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PUBLIC SERVICE
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Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

August 21, 2018

Executive Director
Division Of Financial Analysis
Kentucky Public Service Commissior
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 October 1, 2018. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.7598 and the base rate remains \$4.24. The minimum billing rate for the period October 1, 2018 to December 31, 2018 should be \$6.9998 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

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.4725
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.7127)
Balance Adjustment (BA)	\$/MCF	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.7598
To Be Effective For Service Rendered From: 10/1/2018 to 12/31/2018		
A) EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
Total Expected Gas Cost (SCH II)	\$/MCF	\$644,325.03
/ For The Twelve Months Ended June, 2018	\$/MCF	185,550
= Expected Gas Cost (EGC)	\$/MCF	\$3.4725
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
C) ACTUAL ADJUSTMENT CALCULATION	UNIT	AMOUNT
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.2040)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1420)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2629)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1038)
= Actual Adjustment (AA)	\$/MCF	(\$0.7127)
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 June, 2018

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	199,296	1.03	193,491	\$3.33	\$644,325.03
Totals			193,491		\$644,325.03

Line Loss For The Twelve Months Ended June, 2018 Is Based On Purchases Of 193,491
And Sales Of 185,550

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$644,325.03
/ MCF Purchases (4)		193,491
= Average Expected Cost Per MCF Purchased		\$3.33
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		193,491
= Total Expected Gas Cost (SCHEDULE I, A)		\$644,325.03

SCHEDULE III

REFUND ADJUSTMENTS

	UNIT	AMOUNT
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
/ For The Twelve Months Ended June, 2018	MCF	185,550
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended June, 2018

<u>Particulars</u>	<u>UNIT</u>	<u>Apr, 2018</u>	<u>May, 2018</u>	<u>Jun, 2018</u>
Total Supply Volumes Purchased	MCF	17,940	5,644	4,673
Total Cost Of Volumes Purchased	\$\$\$	\$47,116	\$15,017	\$13,251
/ Total Sales	MCF	17,161	5,422	4,451
= Unit Cost Of Gas	\$/MCF	\$2.7455	\$2.7696	\$2.9771
- EGC In Effect For Month	\$/MCF	\$4.1884	\$4.1884	\$4.1884
= Difference	\$/MCF	(\$1.4429)	(\$1.4188)	(\$1.2113)
X Actual Sales During Month	\$/MCF	17,161	5,422	4,451
= Monthly Cost Difference	\$\$\$	(\$24,761)	(\$7,693)	(\$5,391)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$37,845)
/ For The Twelve Months Ended June, 2018			MCF	185,550
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.2040)

May Not Be Less Than 95% Of Supply Volume