



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

RECEIVED

AUG 30 2005

PUBLIC SERVICE
COMMISSION

August 29, 2005

Case #: 2005-00000

Case No. 2005-00345

Dear Ms. O'Donnell

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 2005-00000. The calculated gas cost recovery rate enclosed in this report is \$9.7160 and the base rate is \$4.24. The minimum billing rate starting October 01, 2005 should be \$13.9560 for all MCF.

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

Sincerely

H. Jay Freeman
President

Enclosure

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

COMPONENT	UNIT	AMOUNT
EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$10.0035
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	(\$0.2875)
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$9.7160

GCRR to be effective for service rendered from October 1 to Dec. 31, 2005

A.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	TOTAL EXPECTED GAS COST (SCHEDULE II)	\$	\$889,371.17
	/ SALES FOR THE 12 MONTHS ENDED _____ Jun-05	MCF	88,906
	= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$10.0035

B.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	SUPPLIER REFUND ADJUSTMENT FOR REPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	+ PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	= REFUND ADJUSTMENT (RA)	\$/MCF	\$0.00

C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
	ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	\$0.0744
	+ PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.4282)
	+ SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0823
	+ THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0160)
	= ACTUAL COST ADJUSTMENT (ACA)	\$/MCF	(\$0.2875)

SCHEDULE II

EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED (1)	(2)	Jun-05 (3) BTU CONVERSION FACTOR	(4) MCF	(5) RATE	(6) (4)*(5) COST
NORTH COAST ENERGY	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	92,340	1.0300	89,650	\$9.750	\$874,088
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
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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
KOG	0	1.1000	0	\$0.000	\$0
<i>ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS</i>					
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	92,340	1.0300	89,650	\$9.75	\$874,087.50

TOTAL EXPECTED COST OF PURCHASES (6)	UNIT	AMOUNT
/ MCF PURCHASES (4)	\$	\$874,087.50
= AVERAGE EXPECTED COST PER MCF PURCHASED	MCF	89,650
* ALLOWABLE MCF PURCHASES	\$/MCF	\$9.7500
(MUST NOT EXCEED MCF SALES / .95)	MCF	91,218
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$889,371.17

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

DETAILS FOR THE 9 MONTHS ENDED

Jun-05

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST	\$	\$0.00
= REFUND ADJUSTMENT INCLUDING INTEREST	\$	\$0.00
/ SALES FOR 12 MONTHS ENDED	MCF	88,906
	Jun-05	
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended:	Jun-05				
Particulars		Unit	(Apr-05)	(May-05)	(Jun-05)
Total Supply Volumes Purchased		Mcf	6,056	4,483	2,890
Total Cost of Volumes Purchased		\$	\$44,737	\$30,295	\$21,352
Total Sales (may not be less than 95% of supply volumes)		Mcf	5,920	4,510	2,850
Unit cost of Gas		\$/Mcf	\$7.5570	\$6.7173	\$7.4919
EGC in effect for month		\$/Mcf	\$6.7597	\$6.7597	\$6.7597
Difference [(Over-)/Under-Recovery]		\$/Mcf	\$0.7973	(\$0.0424)	\$0.7322
Actual sales during month		Mcf	5,920	4,510	2,850
Monthly cost difference		\$	\$4,720.06	(\$191.03)	\$2,086.75

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$6,615.79
Sales for 12 Months ended	Mcf	88,906
Actual Adjustment for the Reporting Period	\$/Mcf	\$0.0744

