2560 Hoods Creek Pike • Ashland, Kentucky 41102

Mr. Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY. 40602

RECEIVED

MAY 19 2011

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PUBLIC SERVICE COMMISSION

Fax: 606 325-2991

May 18, 2011

606 324-3920

Case # 2011-?????

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 2011-00???. The calculated gas cost recovery rate for this reporting period is \$4.1680. The base rate remains \$4.24. The minimum billing rate starting July 01, 2011 should be \$8.4080 for all MCF.

H. Jay Freeman

President

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

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	\$4.6803 \$0.0000 (\$0.5123) \$0.0000
Gas Cost Recovery Rate (GCR)	\$/MCF	\$4.1680
to be effective for service rendered from: 07-01-2011 to 09-30-2011		
A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	Amount
Total Expected Gas Cost (SCH II)	\$/MCF	\$472,500.00
/ Sales for the 12 Months ended: March 2011	_\$/MCF	100,955 \$4.6803
= Expected Gas Cost (EGC)	\$/MCF	Φ4.0003
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	\$0.0000
= Refund Adjustment (RA)	\$/MCF	\$0.0000
C) ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.0452)
+Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.3745)
+Second Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0003)
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0923)
= Actual Adjustment (AA)	\$/MCF	(\$0.5123)
D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
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	\$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 months ended 3/31/2011							
(1)	(2)	(3) BTU		(4)	(5)		(6) (4) X (5)
Supplier	Dth	Conversion Factor	M	cf	Rate		Cost
Marathon Petroleum	108,150		1.03	105,000		\$4.50	\$472,500
Totals				105,000			\$472,500.00
Line loss for 12 months ended <u>03/31/2011</u> is based on purchase of <u>105,000</u> and sales of 100,955 Mcf							
Total Expected Cost of Mcf Purchases (4)	of Purchase	s (6)		***************************************	<u>Unit</u>		Amount \$472,500.00 105,000
= Average Expected Cost Per Mcf Purchased \$4.50 x Allowable Mcf Purchases (must not exceed Mcf sales / .95) 100,955							

\$454,297.50

SCHEDULE III

REFUND ADJUSTMENTS

		<u>Unit</u>	<u>Amount</u>
Total Supplier Refuds Received		\$	\$0.00
+ INTEREST		\$	\$0.00
= Refund Adjustment including In	nterest	\$	\$0.00
/ Sales for 12 Months Ended	Mar-11	Mcf	100,955
= Supplier Refund Adjustment fo (To Schedule IB)	r the Reporting Period	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended:

Mar-11

<u>Particulars</u>	<u>Unit</u>	<u>Jan-11</u>	Feb-11	<u>Mar-11</u>
Total Supply Volumes Purchased Total Cost of Volumes Purchased	Mcf \$	19,750 \$99,540	16,250 \$81,250	11,500 \$57,385
/ Total Sales	<u>Mcf</u>	19,465	15,909	11,103
= Unit Cost of Gas - EGC in Effect fo Month	\$/Mcf \$/Mcf	\$5.1138 \$5.2227	\$5.1072 \$5.2227	\$5.1684 \$5.2227
= Difference X Actual Sales during Month	\$/Mcf Mcf	(\$0.1089) 19,465	(\$0.1155) 15,909	(\$0.0543) 11,103
= Monthly Cost Difference	\$	(\$2,120)	(\$1,838)	(\$603)
		<u>L</u>	<u>Jnit An</u>	<u>nount</u>
Total Cost Difference		\$		(\$4,560)
/ Sales for 12 Months ended	Mar-11	<u> </u>	<u>/lcf</u>	100,955

(\$0.0452)

\$

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

^{**}May not be less than 95% of Supply Volume**



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.
	SHEE	T NO	•

RULES AND REGULATIONS

2) RATES:

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

Minimum bill: \$8.4080 - covers 0-1 MCF

Cost Per MCF: \$8.4080

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

	A
DATE OF ISSUE 05/18/2011	DATE EFFECTIVE 07/01/11
MONTH DAY //YEAR	MONTH DAY YEAR
X/// _/_	
ISSUED BY H. JAY FREEMAN	MGR. / nes, day
NAME OF OFFICER	TITLE
/ /	