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PUBLIC SERVICE
COMMISSION

Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

February 19, 2019

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

Case # 2019 - 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 April 1, 2019. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$3.4300 and the base rate remains \$4.24. The minimum billing rate for the period April 1, 2019 to June 30, 2019 should be \$7.6700 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

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	UNIT	AMOUNT
Expected Gas Cost (EGC)	\$/MCF	\$3.6820
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.2520)
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$3.4300
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To Be Effective For Service Rendered From: 4/1/2019 to 6/30/2019

A) EXPECTED GAS COST CALCULATION

	UNIT	AMOUNT
Total Expected Gas Cost (SCH II)	\$/MCF	\$692,861.34
/ For The Twelve Months Ended December, 2018	\$/MCF	188,173
= Expected Gas Cost (EGC)	\$/MCF	\$3.6820

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	\$0.1266
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0326)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2040)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1420)
= Actual Adjustment (AA)	\$/MCF	(\$0.2520)

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 December, 2018

(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5)
SUPPLIER	DTH's	BTU Factor	MCF	Rate	Cost
Marathon Petroleum	202,166	1.03	196,278	\$3.53	\$692,861.34
Totals			196,278		\$692,861.34

Line Loss For The Twelve Months Ended December, 2018 Is Based On Purchases Of 196,278
And Sales Of 188,173

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$692,861.34
/ MCF Purchases (4)		196,278
= Average Expected Cost Per MCF Purchased		\$3.53
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		196,278
= Total Expected Gas Cost (SCHEDULE I, A)		\$692,861.34

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 December, 2018	MCF	188,173
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended December, 2018

<u>Particulars</u>	<u>UNIT</u>	<u>Oct, 2018</u>	<u>Nov, 2018</u>	<u>Dec, 2018</u>
Total Supply Volumes Purchased	MCF	11,842	23,343	28,816
Total Cost Of Volumes Purchased	\$\$\$	\$35,412	\$89,930	\$111,238
/ Total Sales	MCF	11,294	22,303	27,672
= Unit Cost Of Gas	\$/MCF	\$3.1354	\$4.0322	\$4.0199
- EGC In Effect For Month	\$/MCF	\$3.4725	\$3.4725	\$3.4725
= Difference	\$/MCF	(\$0.3371)	\$0.5597	\$0.5474
X Actual Sales During Month	\$/MCF	11,294	22,303	27,672
= Monthly Cost Difference	\$\$\$	(\$3,807)	\$12,483	\$15,147
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	\$23,824
/ For The Twelve Months Ended December, 2018			MCF	188,173
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	\$0.1266

May Not Be Less Than 95% Of Supply Volume