2560 Hoods Creek Pike • Ashland, Kentucky 41102

Mr. Jeff Derouen

**Executive Director** 

**Kentucky Public Service Commission** 

211 Sower Blvd.

Frankfort, KY. 40602

August 30, 2010

Case # 2010-?????

PECEIVED

SEP 0 1 2010

PUBLIC SERVICE COMMISSION

2010 - 00352

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 2010-00???. The calculated gas cost recovery rate for this reporting period is \$5.0850. The base rate remains \$4.24. The minimum billing rate starting July 01, 2010 should be \$9.3250 for all MCF.

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

606 324-3920 Fax: 606 325-2991

Say Freeman

esident



### FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

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CANCELLING P.S.C. KY. NO.

#### RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$9.0850 - covers 0-1 MCF

Cost Per MCF: \$9.0850

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 08/30/10

DATE EFFECTIVE 10/01/10

MONTH DAY

MONTH

DAY YEAR

ISSUED BY H. JAY FREEMAN/ NAME OF OFFICER MGR.

TITLE

### SCHEDULE I

# GAS COST RECOVERY RATE SUMMARY

Component	<u>Unit</u>	<u>Amount</u>		
Expected Gas Cost (EGC) Refund Adjustment (RA) Actual Adjustment (AA) Balance Adjustment (BA)	\$/MCF \$/MCF \$/MCF \$/MCF	\$5.2333 \$0.0000 (\$0.1483) \$0.0000		
Gas Cost Recovery Rate (GCR)	\$/MCF	\$5.0850		
to be effective for service rendered from: 10-1-2010 to 12-31-2010				
A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>		
Total Expected Gas Cost (SCH II) / Sales for the 12 Months ended:  = Expected Gas Cost (EGC)	\$/MCF \$/MCF \$/MCF	\$525,000.00 100,320 \$5.2333		
B) REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	Amount		
Supplier refund adjustment for reporting period (SCH III) + Previous Quarter Supplier Refund Adjustment + Second Previous Quarter Supplier Refund Adjustment + Third Previous Quarter Supplier Refund Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	\$0.0000 \$0.0000 \$0.0000 \$0.0000		
= Refund Adjustment (RA)	\$/MCF	\$0.0000		
C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>		
Actual Adjustment for the Reporting Period (SCH IV) +Previous Quarter Reported Actual Adjustment +Second Previous Quarter Reported Actual Adjustment + Third Previous Quarter Reported Actual Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	(\$0.0923) <b>\$0.1496</b> (\$0.1996) (\$0.0060)		
= Actual Adjustment (AA)	\$/MCF	(\$0.1483)		
D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>		
Balance Adjustment for the Reporting Period (SCH V) + Previous Quarter Reported Balance Adjustment + Second Previous Quarter Reported Balance Adjustment + Third Previous Quarter Reported Balance Adjustment	\$/MCF \$/MCF \$/MCF \$/MCF	\$0.0000 \$0.0000 \$0.0000 \$0.0000		
= Balance Adjustment (BA)	\$/MCF \$0.0000			

# SCHEDULE II

# EXPECTED GAS COST

= Total Expected Gas Cost (to Schedule I A)

Actual Mcf Purchases for 12 m	onths ended 6/3	0/2010						
(1) (2)	(3) BTU	(4	4) (5)	(6) (4) X (5)				
Supplier Dth	Conversion Factor	Mc	f Rate	Cost				
Marathon Petroleum 108,15	50	1.03	105,000	\$5.00 \$525,000				
Totals			105,000	\$525,000.00				
Line loss for 12 months ended <u>06/30/2010</u> is based on purchase of <u>105,000</u> and sales of 100,320 Mcf								
Total Expected Cost of Purchas / Mcf Purchases (4)	ses (6)	n en	<u>Unit</u>	<u>Amount</u> \$525,000.00 105,000				
= Average Expected Cost Per I x Allowable Mcf Purchases (mu		es / .95)		\$5.00 100,320				

\$501,600.00

### SCHEDULE III

# REFUND ADJUSTMENTS

Total Supplier Refuds Received		<u>Unit</u> \$	Amount \$0.00
+ INTEREST = Refund Adjustment including In	terest	\$ \$	\$0.00 \$0.00
/ Sales for 12 Months Ended	Jun-10	Mcf	100,320
= Supplier Refund Adjustment for (To Schedule IB)	r the Reporting Period	\$/Mcf	\$0.00

### SCHEDULE IV

### ACTUAL ADJUSTMENT

For the 12 month period ended:

Jun-10

<u>Particulars</u>	<u>Unit</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>		
Total Supply Volumes Purchased	Mcf	5,250	3,250	2,900		
Total Cost of Volumes Purchased	\$	\$22,671	\$14,990	\$14,767		
/ Total Sales	Mcf	5,204	3,124	2,806		
= Unit Cost of Gas	\$/Mcf	\$4.3564	\$4.7983	\$5,2625		
- EGC in Effect fo Month	\$/Mcf	\$5.5403	\$5.5403	\$5.5403		
= Difference	\$/Mcf	(\$1.1839)	(\$0.7420)	(\$0.2778)		
X Actual Sales during Month	Mcf	5,204	3,124	2,806		
= Monthly Cost Difference	\$	(\$6,161)	(\$2,318)	(\$780)		
		<u>l</u>	<u>Jnit</u>	<u>Amount</u>		
Total Cost Difference		\$	<b>;</b>	(\$9,259)		
/ Sales for 12 Months ended	Jun-10	<u> </u>	Mcf			

\$

(\$0.0923)

= Actual Adjustment for the Reporting Period (to SCH IC)

<sup>\*\*</sup>May not be less than 95% of Supply Volume\*\*