



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

June 17, 2006

Case #: 2006-00119

2006-00305

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JUN 19 2006

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COMMISSION

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FINANCIAL ANA

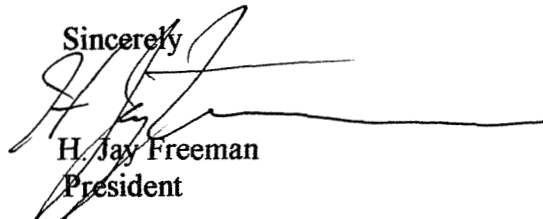
Dear Ms. O'Donnell

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 2006-00119. The calculated gas cost recovery rate enclosed in this report is \$6.8553 and the base rate is \$4.24. The minimum billing rate starting April 1, 2006 should be \$11.0953 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	\$7.0029
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	(\$0.1476)
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$6.8553

GCRR to be effective for service rendered from April 1 to June 30, 2006

A.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	TOTAL EXPECTED GAS COST (SCHEDULE II)	\$	\$600,750.00
	/ SALES FOR THE 12 MONTHS ENDED _____ Mar-06	MCF	85,786
	= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$7.0029

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	(\$1.1143)
	+ PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.6620
	+ SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.2303
	+ THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0744
	= ACTUAL COST ADJUSTMENT (ACA)	\$/MCF	(\$0.1476)

SCHEDULE II

EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED			Mar-06		
(1)	(2)	(3)	(4)	(5)	(6)
SUPPLIER	DTH	BTU CONVERSION FACTOR	MCF	RATE	(4)*(5) COST
North Coast Energy	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	88,580	1.0300	86,000	\$6.750	\$580,500
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
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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	88,580	1.0300	86,000	\$6.75	\$580,500.00

TOTAL EXPECTED COST OF PURCHASES (6)	UNIT	AMOUNT
/ MCF PURCHASES (4)	\$	\$580,500.00
= AVERAGE EXPECTED COST PER MCF PURCHASED	MCF	86,000
* ALLOWABLE MCF PURCHASES	\$/MCF	\$6.7500
(MUST NOT EXCEED MCF SALES / .95)	MCF	89,000
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$600,750.00

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

DETAILS FOR THE 9 MONTHS ENDED

Mar-06

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST	\$	\$0.00
= REFUND ADJUSTMENT INCLUDING INTEREST	\$	\$0.00
/ SALES FOR 12 MONTHS ENDED	MCF	85,786
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended:	Particulars	Mar-06	Unit	(Jan-06)	(Feb-06)	(Mar-06)
	Total Supply Volumes Purchased		Mcf	11,250	14,691	10,500
	Total Cost of Volumes Purchased		\$	\$101,791	\$116,077	\$77,960
	Total Sales (may not be less than 95% of supply volumes)		Mcf	10,938	13,998	10,217
	Unit cost of Gas		\$/Mcf	\$9.3062	\$8.2924	\$7.6305
	EGC in effect for month		\$/Mcf	\$11.1348	\$11.1348	\$11.1348
	Difference [(Over-)/Under-Recovery]		\$/Mcf	(\$1.8286)	(\$2.8424)	(\$3.5043)
	Actual sales during month		Mcf	10,938	13,998	10,217
	Monthly cost difference		\$	(\$20,001.32)	(\$39,788.40)	(\$35,803.85)

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(\$95,593.57)
Sales for 12 Months ended	Mcf	85,786
Actual Adjustment for the Reporting Period	\$/Mcf	(\$1.1143)

