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PUBLIC SERVICE
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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

December 4, 2014

Case # 2014-00???

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 \$ 5.4834. The base rate remains \$4.24. The minimum billing rate starting January 1, 2015 should be \$ 9.7234 for all MCF.

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

Sincerely

H. Jay Freeman

President



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SCHEDULE I

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GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$4.7317
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	\$0.7517
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$5.4834
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to be effective for service rendered from: 01/01/2014 to 03/31/2014

A) EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$553,117.50
/ Sales for the 12 Months ended: Sep-14	\$/MCF	116,897
= Expected Gas Cost (EGC)	\$/MCF	\$4.7317

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	(0.0132)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	0.0606
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	0.5189
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	0.1854
= Actual Adjustment (AA)	\$/MCF	0.7517

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:

Sep-14

(1)	(2)	(3) BTU Conv Factor	(4)	(5)	(6) '(4)X(5) Cost
Supplier	DTH's	Conv Factor	MCF	Rate	Cost
Marathon Petroleum	122,776	1.03	119,200	\$4.65	\$554,280.00

Totals	119,200	\$554,280.00
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Line loss for 12 months ended 9/30/2014 is based on purchases of 119,200
and sales of 116,897

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$554,280.00
/ MCF Purchases (4)		119,200
<hr/>		
= Average Expected Cost Per MCF Purchased		\$4.65
X Allowable MCF Purchases (must not exceed MCF sales / .95)		118,950
<hr/>		
= Total Expected Gas Cost (to SCH I A)		\$553,117.50

SCHEDULE III

REFUND ADJUSTMENTS

		<u>Unit</u>	<u>Amount</u>
Total Supplier Refunds Received		\$\$\$	\$0.00
+ Interest		\$\$\$	\$0.00
= Refund Adjustment including Interest		\$\$\$	\$0.00
<hr/>			
/ Sales for 12 Months Ended	Sep-14	MCF	116,897
= Supplier Refund Adjustment for the Reporting Period (to Schedule I B)		\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 months ended: Sep-14

<u>Particulars</u>	<u>Unit</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>
Total Supply Volumes Purchased	MCF	3,250	3,025	3,500
Total Cost of Volumes Purchased	\$\$\$	\$15,600	\$14,066	\$16,485
/ Total Sales	MCF	3,165	2,991	3,437
= Unit Cost of Gas	\$/MCF	\$4.9289	\$4.7028	\$4.7963
- EGC in Effect for Month	\$/MCF	\$4.9712	\$4.9712	\$4.9712
= Difference	\$/MCF	(\$0.0423)	(\$0.2684)	(\$0.1749)
X Actual Sales during Month	\$/MCF	3,165	2,991	3,437
= Monthly Cost Difference	\$\$\$	(\$134)	(\$803)	(\$601)

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$\$\$	(\$1,538)
/ Sales for 12 Months ended: <u>Sep-14</u>	MCF	116,897
= Actual Adjustment for the reporting period (to SCH I C)	\$\$\$	(\$0.0132)

May not be less than 95% of Supply Volume