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MAY 17 2019

PUBLIC SERVICE
COMMISSION



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

May 15, 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 July 1, 2019. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.7064 and the base rate remains \$4.24. The minimum billing rate for the period July 1, 2019 to September 30, 2019 should be \$6.9464 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	\$3.1661
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.4597)
Balance Adjustment (BA)	\$/MCF	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.7064

To Be Effective For Service Rendered From: 7/1/2019 to 9/30/2019

A) EXPECTED GAS COST CALCULATION	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$598,109.88
/ For The Twelve Months Ended March, 2019	\$/MCF	188,913
= Expected Gas Cost (EGC)	\$/MCF	\$3.1661

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	(\$0.3497)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.1266
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0326)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2040)
= Actual Adjustment (AA)	\$/MCF	(\$0.4597)

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 March, 2019

(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5) Cost
SUPPLIER	DTH's	BTU Factor	MCF	Rate	
Marathon Petroleum	203,318	1.03	197,396	\$3.03	\$598,109.88
Totals			197,396		\$598,109.88

Line Loss For The Twelve Months Ended March, 2019 Is Based On Purchases Of 197,396
And Sales Of 188,913

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$598,109.88
/ MCF Purchases (4)		197,396
= Average Expected Cost Per MCF Purchased		\$3.03
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		197,396
= Total Expected Gas Cost (SCHEDULE I, A)		\$598,109.88

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, 2019</u>	<u>MCF</u>	<u>188,913</u>
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended March, 2019

<u>Particulars</u>	<u>UNIT</u>	<u>Jan, 2019</u>	<u>Feb, 2019</u>	<u>Mar, 2019</u>
Total Supply Volumes Purchased	MCF	37,630	27,104	25,910
Total Cost Of Volumes Purchased	\$\$\$	\$111,402	\$70,441	\$73,999
/ Total Sales	MCF	35,949	25,841	24,916
= Unit Cost Of Gas	\$/MCF	\$3.0989	\$2.7259	\$2.9700
- EGC In Effect For Month	\$/MCF	\$3.7125	\$3.7125	\$3.7125
= Difference	\$/MCF	(\$0.6136)	(\$0.9866)	(\$0.7425)
X Actual Sales During Month	\$/MCF	35,949	25,841	24,916
= Monthly Cost Difference	\$\$\$	(\$22,058)	(\$25,494)	(\$18,501)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$66,054)
/ For The Twelve Months Ended March, 2019			MCF	188,913
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.3497)

May Not Be Less Than 95% Of Supply Volume