



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

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JUN 01 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen

Executive Director

Kentucky Public Service Commission

211 Sower Blvd.

Frankfort, KY. 40602

2010-00218

May 1, 2010

Case # 2010-?????

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky Public Service Commission (PSC). The enclosed report has a case number of 2009-00481. The calculated gas cost recovery rate for this reporting period is \$5.3678. The base rate remains \$4.24. The minimum billing rate starting July 01, 2010 should be \$9.6078 for all MCF.

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

Sincerely

H. Jay Freeman

President



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. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

2) **RATES:**

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

Minimum bill: \$9.6078 - covers 0-1 MCF
Cost Per MCF: \$9.6078

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 05/28/10 DATE EFFECTIVE 07/01/10
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$5.1245
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	\$0.2433
Balance Adjustment (BA)	\$/MCF	<u>\$0.0000</u>
 Gas Cost Recovery Rate (GCR)	 \$/MCF	 <u>\$5.3678</u>

to be effective for service rendered from: 07-01-10 to 09-30-10

A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$525,000.00
/ Sales for the 12 Months ended: March-10	\$/MCF	<u>102,449</u>
= Expected Gas Cost (EGC)	\$/MCF	\$5.1245

B) REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Supplier refund adjustment for reporting period (SCH III)	\$/MCF	\$0.0000
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	<u>\$0.0000</u>
 = Refund Adjustment (RA)	 \$/MCF	 \$0.0000

C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	\$0.5532
+ Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.1996)
+ Second Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0060)
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	<u>(\$0.1043)</u>
 = Actual Adjustment (AA)	 \$/MCF	 \$0.2433

D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (SCH V)	\$/MCF	\$0.0000
+ Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Reported Balance Adjustment	\$/MCF	<u>\$0.0000</u>
 = Balance Adjustment (BA)	 \$/MCF	 \$0.0000

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended 3/31/2010

(1)	(2)	(3) BTU	(4)	(5)	(6) (4) X (5)	
Supplier	Dth	Conversion Factor	Mcf	Rate	Cost	
Marathon Petroleum	108,150		1.03	105,000	\$5.00	\$525,000

Totals				105,000	\$525,000.00
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Line loss for 12 months ended 03/31/2010 is based on purchase of 105,000
and sales of 102,449 Mcf

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$525,000.00
/ Mcf Purchases (4)		105,000
<hr/>		
= Average Expected Cost Per Mcf Purchased		\$5.00
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		102,449
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= Total Expected Gas Cost (to Schedule I A)		\$512,245.00

SCHEDULE III

REFUND ADJUSTMENTS

	<u>Unit</u>	<u>Amount</u>
Total Supplier Refuds Received	\$	\$0.00
+ INTEREST	\$	\$0.00
= Refund Adjustment including Interest	\$	\$0.00
/ Sales for 12 Months Ended Mar-10	Mcf	102,449
= Supplier Refund Adjustment for the Reporting Period (To Schedule IB)	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended: Mar-10

<u>Particulars</u>	<u>Unit</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>
Total Supply Volumes Purchased	Mcf	19,000	19,750	12,500
Total Cost of Volumes Purchased	\$	\$117,762	\$112,334	\$58,038
/ Total Sales	Mcf	18,735	19,585	12,381
= Unit Cost of Gas	\$/Mcf	\$6.2857	\$5.7357	\$4.6876
- EGC in Effect fo Month	\$/Mcf	\$4.5651	\$4.5651	\$4.5651
= Difference	\$/Mcf	\$1.7206	\$1.1706	\$0.1225
X Actual Sales during Month	Mcf	18,735	19,585	12,381
= Monthly Cost Difference	\$	\$32,235	\$22,927	\$1,517

		<u>Unit</u>	<u>Amount</u>
Total Cost Difference		\$	\$56,678
/ Sales for 12 Months ended	Mar-10	Mcf	102,449
= Actual Adjustment for the Reporting Period (to SCH IC)		\$	\$0.5532

May not be less than 95% of Supply Volume