Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102 RECEIVED

Mr. Thomas M. Dorman Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40602 JUN 1 2004

PUBLIC SERVICE COMMISSION

May 28, 2004

2004-00208

RECEIVED

JUN 7 - 2004

Case #: 2004-00???

FINANCIALANALYSIS

Dear Mr. Dorman

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2004-00???. The calculated gas cost recovery rate enclosed in this report is \$6.0540 and the base rate is \$4.24. The minimum billing rate starting July 01, 2004 should be \$10.2940 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerery

Jay Freeman

President

Enclosure

606 324-3920 Fax: 606 325-2991



SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

COM	PONENT	UNIT	AMOUNT
EVDECTED GAS COS	T ADJUSTMENT (EGCA)	\$/MCF	\$6.4125
+ REFUND ADJUSTME		\$/MCF	\$0.0000
+ ACTUAL COST ADJ		\$/MCF	(\$0.3585)
= GAS COST RECOVE	•	\$/MCF	\$6.0540
- GAS COST RECOVE	KT KAIL (GOIN)	* '	
GCRR to be effective for	r service rendered from July 1, 2004 to September 30, 2004		
Α.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EVDECTED O	GAS COST (SCHEULE II)	\$	\$556,919.21
	MONTHS ENDED Mar-04	MCF	86,849
/ SALES FOR THE 12 P	WONTHS ENDED NAME OF		·
= EXPECTED GAS CO	ST ADJUSTMENT (ECA)	\$/MCF	\$6.4125
В.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND	ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	ER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
= REFUND ADJUSTM		\$/MCF	\$0.00
C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADI	FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	(\$0.0075)
	ER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.2360)
	S QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0253)
	OUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0897)
= ACTUAL COST ADJ		S/MCF	(\$0.3585)
1010/IL COST ND	~~~~~	•	,



SCHEDULE II

EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR	12 MONTHS E	NDED Mai	r-04		
(1)	(2)	(3)	(4)	(5)	(6)
(-)		BTU			(4)*(5)
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
		FACTOR			
North Coast Energy	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	89,328	1.0300	86,726	\$6.250	\$542,038
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0
COLUMBIA GAS	0	1.1000		\$0.000	\$ 0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$ 0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
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COASTAL GAS MARKETING	0	1.1000		\$0.000	\$ 0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$ 0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$ 0
KOG	0	1.1000	0	\$0.000	\$0
ADJUSTMENT FOR ANTICIPATION	OF DECREAS	ED PURCHASE REQ	UIREMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	89,328	1.0300	86,726	\$6.25	\$542,037.50
			_	NIT	AMOUNT
TOTAL EXPECTED COST OF PU	RCHASES (6)		\$		\$542,037.50
/ MCF PURCHASES (4)				ACF	86,726
= AVERAGE EXPECTED COST PER MCF PURCHASED				/MCF	\$6.2500
* ALLOWABLE MCF PURCHASES				ACF	89,107
(MUST NOT EXCEED MCF SALI			\$		0000 010 01
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)					\$556,919.21



SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

DETAILS FOR THE 9 MONTHS ENDED

Mar-04

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTEREST	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED Mar-04	MCF	86,849
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00



For the 3 month period ended:	Mar-04		(T. 0.0)	(F.) AA)	(Mar-04)
Particulars		Unit	(Jan-04)	(Feb-04)	(Mai-04)
Total Supply Volumes Purchased		Mcf	16,786	14,942	9,540
Total Cost of Volumes Purchased		\$	\$104,886	\$85,373	\$52,958
Total Sales					
(may not be less than 95% of supply volumes)		Mcf	16,408	14,625	9,840
Unit cost of Gas		\$/Mcf	\$6.3923	\$5.8374	\$5.3820
EGC in effect for month		\$/Mcf	\$5.9664	\$5.9664	\$5.9664
Difference [(Over-)/Under-Recovery]		\$/Mcf	\$0.4259	(\$0.1290)	(\$0.5844)
Actual sales during month		Mcf	16,408	14,625	9,840
Monthly cost difference		\$	\$6,988.95	(\$1,885.99)	(\$5,750.93)
			U	'nit	Amount
The Association of the Associati	ah 2\		\$		(\$647.97)
Total cost difference (Month 1 + Month 2 + Mon	im 2)		•		
Sales for 12 Months ended	Mar-04		M	lcf	86,849
Actual Adjustment for the Reporting Period			\$	/Mcf	(\$0.0075)



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO._H__

SHEET NO. _I__

RULES	AND	REGU.	LATI	ONS
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2) RATES: The following rates are applicable for service rendered on a monthly

Minimum bill: \$10.294 - covers 0-1 MCF

Cost Per MCF: \$10.294

basis:

A copy of the Company's billing format is attached on Sheet 21.

- 2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).
- 3) CUSTOMER CLASSIFICATIONS:

Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial:Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 07/01/04

MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. MGR. MGR. TITLE