



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

November 29, 2016

Executive Director
Division Of Financial Analysis
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

Case # 2017 - To Be Assigned

To Whom It May Concern:

Enclosed please find Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on January 1, 2017. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.4474 and the base rate remains \$4.24. The minimum billing rate for the period January 1, 2017 to March 31, 2017 should be \$6.6874 for all MCF.

Please include me on all 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	\$3.4803
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$1.0329)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.4474

To Be Effective For Service Rendered From: 01/01/2017 to 03/31/2017

A) EXPECTED GAS COST CALCULATION	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$363,743.00
/ For The Twelve Months Ended September, 2016	\$/MCF	104,516
= Expected Gas Cost (EGC)	\$/MCF	\$3.4803

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	(\$0.0386)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2425)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.4814)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2704)
= Actual Adjustment (AA)	\$/MCF	(\$1.0329)

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

Actual MCF Purchases For The Twelve Months Ended September, 2016

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	111,837	1.03	108,580	\$3.35	\$363,743.00
Totals			108,580		\$363,743.00

Line Loss For The Twelve Months Ended September, 2016 Is Based On Purchases Of 108,580
 And Sales Of 104,516

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$363,743.00
/ MCF Purchases (4)		108,580
= Average Expected Cost Per MCF Purchased		\$3.35
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		108,580
= Total Expected Gas Cost (SCHEDULE I, A)		\$363,743.00

SCHEDULE III

REFUND ADJUSTMENTS

	UNIT	AMOUNT
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended September, 2016</u>	MCF	104,516
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended September, 2016

<u>Particulars</u>	<u>UNIT</u>	<u>Jul, 2016</u>	<u>Aug, 2016</u>	<u>Sep, 2016</u>
Total Supply Volumes Purchased	MCF	2,897	3,214	3,326
Total Cost Of Volumes Purchased	\$\$\$	\$8,154	\$8,775	\$9,637
/ Total Sales	MCF	2,783	3,084	3,189
= Unit Cost Of Gas	\$/MCF	\$2.9298	\$2.8453	\$3.0219
- EGC In Effect For Month	\$/MCF	\$3.3787	\$3.3787	\$3.3787
= Difference	\$/MCF	(\$0.4489)	(\$0.5334)	(\$0.3568)
X Actual Sales During Month	\$/MCF	2,783	3,084	3,189
= Monthly Cost Difference	\$\$\$	(\$1,249)	(\$1,645)	(\$1,138)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$4,032)
/ For The Twelve Months Ended September, 2016			MCF	104,516
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.0386)

May Not Be Less Than 95% Of Supply Volume