



# 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**

August 30, 2006

AUG 31 2006

Case #: 2006-00305

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 2006-00305. The calculated gas cost recovery rate enclosed in this report is \$6.5163 and the base rate is \$4.24. The minimum billing rate starting July 1, 2006 should be \$10.7563 for all MCF.

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

Sincerely

H. Jay Freeman  
President

Enclosure







Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
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Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

August 29, 2006

Mr. H. Jay Freeman  
General Manager  
Natural Energy Utility Corporation  
2560 Hoods Creek Pike  
Ashland, Kentucky 41102

RE: Case No. 2006-00305  
First Reminder Letter

Dear Mr. Freeman:

The Commission entered the enclosed Final Order in this case on June 27, 2006. It was ordered that "Within 20 days of the date of this Order, Natural energy shall file with the Commission its revised tariff sheets setting out the rates authorized herein." To date, this information has not been received. Please make the filing, referencing Case Number 2006-00305, not later than 15 days from the date of this letter.

If you have questions concerning this letter, please contact Mike Burford of the Filings Division at (502) 564-3940, extension 266. Otherwise, please mail the required filing to Beth O'Donnell, Executive Director, Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Sincerely,

Michael F. Burford  
Director  
Division of Filings

Enclosure  
/mb

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF NATURAL        )    CASE NO. 2006-00305  
ENERGY UTILITY CORPORATION            )

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ("Natural Energy"), formerly American Natural Gas Corporation, and provided for their further adjustment in accordance with Natural Energy's gas cost adjustment ("GCA").<sup>1</sup>

On June 19, 2006, Natural Energy filed its proposed GCA to be effective July 1, 2006.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Natural Energy's notice sets out an expected gas cost ("EGC") of \$7.0029 per Mcf. Natural Energy incorrectly adjusted its EGC for line loss. Correcting for this error produces an EGC of \$6.7668, which is a decrease of 31.62 cents per Mcf from the previous EGC of \$7.0830.
3. Natural Energy's notice sets out no current quarter supplier refund adjustment ("RA"). Natural Energy's notice sets out no total RA.

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<sup>1</sup> Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company, Order dated December 18, 1991.

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of (\$1.1143) per Mcf. Natural Energy incorrectly calculated its AA by using the GCA rather than the EGC for the months involved. Correcting for this produces a current quarter AA of (\$1.1312) per Mcf. Natural Energy's total AA is (25.05) cents per Mcf, which is a decrease of 70.30 cents per Mcf from the previous total AA.

5. Natural Energy's GCA is \$6.5163 per Mcf, which is a decrease of \$1.0192 per Mcf from the previous GCA of \$7.5355.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Natural Energy on and after July 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Natural Energy are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2006.
3. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of June, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00305 DATED June 27, 2006.

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$6.5163	\$10.7563

Minimum Bill

The minimum bill shall be \$10.7563