# 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

March 14, 2006

MAR 1 5 2006

Case #: 2005-00000 7006-00119

PUBLIC SERVICE COMMISSION

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 \$7.7897 and the base rate is \$4.24. The minimum billing rate starting April 1, 2006 should be \$12.0297 for all MCF.

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

Sincerely

I Jay Freeman

President

**Enclosure** 

606 324-3920

Fax: 606 325-2991



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.\_N\_\_

	SHEET	NO.	0
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#### RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$12.0297 - covers 0-1 MCF

Cost Per MCF: \$12.0297

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 04/01/06
MONTH DAY TEAR	MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN	MGR. President
NAME OF OFFICER	TITLE

## SCHEDULE I

## GAS COST RECOVERY RATE SUMMARY

COMPONI	ENT	UNIT	AMOUNT
EXPECTED GAS COST AD + REFUND ADJUSTMENT + ACTUAL COST ADJUSTM = GAS COST RECOVERY R	(RA) IENTS (ACA) ATE (GCRR)	\$/MCF \$/MCF \$/MCF \$/MCF	\$7.2512 \$0.0000 \$0.5385 \$7.7897
GCRR to be effective for servi	ce rendered from January 1 to March 31, 2006		
A	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS C / SALES FOR THE 12 MONT	· · · · · · · · · · · · · · · · · · ·	\$ MCF	\$659,295.00 90,922
= EXPECTED GAS COST AI	DJUSTMENT (ECA)	\$/MCF	\$7.2512
В.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
+ PREVIOUS QUARTER SU: + SECOND PREVIOUS QUA	STMENT FOR REPPORTING PERIOD(SCHIII) PPLIER REFUND ADJUSTMENT RTER SUPPLIER REFUND ADJUSTMENT IER SUPPLIER REFUND ADJUSTMENT RA)	\$/MCF \$/MCF \$/MCF \$/MCF	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00
C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
+ PREVIOUS QUARTER RE + SECOND PREVIOUS QUA	THE REPORTING PERIOD (SCH. IV) PORTED ACTUAL COST ADJUSTMENT RTER REPORTED ACTUAL COST ADJUSTMENT FER REPORTED ACTUAL COST ADJUSTMENT FER REPORTED ACTUAL COST ADJUSTMENT FENT (ACA)	\$/MCF \$/MCF \$/MCF \$/MCF \$/MCF	\$0.6620 \$0.2303 \$0.0744 (\$0.4282) \$0.5385

SCHEDULE II
EXPECTED GAS COST ADJUSTMENT

(I) (2) (3) (4) (5) (6) (4)*(5) (4)*(5) (4)*(5) SUPPLIER DTH CONVERSION MCF RATE COST FACTOR  North Coast Energy 0 1.0740 0 \$5.500 \$5.00 \$644,000 TENNESSEE GAS PIPELINE 0 1.0300 \$2,000 \$7.000 \$644,000 TENNESSEE GAS PIPELINE 0 1.0300 \$50.000 \$0 COASTAL GAS MARKETING 0 1.1000 \$0.000 \$0 COASTAL GAS MARKETING 0 1.0000 \$0.000	ACTUAL * MCF PURCHASES FOR 1	2 MONTHS E	NDED De	ec-05		
North Coast Energy	(1)	(2)	(3)	(4)	(5)	(6)
North Coast Energy			BTU			(4)*(5)
North Coast Energy	SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
MARATHON PETROLEUM CORP.         94,760         1.0300         92,000         \$7,000         \$644,000           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           KOG         0         1.1000         \$0,000         \$0           COASTAL GAS MARKETING         0         1.1000         \$0,000         \$0			FACTOR			
TENNESSEE GAS PIPELINE 0 1.0300 \$0.000 \$0 COLUMBIA GAS 0 1.1000 \$0.000 \$0 COASTAL GAS MARKETING 0 1.000 \$0.000 \$0 COASTAL GAS MARKETING \$0 \$0.000 \$0 COASTAL GAS MAR	North Coast Energy	0	1.0740	0	\$5,500	\$0
TENNESSEE GAS PIPELINE 0 1.0300 \$0.000 \$0 COLUMBIA GAS 0 1.1000 \$0.000 \$0 COASTAL GAS MARKETING 0 1.000 \$0.000 \$0 COASTAL GAS MARKETING \$0 \$0.000 \$0 COASTAL GAS MA	MARATHON PETROLEUM CORP.	94,760	1.0300	92,000	\$7.000	\$644,000
COASTAL GAS MARKETING         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           MACF         \$0.000         \$0         \$0           TOTALS         94,760         1.0300         <	TENNESSEE GAS PIPELINE	0	1,0300		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           MCG         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           /MCF         94,000         \$0         \$0         \$0         \$0         \$0         \$0 <td>COLUMBIA GAS</td> <td>0</td> <td>1.1000</td> <td></td> <td>\$0.000</td> <td>\$0</td>	COLUMBIA GAS	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0,000         \$0           KOG         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0350         92,000         \$7.00         \$644,000.00           /MCF         94,760         1.0350         \$0         \$0.00         \$644,000.00           /MCF         92,000         \$0         \$0.00         \$0         \$0.00         \$0	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.0350         0         \$0.00         \$0           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           MCF         92,000         \$MCF         \$92,000         \$44,000.00           ALLOWABLE MCF PURCHASES         MCF         \$7,0000         \$0           ALLOWABLE MCF PURCHASES <td>COASTAL GAS MARKETING</td> <td>0</td> <td>1.1000</td> <td></td> <td>\$0.000</td> <td>\$0</td>	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           /MCF         92,000         *         \$644,000.00         \$644,000.00         \$644,000.00         *           /MCF PURCHASES (4)         MCF         92,000         *         \$7.0000         *           * ALLOWABLE MCF PURCHASES         MCF         \$7.0000         *         *         *         *         *         *         *         *         *         * </td <td>COASTAL GAS MARKETING</td> <td>0</td> <td>1.1000</td> <td></td> <td>\$0.000</td> <td>\$0</td>	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           KOG         0         1.1000         \$0.000         \$0           ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           /MCF         92,000         \$7.00         \$644,000.00         \$0         \$0           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$644,000.00         \$644,000.00         \$0           /MCF         92,000         \$7.0000         \$0         \$0         \$0         \$0           *ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)         MCF         \$1.000         \$0         \$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           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           /MCF PURCHASES (4)         \$644,000.00	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         \$0.000         \$0           KOG         0         1.1000         0         \$0.000         \$0           ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS         MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           MCF         92,000         MCF         92,000           AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES         MCF         94,185           (MUST NOT EXCEED MCF SALES / .95)         **         **	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 DECREASED PURCHASE REQUIREMENTS           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           MCF         94,760         \$0.00         \$0.00         \$0.00         \$0.00         \$0.00           MCF         92,000         \$0.00	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING         0         1.1000         \$0,000         \$0           KOG         0         1.1000         \$0,000         \$0           ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS         MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$644,000.00           /MCF PURCHASES (4)         MCF         92,000           = AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES         MCF         94,185           (MUST NOT EXCEED MCF SALES / .95)         MCF         94,185	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
KOG         0         1.1000         0         \$0.000         \$0           ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS         NARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$644,000.00           / MCF PURCHASES (4)         MCF         92,000           = AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES (5)         MCF         94,185           (MUST NOT EXCEED MCF SALES / .95)         ***         ***	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS           MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$644,000.00           / MCF PURCHASES (4)         MCF         92,000           = AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)         MCF         94,185	COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$ \$644,000.00           / MCF PURCHASES (4)         MCF         92,000           = AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES (95)         MCF         94,185	KOG	0	1.1000	0	\$0.000	\$0
MARKETER         0         1.0350         0         \$0.00         \$0           TOTALS         94,760         1.0300         92,000         \$7.00         \$644,000.00           TOTAL EXPECTED COST OF PURCHASES (6)         \$         \$ \$644,000.00           / MCF PURCHASES (4)         MCF         92,000           = AVERAGE EXPECTED COST PER MCF PURCHASED         \$/MCF         \$7.0000           * ALLOWABLE MCF PURCHASES (95)         MCF         94,185	ADJUSTMENT FOR ANTICIPATION O	OF DECREASI	ED PURCHASE REO	UIREMENTS		
TOTALS 94,760 1.0300 92,000 \$7.00 \$644,000.00  UNIT AMOUNT TOTAL EXPECTED COST OF PURCHASES (6)  MCF PURCHASES (4)  AVERAGE EXPECTED COST PER MCF PURCHASED  ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)					\$0.00	\$0
UNIT AMOUNT TOTAL EXPECTED COST OF PURCHASES (6) \$ \$644,000.00  / MCF PURCHASES (4) MCF 92,000  = AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7.0000  * ALLOWABLE MCF PURCHASES MCF 94,185  (MUST NOT EXCEED MCF SALES / .95)		-			*****	***
TOTAL EXPECTED COST OF PURCHASES (6) \$ \$644,000.00  / MCF PURCHASES (4) MCF 92,000  = AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7.0000  * ALLOWABLE MCF PURCHASES MCF 94,185  (MUST NOT EXCEED MCF SALES / .95)	TOTALS	94,760	1.0300	92,000	\$7.00	\$644,000.00
TOTAL EXPECTED COST OF PURCHASES (6) \$ \$644,000.00  / MCF PURCHASES (4) MCF 92,000  = AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7.0000  * ALLOWABLE MCF PURCHASES MCF 94,185  (MUST NOT EXCEED MCF SALES / .95)						
/ MCF PURCHASES (4) MCF 92,000 = AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7.0000 * ALLOWABLE MCF PURCHASES MCF 94,185 (MUST NOT EXCEED MCF SALES / .95)				U	NIT	AMOUNT
= AVERAGE EXPECTED COST PER MCF PURCHASED \$/MCF \$7.0000  * ALLOWABLE MCF PURCHASES MCF 94,185  (MUST NOT EXCEED MCF SALES / .95)				\$644,000.00		
* ALLOWABLE MCF PURCHASES MCF 94,185 (MUST NOT EXCEED MCF SALES / .95)	* * *			M	92,000	
(MUST NOT EXCEED MCF SALES / .95)		MCF PURCH	ASED	\$/.	\$7.0000	
·			M	CF	94,185	
	*	IA.)	\$	\$ \$659.295.00		

# SCHEDULE III

# SUPPLIER REFUND ADJUSTMENT

DETAILS FOR THE 9 MONTHS ENDED

Dec-05

PARTICULARS	•	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTEREST	r	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED	Dec-05	MCF	90,922
= SUPPLIER REFUND ADJUSTMENT FOR THE RE (TO SCHEDULE IB.)	EPORTING PERIOD	\$/MCF	\$0.00

#### SCHEDULE IV ACTUAL ADJUSTMENT

For the 3 month period ended:	Dec-05	Unit	(Oct-05)	(Nov-05)	(Dec-05)
I di ucuiais			` '	•	` ,
Total Supply Volumes Purchased		Mcf	4,050	9,500	15,000
Total Cost of Volumes Purchased		\$	\$52,637	\$86,799	\$194,646
Total Sales (may not be less than 95% of		N.E	3,959	9,192	15,503
supply volumes)		Mcf	3,939	9,192	13,203
Unit cost of Gas		\$/Mcf	\$13.2955	\$9.4429	\$12.5554
EGC in effect for month		\$/Mcf	\$9.5585	\$9.5585	\$9.5585
Difference [(Over-)/Under-Recovery]		\$/Mcf	\$3.7370	(\$0.1156)	\$2.9969
Actual sales during month		Mcf	3,959	9,192	15,503
Monthly cost difference		\$	\$14,794.90	(\$1,062.73)	\$46,460.57
				Unit	Amount
Total cost difference (Month 1 + Month 2 + Month	3)			\$	\$60,192.74
Sales for 12 Months ended	Dec-05			Mcf	90,922
Actual Adjustment for the Reporting Period (to Schedule IC.)				\$/Mcf	\$0.6620