



Steven L. Beshear  
Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Larry R. Bond  
Commissioner  
Department of Public Protection

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

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

March 31, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00073  
Natural Energy Utility Corporation

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 31, 2008.

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Executive Director

SS/tw  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF NATURAL        )    CASE NO. 2008-00073  
ENERGY UTILITY CORPORATION            )

ORDER

On February 28, 2008, pursuant to the terms of its Purchased Gas Adjustment Clause, Natural Energy Utility Corporation ("Natural Energy") filed its quarterly report with the Commission to update its Gas Cost Recovery ("GCR") rate to be effective April 1, 2008. Natural Energy revised its filing on March 17, 2008.

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 \$8.3462 per Mcf, which is an increase of \$1.1574 per Mcf from the previous EGC of \$7.1888.
3. Natural Energy's notice sets out no current quarter supplier Refund Adjustment ("RA"). Natural Energy's notice sets out no total RA.
4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of \$0 per Mcf. Natural Energy miscalculated the total cost difference for October, November and December 2007. Correcting for this produces a current quarter AA of (\$.0069) per Mcf. Natural Energy also carried forward incorrect AAs from previous

quarters. After correcting for this, Natural Energy's total AA is (\$.1538) per Mcf, which is an increase of \$.0088 per Mcf from the previous total AA.

5. Natural Energy's GCR is \$8.1924 per Mcf, which is an increase of \$1.1662 per Mcf from the previous GCR of \$7.0262.

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 April 1, 2008.

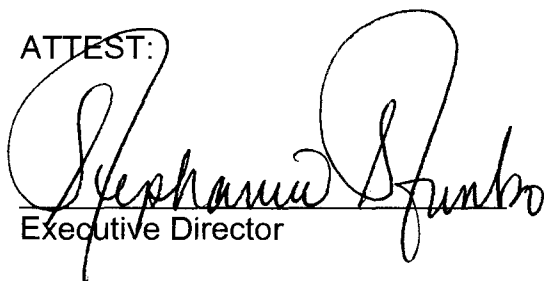
IT IS THEREFORE ORDERED that:

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 April 1, 2008.
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 31st day of March, 2008.

By the Commission

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00073 DATED MARCH 31, 2008

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 the 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	\$8.1924	\$12.4324

Minimum Bill

The minimum bill shall be \$12.4324