



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

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AUG 29 2016

PUBLIC SERVICE
COMMISSION

August 26, 2016

Mr. Matthew Baer
Division Of Financial Analysis
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Case # 2016 - To Be Assigned

Dear Mr. Baer:

Enclosed please find Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on October 1, 2016. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.3956 and the base rate remains \$4.24. The minimum billing rate for the period October 1, 2016 to December 31, 2016 should be \$6.6356 for all MCF.

Please include me on all future electronic communications regarding tariff filing and purchased gas adjustment filing at my email address of mtbneuc@aol.com. Should you require any additional information or have questions, please call me at 606-324-3920.

Sincerely,

Mark T. Baldock, CPA
Chief Financial Officer

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.4208
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$1.0252)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.3956

To Be Effective For Service Rendered From: 10/01/2016 to 12/31/2016

A) EXPECTED GAS COST CALCULATION	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$358,521.90
/ For The Twelve Months Ended June, 2016	\$/MCF	104,807
= Expected Gas Cost (EGC)	\$/MCF	\$3.4208

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	(\$0.2425)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.4814)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2704)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0309)
= Actual Adjustment (AA)	\$/MCF	(\$1.0252)

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)	\$/MCF	\$0.0000

SCHEDULE II
EXPECTED GAS COST

<u>Actual MCF Purchases For The Twelve Months Ended June, 2016</u>					
(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5) Cost
SUPPLIER	DTH's	BTU Factor	MCF	Rate	
Marathon Petroleum	111,902	1.03	108,643	\$3.30	\$358,521.90
Totals			108,643		\$358,521.90
Line Loss For The Twelve Months Ended June, 2016 Is Based On Purchases Of				<u>108,643</u>	
And Sales Of				<u>104,807</u>	
					UNIT AMOUNT
Total Expected Cost Of Purchases (6)					\$358,521.90
/ MCF Purchases (4)					108,643
= Average Expected Cost Per MCF Purchased					\$3.30
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)					108,643
= Total Expected Gas Cost (SCHEDULE I, A)					\$358,521.90

SCHEDULE III

REFUND ADJUSTMENTS

	<u>UNIT</u>	<u>AMOUNT</u>
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended June, 2016</u>	<u>MCF</u>	<u>104,807</u>
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended June, 2016

Particulars	UNIT	Apr, 2016	May, 2016	Jun, 2016
Total Supply Volumes Purchased	MCF	7,680	5,617	3,646
Total Cost Of Volumes Purchased	\$\$\$	\$14,250	\$10,646	\$9,014
/ Total Sales	MCF	7,349	5,375	3,489
= Unit Cost Of Gas	\$/MCF	\$1.9390	\$1.9807	\$2.5836
- EGC In Effect For Month	\$/MCF	\$3.6594	\$3.6594	\$3.6594
= Difference	\$/MCF	(\$1.7204)	(\$1.6787)	(\$1.0758)
X Actual Sales During Month	\$/MCF	7,349	5,375	3,489
= Monthly Cost Difference	\$\$\$	(\$12,643)	(\$9,023)	(\$3,754)
			UNIT	Amount
Total Cost Difference			\$\$\$	(\$25,420)
/ For The Twelve Months Ended June, 2016			MCF	104,807
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.2425)

May Not Be Less Than 95% Of Supply Volume