

2560 Hoods Creek Pike . Ashland, Kentucky 41102

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

Received JUN 79 2006

PUBLIC SERVICE COMMISSION

June 17, 2006

Case #: 2006-00119 7006-00 305

RECEIVED JUN 19 2006

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.

Sincerek Max Freeman resident

Enclosure

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

COM	PONENT	UNIT	AMOUNT
EXPECTED GAS COST ADJUSTMENT (EGCA)		\$/MCF	\$7.0029
+ REFUND ADJUSTME	ENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJI	JSTMENTS (ACA)	\$/MCF	(\$0.1476)
= GAS COST RECOVE		\$/MCF	\$6.8553
GCRR to be effective for	service rendered from April 1 to June 30, 2006		
А.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
		.	\$ 666 5 66 65
	AS COST (SCHEULE II)	\$	\$600,750.00
/ SALES FOR THE 12 N	MONTHS ENDED Mar-06	MCF	85,786
= EXPECTED GAS COS	ST ADJUSTMENT (ECA)	\$/MCF	\$7.0029
В.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	DJUSTMENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
+ PREVIOUS QUARTE	R SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT		\$/MCF	\$0.00
= REFUND ADJUSTME	ENT (RA)	\$/MCF	\$0.00
С.	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 Q	UARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0744
= ACTUAL COST ADJU	JSTMENT (ACA)	\$/MCF	(\$0.1476)

SCHEDULE II

EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR	12 MONTHS E	NDED Ma	ar-06		
(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.	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
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 DECREASE	ED PURCHASE REQ	UIREMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	88,580	1.0300	86,000	\$6.75	\$580,500.00
			U	NIT	AMOUNT
TOTAL EXPECTED COST OF PUR		\$		\$580,500.00	
/ MCF PURCHASES (4)			M	ICF	86,000
= AVERAGE EXPECTED COST PER MCF PURCHASED				MCF	\$6.7500
* ALLOWABLE MCF PURCHASES				CF	89,000
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(MUST NOT EXCEED MCF SALES / .95)

= 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 = REFUND ADJUSTMENT INCLUDING INTEREST	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED Mar-06	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	Mar-06	Mcf	85,786
Actual Adjustment for the Reporting Period		\$/Mcf	(\$1.1143)

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._O___

SHEET NO. P

RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$11.0953 - covers 0-1 MCF Cost Per MCF: \$11.0953

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 07/01/06 MONTH DAY DAY YEAR MONTH nesida i ISSUED BY H. JAY FREEMAN, NAME OF OFFICER TITLE