



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

February 15, 2017

RECEIVED

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

FEB 16 2017
PUBLIC SERVICE
COMMISSION

Case # 2017 - To Be Assigned

Case No. 2017-00076

To Whom It May Concern:

Enclosed please find Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on April 1, 2017. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$3.0378 and the base rate remains \$4.24. The minimum billing rate for the period April 1, 2017 to June 30, 2017 should be \$7.2778 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	\$3.8968
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.8590)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$3.0378

To Be Effective For Service Rendered From: 04/01/2017 to 06/30/2017

A) EXPECTED GAS COST CALCULATION	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$422,898.75
/ For The Twelve Months Ended December, 2016	\$/MCF	108,526
= Expected Gas Cost (EGC)	\$/MCF	\$3.8968

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	(\$0.0965)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0386)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2425)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.4814)
= Actual Adjustment (AA)	\$/MCF	(\$0.8590)

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 December, 2016

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	116,156	1.03	112,773	\$3.75	\$422,898.75
Totals			112,773		\$422,898.75

Line Loss For The Twelve Months Ended December, 2016 Is Based On Purchases Of
And Sales Of 108,526 112,773

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$422,898.75
/ MCF Purchases (4)		112,773
= Average Expected Cost Per MCF Purchased		\$3.75
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		112,773
= Total Expected Gas Cost (SCHEDULE I, A)		\$422,898.75

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 December, 2016</u>	<u>MCF</u>	<u>108,526</u>
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended December, 2016

Particulars	UNIT	Oct, 2016	Nov, 2016	Dec, 2016
Total Supply Volumes Purchased	MCF	4,648	10,616	16,429
Total Cost Of Volumes Purchased	\$\$\$	\$13,123	\$24,779	\$55,843
/ Total Sales	MCF	4,480	10,188	15,797
= Unit Cost Of Gas	\$/MCF	\$2.9293	\$2.4321	\$3.5351
- EGC In Effect For Month	\$/MCF	\$3.4208	\$3.4208	\$3.4208
= Difference	\$/MCF	(\$0.4915)	(\$0.9887)	\$0.1143
X Actual Sales During Month	\$/MCF	4,480	10,188	15,797
= Monthly Cost Difference	\$\$\$	(\$2,202)	(\$10,073)	\$1,805
			UNIT	Amount
Total Cost Difference	\$\$\$			(\$10,470)
/ For The Twelve Months Ended December, 2016	MCF			108,526
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)	\$\$\$			(\$0.0965)

May Not Be Less Than 95% Of Supply Volume