

MAY 23 2018

PUBLIC SERVICE
COMMISSION



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

May 22, 2018

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

Case # 2018 - To Be Assigned

To Whom It May Concern:

Enclosed please find ten (10) copies of Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on July 1, 2018. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.7065 and the base rate remains \$4.24. The minimum billing rate for the period July 1, 2018 to September 30, 2018 should be \$6.9465 for all MCF.

Please include me on all electronic communications regarding tariff filing and purchased gas adjustment filing at Mark.Baldock@kyneuc.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

RECEIVED**MAY 23 2018****SCHEDULE I****GAS COST RECOVERY RATE SUMMARY****PUBLIC SERVICE
COMMISSION**

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.3349
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.6284)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.7065
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To Be Effective For Service Rendered From:	7/1/2018 to 9/30/2018	
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A) EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
Total Expected Gas Cost (SCH II)	\$/MCF	\$578,720.00
/ For The Twelve Months Ended March, 2018	\$/MCF	173,534
= Expected Gas Cost (EGC)	\$/MCF	\$3.3349
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B) REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
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
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C) ACTUAL ADJUSTMENT CALCULATION	UNIT	AMOUNT
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.1420)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2629)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1038)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1197)
= Actual Adjustment (AA)	\$/MCF	(\$0.6284)
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D) BALANCE ADJUSTMENT CALCULATION	UNIT	AMOUNT
+ 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 March, 2018

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	186,276	1.03	180,850	\$3.20	\$578,720.00
Totals			180,850		\$578,720.00

Line Loss For The Twelve Months Ended March, 2018 Is Based On Purchases Of
And Sales Of 173,534

180,850

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6) / MCF Purchases (4)		\$578,720.00
		180,850
= Average Expected Cost Per MCF Purchased		\$3.20
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		180,850
= Total Expected Gas Cost (SCHEDULE I, A)		\$578,720.00

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 March, 2018</u>	MCF	173,534
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE P:

ACTUAL ADJUSTMENT

For The Twelve Months Ended March, 2018

<u>Particulars</u>	<u>UNIT</u>	<u>Jan, 2018</u>	<u>Feb, 2018</u>	<u>Mar, 2018</u>
Total Supply Volumes Purchased	MCF	41,070	23,414	25,042
Total Cost Of Volumes Purchased	\$\$\$	\$141,491	\$60,980	\$63,556
<u>/ Total Sales</u>	<u>MCF</u>	<u>39,620</u>	<u>22,492</u>	<u>23,854</u>
= Unit Cost Of Gas	\$/MCF	\$3.5712	\$2.7112	\$2.6644
- EGC In Effect For Month	\$/MCF	\$3.3812	\$3.3812	\$3.3812
= Difference	\$/MCF	\$0.1900	(\$0.6700)	(\$0.7168)
X Actual Sales During Month	\$/MCF	39,620	22,492	23,854
= Monthly Cost Difference	\$\$\$	\$7,527	(\$15,070)	(\$17,099)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$24,641)
<u>/ For The Twelve Months Ended March, 2018</u>			MCF	<u>173,534</u>
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	<u>(\$0.1420)</u>

May Not Be Less Than 95% Of Supply Volume