

2560 Hoods Creek Pike · Ashland, Kentucky 41102

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

RECEIVED

FEB 28 2008

PUBLIC SERVICE COMMISSION

2008-13

February 27, 2008

Case #: 2008-00

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 2008-00000. The calculated gas cost recovery rate enclosed in this report is \$7.2542 and the base rate is \$4.24. The minimum billing rate starting April 1, 2008 should be \$11.4942 for all MCF.

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

Sincerely Jav Freeman

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._U___

SHEET NO. V

RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$11.4942 - covers 0-1 MCF Cost Per MCF: \$11.4942

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/	08	
MONTH DAY / YEAR	MONTH	DAY	YEAR
ISSUED BY H. JAY FREEMAN	MGR. Prosidium	4	
NAME OF OFFICER	TITLE		

EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$7.1888
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0654
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$7.2542

GCRR to be effective for service rendered from October 1, 2007 to December 31, 2007

A. EXPECTED GAS	S COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST (SCHEULE II) / SALES FOR THE 12 MONTHS ENDED	Dec-07	\$ MCF	\$616,250.00 85,724
= EXPECTED GAS COST ADJUSTMENT (ECA)		\$/MCF	\$7.1888
B. REFUND ADJU:	STMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND ADJUSTMENT FOR REPP	ORTING PERIOD(SCHIII)	\$/MCF	\$0.00
+ PREVIOUS QUARTER SUPPLIER REFUND AI	. ,	\$/MCF	\$0.00
+ SECOND PREVIOUS QUARTER SUPPLIER RI	EFUND ADJUSTMENT	\$/MCF	\$0.00
+ THIRD PREVIOUS QUARTER SUPPLIER REF		\$/MCF	\$0.00
= REFUND ADJUSTMENT (RA)		\$/MCF	\$0.00
C. ACTUAL COST	ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ. FOR THE REPORTING PI	ERIOD (SCH. IV)	\$/MCF	\$0.0000
+ PREVIOUS QUARTER REPORTED ACTUAL O	COST ADJUSTMENT	\$/MCF	(\$0.0733)
+ SECOND PREVIOUS QUARTER REPORTED A	ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
+ THIRD PREVIOUS QUARTER REPORTED AC	TUAL COST ADJUSTMENT	\$/MCF	\$0.0080
= ACTUAL COST ADJUSTMENT (ACA)		\$/MCF	\$0.0654

For the 3 month period ended:	Dec-07				
Particulars		Unit	(Oct-07)	(Nov-07)	(Dec-07)
Total Supply Volumes Purchased		Mcf	4,000	8,500	12,700
Total Cost of Volumes Purchased		\$	\$27,360	\$57,742	\$92,324
Total Sales (may not be less than 95% of					
supply volumes)		Mcf	3,976	8,291	12,521
Unit cost of Gas		\$/Mcf	\$6.8813	\$6.9644	\$7.3735
EGC in effect for month		\$/Mcf	\$7.0262	\$7.0262	\$7.0262
Difference					
[(Over-)/Under-Recovery]		\$/Mcf	(\$0.1449)	(\$0.0618)	\$0.3473
Actual sales during month		Mcf	3,976	8,291	12,521

		Unit	Amount
Total cost difference (Month 1 + Month	2 + Month 3)	\$	\$0.14
Sales for 12 Months ended	Dec-07	Mcf	85,724
Actual Adjustment for the Reporting Pe	iod	\$/Mcf	\$0.0000

(to Schedule IC.)

ACTUAL * MCF PURCHASES FOR 12	MONTHS E	NDED De	c- 07		
(1)	(2)	(3)	(4)	(5)	(6)
		BTU			(4)*(5)
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
		FACTOR			
North Coast Energy	0	1.0740	0	\$5.500	\$ 0
MARATHON PETROLEUM CORP.	87,550	1.0300	85,000	\$7.250	\$616,250
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0
COLUMBIA GAS	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
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COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
KOG	0	1.1000	0	\$0.000	\$0
ADJUSTMENT FOR ANTICIPATION O	F DECREASE	ED PURCHASE REQU	JIREMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	87,550	1.0300	85,000	\$7.25	\$616,250.00
				NIT	AMOUNT
TOTAL EXPECTED COST OF PURC		\$		\$616,250.00	
/ MCF PURCHASES (4)				CF	85,000
= AVERAGE EXPECTED COST PER N	ASED		MCF	\$7.2500	
* ALLOWABLE MCF PURCHASES		M	CF	85,000	
(MUST NOT EXCEED MCF SALES					
= TOTAL EXPECTED GAS COST (TO	SCHEDULE	IA.)	\$		\$616,250.00

DETAILS FOR THE 9 MONTHS ENDED Dec-07

PARTICULARS		UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTEREST / SALES FOR 12 MONTHS ENDED Dec-07		\$ \$ MCF	\$0.00 \$0.00 85,724
= SUPPLIER REFUND ADJUSTMENT FOR THE R (TO SCHEDULE IB.)	EPORTING PERIOD	\$/MCF	\$0.00



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

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CANCELLING P.S.C. KY. NO._U___

SHEET NO. V

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ISSUED BY_H. JAY FREEMAN	MGR. Presiden	+
NAME OF OFFICER	TITLE	

EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$7.1888
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0654
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$7.2542

GCRR to be effective for service rendered from October 1, 2007 to December 31, 2007

Α.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	GAS COST (SCHEULE II) MONTHS ENDED Dec-07	\$ MCF	\$616,250.00 85,724
= EXPECTED GAS CO	ST ADJUSTMENT (ECA)	\$/MCF	\$7 1888
B.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND	ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
+ PREVIOUS QUARTE	ER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ SECOND PREVIOUS	S QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ THIRD PREVIOUS Q	UARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
= REFUND ADJUSTM	ENT (RA)	\$/MCF	\$0.00
С.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ.	FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	\$0.0000
+ PREVIOUS QUARTE	ER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0733)
+ SECOND PREVIOUS	S QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
+ THIRD PREVIOUS Q	UARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0080
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EGC in effect for month		\$/Mcf	\$7.0262	\$7.0262	\$7.0262
Difference [(Over-)/Under-Recovery]		\$/Mcf	(\$0.1449)	(\$0.0618)	\$0.3473
Actual sales during month		Mcf	3,976	8,291	12,521

			τ	Unit	Amount
Total cost difference (Month 1 + Month 2	+ Month 3)		9	\$	\$0.14
Sales for 12 Months ended	D	c-07	N	Mcf	85,724
Actual Adjustment for the Reporting Perio (to Schedule IC.)	od		3	\$/Mcf	\$0.0000

(1) (2) (3) (4) (5) (4) ⁴ (5) SUPPLIER DTH CONVERSION MCF RATE COST SUPPLIER 0 1.0740 0 \$5.500 \$50 Marathon PErroleum corp. \$7,550 1.0300 \$5.000 \$50 \$50 MARATHON PETROLEUM CORP. \$7,550 1.0300 \$5.000 \$50 \$50 COLUMBIA GAS 0 1.1000 \$0.000 \$50 \$50 \$50 COASTAL GAS MARKETING 0 1.1000 \$0.000 \$50 \$50 \$50 COASTAL GAS MARKETING 0 1.1000 \$0.000 \$50	ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED Dec-07						
SUPPLIER DTH CONVERSION MCF RATE COST North Coast Energy 0 1.0740 0 \$5.500 \$0 MARATHON PETROLEUM CORP. 87,550 1.0300 \$5.000 \$7.250 \$616,250 TENNESSEE GAS PIPELINE 0 1.0300 \$0.000 \$0 \$0 COLMBIA GAS 0 1.1000 \$0.000 \$0 \$0 \$0 COASTAL GAS MARKETING 0 1.1000 \$0.000 \$0	(1)	(2)	(3)	(4)	(5)	(6)	
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COASTAL GAS MARKETING 0 1.1000 \$0.000 \$0 COASTAL GAS MARKETING 0 1.1000 \$0.000 \$0 KOG 0 1.1000 \$0.000 \$0 ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS \$0 \$0 MARKETER 0 1.0350 0 \$0.000 \$0 TOTALS \$7,550 1.0300 \$5,000 \$7.25 \$616,250.00 //MCF \$1,000 MCF \$5,000 \$616,250.00 \$616,250.00 //MCF PURCHASES (4) MCF \$5,000 \$616,250.00 \$616,250.00 \$616,250.00 * AVERAGE EXPECTED COST OF PURCHASES (6) \$ \$ \$616,250.00 \$616,250.00 * AVERAGE EXPECTED COST OF PURCHASES (6) \$ \$ \$616,250.00 \$616,250.00 * ALLOWABLE MCF PURCHASES (4) \$ \$ \$616,250.00 \$616,250.00 \$616,250.00 * ALLOWABLE MCF PURCHASES (4) \$ \$ \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 \$616,250.00 <t< td=""><td>COASTAL GAS MARKETING</td><td>0</td><td>1.1000</td><td></td><td>\$0.000</td><td>\$0</td></t<>	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0	
COASTAL GAS MARKETING 0 1.1000 \$0.000 \$0 KOG 0 1.1000 0 \$0.000 \$0 ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS \$0 \$0 \$0 \$0 \$0 \$0 MARKETER 0 1.0350 0 \$0.00 \$0 \$0 \$0 \$0 TOTALS 87,550 1.0300 85,000 \$7.25 \$616,250.00 VMCF \$ \$ \$ \$616,250.00 /MCF PURCHASES (4) \$ \$ \$ \$ * AVERAGE EXPECTED COST OF PURCHASES (6) \$ \$ \$ \$ /MCF PURCHASES (4) \$ \$ \$ \$ \$ * ALLOWABLE MCF PURCHASES \$	COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0	
KOG01.10000\$0.000\$0ADJUSTMENT FOR ANTICIPATION OF DECREASED FURCHASE REQUIREMENTS MARKETER01.03500\$0.00\$0TOTALS87,5501.030085,000\$7.25\$616,250.00TOTAL EXPECTED COST OF PURCHASES (6) /MCF PURCHASES (4) = AVERAGE EXPECTED COST PER MCF PURCHASED * ALLOWABLE MCF PURCHASES 1.95UNITAMOUNT \$616,250.00 \$/MCF\$616,250.00 \$5,000 \$7.2500 \$/MCF	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0	
ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS MARKETER01.03500\$0.00\$0TOTALS87,5501.030085,000\$7.25\$616,250.00TOTAL EXPECTED COST OF PURCHASES (6) / MCF PURCHASES (4)VINIT\$\$616,250.00A VERAGE EXPECTED COST PER MCF PURCHASED * ALLOWABLE MCF PURCHASES (-30,00)%/MCF\$5,000* ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)%/MCF\$7,250	COASTAL GAS MARKETING	0	1.1000			\$0	
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MARKETER01.03500\$0.00\$0TOTALS87,5501.030085,000\$7.25\$616,250.00TOTAL EXPECTED COST OF PURCHASES (6)VINITAMOUNT/MCF PURCHASES (4)\$616,250.00MCF\$616,250.00= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF\$5,000* ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)%/MCF\$7.250	ADJUSTMENT FOR ANTICIPATION (OF DECREASE	ED PURCHASE REO	UIREMENTS			
UNIT AMOUNT TOTAL EXPECTED COST OF PURCHASES (6) \$\$616,250.00 / MCF PURCHASES (4) MCF 85,000 = AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7,2500 * ALLOWABLE MCF PURCHASES MCF 85,000 (MUST NOT EXCEED MCF SALES / .95)					\$0.00	\$0	
UNITAMOUNTTOTAL EXPECTED COST OF PURCHASES (6)\$/ MCF PURCHASES (4)MCF= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF* ALLOWABLE MCF PURCHASESMCF* ALLOWABLE MCF PURCHASESMCF(MUST NOT EXCEED MCF SALES / .95)\$/		97.550	1.0200	05.000	\$7.05	\$616.050.00	
TOTAL EXPECTED COST OF PURCHASES (6)\$\$616,250.00/ MCF PURCHASES (4)MCF85,000= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF\$7.2500* ALLOWABLE MCF PURCHASESMCF85,000(MUST NOT EXCEED MCF SALES / .95)85,000	TOTALS	87,550	1.0300	85,000	\$7.25	\$616,250.00	
TOTAL EXPECTED COST OF PURCHASES (6)\$\$616,250.00/ MCF PURCHASES (4)MCF85,000= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF\$7.2500* ALLOWABLE MCF PURCHASESMCF85,000(MUST NOT EXCEED MCF SALES / .95)85,000							
/ MCF PURCHASES (4)MCF85,000= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF\$7.2500* ALLOWABLE MCF PURCHASESMCF85,000(MUST NOT EXCEED MCF SALES / .95).95.95				ហ	NIT	AMOUNT	
= AVERAGE EXPECTED COST PER MCF PURCHASED\$/MCF\$7.2500* ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)MCF\$5,000	TOTAL EXPECTED COST OF PURCHASES (6)			\$		\$616,250.00	
* ALLOWABLE MCF PURCHASES MCF 85,000 (MUST NOT EXCEED MCF SALES / .95)	/ MCF PURCHASES (4)		Μ	CF	85,000		
(MUST NOT EXCEED MCF SALES / .95)	= AVERAGE EXPECTED COST PER MCF PURCHASED			\$/.	MCF	\$7.2500	
	* ALLOWABLE MCF PURCHASES			Μ	CF	85,000	
- TOTAL EVDECTED CAS COST (TO SCHEDULE 14.)	(MUST NOT EXCEED MCF SALES	/ .95)					
$= 101 \text{ AL EAFECTED GAS COST (10 SCHEDULE IA.)} \qquad \qquad$	= TOTAL EXPECTED GAS COST (TO	O SCHEDULE	IA.)	\$		\$616,250.00	

DETAILS FOR THE 9 MONTHS ENDED Dec-07

PARTICULARS		UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTEREST / SALES FOR 12 MONTHS ENDED Dec-07		\$ \$ MCF	\$0.00 \$0.00 85,724
= SUPPLIER REFUND ADJUSTMENT FOR THE (TO SCHEDULE IB.)	REPORTING PERIOD	\$/MCF	\$0.00



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._U__

SHEET NO. V

RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$11.4942 - covers 0-1 MCF Cost Per MCF: \$11.4942

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 04/01/08
MONTH DAY //YEAR	MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN	MGR. Pres. lent
NAME OF OFFICER	TTTLE

EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$7.1888
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0654
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$7.2542

GCRR to be effective for service rendered from October 1, 2007 to December 31, 2007

A. EXPECTED GA	S COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST (SCHEULE II) / SALES FOR THE 12 MONTHS ENDED		\$ MCF	\$616,250.00 85,724
= EXPECTED GAS COST ADJUSTMENT (ECA)	,	\$/MCF	\$7.1888
B. REFUND ADJ	JSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND ADJUSTMENT FOR REP	PORTING PERIOD(SCHIII)	\$/MCF	\$0.00
+ PREVIOUS QUARTER SUPPLIER REFUND A	DJUSTMENT	\$/MCF	\$0.00
+ SECOND PREVIOUS QUARTER SUPPLIER R	EFUND ADJUSTMENT	\$/MCF	\$0.00
+ THIRD PREVIOUS QUARTER SUPPLIER REI	FUND ADJUSTMENT	\$/MCF	\$0.00
= REFUND ADJUSTMENT (RA)		\$/MCF	\$0.00
C. ACTUAL COST	ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ. FOR THE REPORTING F	ERIOD (SCH. IV)	\$/MCF	\$0.0000
+ PREVIOUS QUARTER REPORTED ACTUAL	COST ADJUSTMENT	\$/MCF	(\$0.0733)
+ SECOND PREVIOUS QUARTER REPORTED	ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
+ THIRD PREVIOUS QUARTER REPORTED AG	CTUAL COST ADJUSTMENT	\$/MCF	\$0.0080
= ACTUAL COST ADJUSTMENT (ACA)		\$/MCF	\$0.0654

For the 3 month period ended: Particulars	Dec-07	Unit	(Oct-07)	(Nov-07)	(Dec-07)
r articulais		Om	(00-07)	(1107-07)	(1)(0-07)
Total Supply Volumes Purchased		Mcf	4,000	8,500	12,700
Total Cost of Volumes Purchased		\$	\$27,360	\$57,742	\$92,324
Total Sales					
(may not be less than 95% of supply volumes)		Mcf	3,976	8,291	12,521
Unit cost of Gas		\$/Mcf	\$6.8813	\$6.9644	\$7.3735
EGC in effect for month		\$/Mcf	\$7.0262	\$7.0262	\$7.0262
Difference					
[(Over-)/Under-Recovery]		\$/Mcf	(\$0.1449)	(\$0.0618)	\$0.3473
Actual sales during month		Mcf	3,976	8,291	12,521

		Unit	Amount
Total cost difference (Month 1 + Month	1 2 + Month 3)	\$	\$0.14
Sales for 12 Months ended	Dec-07	Mcf	85,724
Actual Adjustment for the Reporting Po	riod	\$/Mcf	\$0.0000

(to Schedule IC.)

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED Dec-07							
(1)	(2)	(3)	(4)	(5)	(6)		
		BTU			(4)*(5)		
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST		
		FACTOR					
North Coast Energy	0	1.0740	0	\$5.500	\$0		
MARATHON PETROLEUM CORP.	87,550	1.0300	85,000	\$7.250	\$616,250		
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0		
COLUMBIA GAS	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1,1000		\$0,000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0		
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0		
KOG	0	1.1000	0	\$0.000	\$0		
ADJUSTMENT FOR ANTICIPATION O	FDFCPFASI	TO DUDCHASE DE	OIUDENTS				
MARKETER	1 ⁻ DECREASE 0	1.0350	0	\$0.00	\$0		
	0	1.0550	0	Ф О. ОО	Φ 0		
TOTALS	87,550	1.0300	85,000	\$7.25	\$616,250.00		
			U	NIT	AMOUNT		
TOTAL EXPECTED COST OF PURC	\$		\$616,250.00				
/ MCF PURCHASES (4)		Μ	CF	85,000			
= AVERAGE EXPECTED COST PER	ASED	\$/	MCF	\$7.2500			
* ALLOWABLE MCF PURCHASES		Μ	CF	85,000			
(MUST NOT EXCEED MCF SALES	/ .95)						
= TOTAL EXPECTED GAS COST (TO	IA.)	\$		\$616,250.00			

DETAILS FOR THE 9 MONTHS ENDED

Dec-07

PARTICULARS		UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTERE		\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED= SUPPLIER REFUND ADJUSTMENT FOR THE	Dec-07 REPORTING PERIOD	MCF	85,724 \$0.00
(TO SCHEDULE IB.)		\$/MCF	