



Case No. 2016-00185

Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Leah F. Faulkner
Division of Financial Analysis
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY. 4060

May 26, 2016

Case # 2016-?????

RECEIVED

MAY 27 2016

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 2016-?????. The calculated gas cost recovery rate for this reporting period is \$ 2.4382. The base rate remains \$4.24. The minimum billing rate starting July 1, 2016 should be \$ 6.6.6782 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

MAY 27 2016

GAS COST RECOVERY RATE SUMMARYPUBLIC SERVICE
COMMISSION

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.3787
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.9404)
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.4382
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to be effective for service rendered from: 07/01/2016 to 09/30/2016

A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$341,546.70
/ Sales for the 12 Months ended: Mar-16	\$/MCF	101,089
= Expected Gas Cost (EGC)	\$/MCF	\$3.3787

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	(0.4814)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(0.2704)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(0.0309)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(0.1577)
= Actual Adjustment (AA)	\$/MCF	(0.9404)

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:

Mar-16

(1)	(2)	(3)	(4)	(5)	(6)
Supplier	DTH's	BTU Conv Factor	MCF	Rate	'(4)X(5) Cost
Marathon Petroleum	106,604	1.03	103,499	\$3.30	\$341,546.70

Totals			103,499		\$341,546.70
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Line loss for 12 months ended 3/31/2016 is based on purchases of 103,499
and sales of 101,089

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$341,546.70
/ MCF Purchases (4)		103,499
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= Average Expected Cost Per MCF Purchased		\$3.30
X Allowable MCF Purchases (must not exceed MCF sales / .95)		103,499
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= Total Expected Gas Cost (to SCH I A)		\$341,546.70

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
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/ Sales for 12 Months Ended	Mar-16	MCF	101,089
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= Supplier Refund Adjustment for the Reporting Period (to Schedule I B)		\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 months ended: Mar-16

<u>Particulars</u>	<u>Unit</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>
Total Supply Volumes Purchased	MCF	23,400	20,300	11,000
Total Cost of Volumes Purchased	\$\$\$	\$69,100	\$54,270	\$25,891
/ Total Sales	MCF	22,674	19,561	10,557
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= Unit Cost of Gas	\$/MCF	\$3.0475	\$2.7744	\$2.4525
- EGC in Effect for Month	\$/MCF	\$3.7492	\$3.7492	\$3.7492
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= Difference	\$/MCF	(\$0.7017)	(\$0.9748)	(\$1.2967)
X Actual Sales during Month	\$/MCF	22,674	19,561	10,557
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= Monthly Cost Difference	\$\$\$	(\$15,909)	(\$19,068)	(\$13,689)

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$\$\$	(\$48,667)
/ Sales for 12 Months ended: <u>Mar-16</u>	MCF	101,089
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= Actual Adjustment for the reporting period (to SCH I C)	\$\$\$	(\$0.4814)

May not be less than 95% of Supply Volume