



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY. 40602

September 4, 2014

Case # 2014-00???


RECEIVED

SEP 05 2014

PUBLIC SERVICE
COMMISSION

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky Public Service Commission (PSC). The enclosed report has a case number of 2014-00???. The calculated gas cost recovery rate for this reporting period is \$ 5.8646. The base rate remains \$4.24. The minimum billing rate starting October 1, 2014 should be \$ 10.1046 for all MCF.

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

Sincerely

H. Jay Freeman
President

GAS COST RECOVERY RATE SUMMARY

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PUBLIC SERVICE
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<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$5.0637
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	\$0.8009
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$5.8646
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to be effective for service rendered from: 10/01/2014 to 12/31/2014

A) EXPECTED GAS COST CALCULATION			<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)			\$/MCF	\$588,802.50
/ Sales for the 12 Months ended:	Jun-14		\$/MCF	116,279
= Expected Gas Cost (EGC)			\$/MCF	\$5.0637

B) REFUND ADJUSTMENT CALCULATION			<u>Unit</u>	<u>Amount</u>
Supplier refund adjustment for reporting period (SCH III)			\$/MCF	\$0.0000
+ Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
+ Second Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
= Refund Adjustment (RA)			\$/MCF	\$0.0000

C) ACTUAL ADJUSTMENT CALCULATION			<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (SCH IV)			\$/MCF	0.0614
+ Previous Quarter Supplier Refund Adjustment			\$/MCF	0.5189
+ Second Previous Quarter Supplier Refund Adjustment			\$/MCF	0.1854
+ Third Previous Quarter Supplier Refund Adjustment			\$/MCF	0.0352
= Actual Adjustment (AA)			\$/MCF	0.8009

D) BALANCE ADJUSTMENT CALCULATION			<u>Unit</u>	<u>Amount</u>
+ Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
+ Second Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment			\$/MCF	\$0.0000
= Balance Adjustment (BA)				\$0.0000


SCHEDULE II
EXPECTED GAS COST

Actual MCF Purchases for 12 months ended:

Jun-14

(1)	(2)	(3) BTU Conv Factor	(4)	(5)	(6) '(4)X(5) Cost
Supplier	DTH's	Conv Factor	MCF	Rate	Cost
Marathon Petroleum	122,519	1.03	118,950	\$4.95	\$588,802.50

Totals	118,950	\$588,802.50
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Line loss for 12 months ended 6/30/2014 is based on purchases of 118,950
and sales of 116,279

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$588,802.50
/ MCF Purchases (4)		118,950
<hr/>		
= Average Expected Cost Per MCF Purchased		\$4.95
X Allowable MCF Purchases (must not exceed MCF sales / .95)		118,950
<hr/>		
= Total Expected Gas Cost (to SCH I A)		\$588,802.50

REFUND ADJUSTMENTS

		<u>Unit</u>	<u>Amount</u>
Total Supplier Refunds Received		\$\$\$	\$0.00
+ Interest		\$\$\$	\$0.00
= Refund Adjustment including Interest		\$\$\$	\$0.00
<u>/ Sales for 12 Months Ended</u>	<u>Jun-14</u>	<u>MCF</u>	<u>116,279</u>
= Supplier Refund Adjustment for the Reporting Period (to Schedule I B)		\$/MCF	\$0.0000



ACTUAL ADJUSTMENT

For the 12 months ended: Jun-14

<u>Particulars</u>	<u>Unit</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
Total Supply Volumes Purchased	MCF	7,500	4,400	3,350
Total Cost of Volumes Purchased	\$\$\$	\$38,634	\$22,577	\$17,164
/ Total Sales	MCF	7,438	4,376	3,323
= Unit Cost of Gas	\$/MCF	\$5.1941	\$5.1593	\$5.1652
- EGC in Effect for Month	\$/MCF	\$4.7063	\$4.7063	\$4.7063
= Difference	\$/MCF	\$0.4878	\$0.4530	\$0.4589
X Actual Sales during Month	\$/MCF	7,438	4,376	3,323
= Monthly Cost Difference	\$\$\$	\$3,629	\$1,982	\$1,525

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$\$\$	\$7,136
/ Sales for 12 Months ended: <u>Jun-14</u>	MCF	116,279
= Actual Adjustment for the reporting period (to SCH I C)	\$\$\$	\$0.0614

May not be less than 95% of Supply Volume



FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

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

Original SHEET NO. 2

Natural Energy Utility Corporation
(Name of Utility)

RATES & CHARGES

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

	<u>BASE RATE</u>	<u>GCR</u>	<u>TOTAL</u>	
Minimum bill: Covers 0-1 MCF	\$10.1046			(I)
Cost per MCF: All Over 1 MCF	\$4.24	\$5.8646	\$10.1046	(I)

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, Section 10. (T)

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 issues.

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 September 05, 2014

Month / Date Year

DATE EFFECTIVE October 01, 2014

Month / Date Year

ISSUED BY [Signature]

(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00??? DATED September 05, 2014