

2560 Hoods Creek Pike · Ashland, Kentucky 41102

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

March 14, 2008

Case #: 2008-00073 Re Vised

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 2008-00073. The calculated gas cost recovery rate enclosed in this report is \$8.4116 and the base rate is \$4.24. The minimum billing rate starting April 1, 2008 should be \$12.6516 for all MCF.

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

Sincerely Jav/Freeman President

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: \$12.6516 - covers 0-1 MCF Cost Per MCF: \$12.6516

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
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ISSUED BY H. JAY FREEMAN		MGR.	Tresid	Lent	
NAME OF OFFICER		TITLE	1		an da Address Proper vendela fondera

EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$8.3462
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0654
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$8.4116

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

Α.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS CO / SALES FOR THE 12 MONTH		\$ MCF	\$715,473.00 85,724
= EXPECTED GAS COST ADJ	USTMENT (ECA)	\$/MCF	\$8.3462
В.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND ADJUST	MENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
+ PREVIOUS QUARTER SUPP	LIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ SECOND PREVIOUS QUAR	TER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ THIRD PREVIOUS QUARTE	R SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
= REFUND ADJUSTMENT (RA	A)	\$/MCF	\$0.00
С.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ. FOR TH	IE REPORTING PERIOD (SCH. IV)	\$/MCF	(\$0.0000)
+ PREVIOUS QUARTER REPO	ORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0733)
+ SECOND PREVIOUS QUAR	TER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
+ THIRD PREVIOUS QUARTE	R REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0080
= ACTUAL COST ADJUSTME	NT (ACA)	\$/MCF	\$0.0654

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.	89,326	1.0300	86,724	\$8.250	\$715,473
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
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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
KOG	0	1.1000	0	\$0.000	\$0
ADJUSTMENT FOR ANTICIPATION	OF DECREASI	ED PURCHASE REQ	JIREMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	89,326	1.0300	86,724	\$8.25	\$715,473.00
		ហ	NIT	AMOUNT	
TOTAL EXPECTED COST OF PUR		\$		\$715,473.00	
/ MCF PURCHASES (4)			CF	86,724	
= AVERAGE EXPECTED COST PER MCF PURCHASED				MCF	\$8.2500
			4.		• • •

		4-14-00
* ALLOWABLE MCF PURCHASES	MCF	86,724
(MUST NOT EXCEED MCF SALES / .95)		
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$715,473.00

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	\$7.1816	\$7.1816	\$7.1816
Difference					
[(Over-)/Under-Recovery]		\$/Mcf	(\$0.3003)	(\$0.2172)	\$0.1919
Actual sales during month		Mcf	3,976	8,291	12,521

				Unit	Amount
Total and Harmon (Marth 1 + Marth 2) + Marath 2)			¢	(40.22)
Total cost difference (Month 1 + Month 2 + Month 3)		\$	(\$0.33)		
Sales for 12 Months ended	Dec-	-07		Mcf	85,724
Actual Adjustment for the Reporting Peri	od			\$/Mcf	(\$0.0000)

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	Dec-07	MCF	85,724
= SUPPLIER REFUND ADJUSTMENT FOR THE (TO SCHEDULE IB.)	REPORTING PERIOD	\$/MCF	\$0.00