00083 Reminder Letter

The Commission entered the enclosed Final Order in this case on March 27, 2007. It was ordered that "Within 20 days of date of this Order, NEUC 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 within 15 days of the date of this letter. Please mail this response to Michael F. Burford, Director of Filings Division, Public Service Commission, 211 Sower Blvd., Post Office Box 615, Frankfort, Kentucky 40602.

Sincerely,

Michael F. Burford ر Director Division of Filings

Enclosure /mb Mark David Goss Chairman

> John W. Clay Commissioner

Caroline Pitt Clark Commissioner

KentuckyUnbridledSpirit.com



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)ADJUSTMENT FILING OF NATURAL)CASE NO. 2007-00083ENERGY UTILITY CORPORATION)

<u>ORDER</u>

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

On February 26, 2007, NEUC filed its proposed GCA to be effective April 1, 2007.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. NEUC's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. NEUC's notice sets out an expected gas cost ("EGC") of \$7.8652 per Mcf. NEUC incorrectly calculated the adjustment for its line loss in the calculation of the total expected gas cost. Correcting for this produces an EGC of \$7.6316 per Mcf, which is a decrease of 65.89 cents per Mcf from the previous EGC of \$8.2905.

3. NEUC's notice sets out no current quarter supplier refund adjustment ("RA"). NEUC's notice sets out no total RA.

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

4. NEUC's notice sets out a current quarter actual adjustment ("AA") of 30.58 cents per Mcf. NEUC incorrectly used its gas cost adjustment ("GCA") rather than its EGC in calculating its monthly cost difference. Correcting for this produces a current quarter AA of 19.99 cents per Mcf, NEUC's total AA is (96.07) cents per Mcf, which is a decrease of 37.61 cents per Mcf from the previous total AA.

5. NEUC's GCA is \$6.6709 per Mcf, which is a decrease of \$1.0350 per Mcf from the previous GCA of \$7.7059.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by NEUC on and after April 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rates proposed by NEUC 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, 2007.

3. Within 20 days of the date of this Order, NEUC shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of March, 2007.

By the Commission

ATTEST:



Case No. 2007-00083

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00083 DATED MARCH 27, 2007

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 the Commission prior to the effective date of this Order.

RATES:

Monthly	Base Rate	Gas Cost Recovery Rate	Total Rate
All Mcf	\$4.24	\$6.6709	\$10.9109

Minimum Bill

The minimum bill shall be \$10.9109