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PUBLIC SERVICE
COMMISSION

Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

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

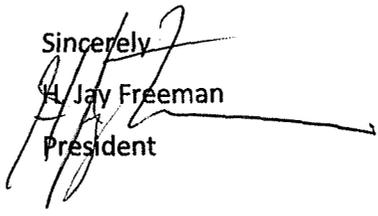
November 26, 2012

Case # 2012-00000

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 2012-00000. The calculated gas cost recovery rate for this reporting period is \$ 3.5205. The base rate remains \$4.24. The minimum billing rate starting July 1, 2012 should be \$ 7.7602 for all MCF.

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

Sincerely,


H. Jay Freeman

President

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|-------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/MCF | \$3.9780 |
| Refund Adjustment (RA) | \$/MCF | \$0.0000 |
| Actual Adjustment (AA) | \$/MCF | (\$0.4575) |
| Balance Adjustment (BA) | \$/MCF | \$0.0000 |

| | | |
|------------------------------|--------|----------|
| Gas Cost Recovery Rate (GCR) | \$/MCF | \$3.5205 |
|------------------------------|--------|----------|

to be effective for service rendered from: 01-01-2013 to 03-31-2013

| A) EXPECTED GAS COST CALCULATION | | | <u>Unit</u> | <u>Amount</u> |
|---|--------|--|-------------|---------------|
| Total Expected Gas Cost (SCH II) | | | \$/MCF | \$362,901.01 |
| / Sales for the 12 Months ended: | Sep-12 | | \$/MCF | 91,227 |
| = Expected Gas Cost (EGC) | | | \$/MCF | \$3.9780 |

| 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> | <u>Amount</u> |
|--|--|--|-------------|---------------|
| Actual Adjustment for the Reporting Period (SCH IV) | | | \$/MCF | 0.0021 |
| + Previous Quarter Supplier Refund Adjustment | | | \$/MCF | (0.1053) |
| + Second Previous Quarter Supplier Refund Adjustment | | | \$/MCF | (0.1608) |
| + Third Previous Quarter Supplier Refund Adjustment | | | \$/MCF | (0.1935) |
| = Actual Adjustment (AA) | | | \$/MCF | (0.4575) |

| D) BALANCE ADJUSTMENT CALCULATION | | | <u>Unit</u> | <u>Amount</u> |
|--|--|--|-------------|---------------|
| + 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 |
| = Balance Adjustment (BA) | | | | \$0.0000 |

SCHEDULE II
EXPECTED GAS COST

Actual MCF Purchases for 12 months ended:

Sep-12

| (1) | (2) | (3) BTU Conv Factor | (4) | (5) | (6) '(4)X(5) Cost |
|--------------------|--------|---------------------------|--------|--------|-------------------------|
| Supplier | DTH's | Conv Factor | MCF | Rate | Cost |
| Marathon Petroleum | 95,790 | 1.03 | 93,000 | \$3.90 | \$362,700.00 |

| | | |
|---------------|---------------|---------------------|
| Totals | 93,000 | \$362,700.00 |
|---------------|---------------|---------------------|

Line loss for 12 months ended 9/30/2012 is based on purchases of 93,000
and sales of 91,227

| | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Expected Cost of Purchases (6) | | \$362,700.00 |
| / MCF Purchases (4) | | 93,000 |
| = Average Expected Cost Per MCF Purchased | | \$3.90 |
| X Allowable MCF Purchases (must not exceed MCF sales / .95) | | 93,052 |
| = Total Expected Gas Cost (to SCH I A) | | \$362,901.01 |

SCHEDULE III

REFUND ADJUSTMENTS

| | | <u>Unit</u> | <u>Amount</u> |
|--|--------|-------------|---------------|
| Total Supplier Refunds Received | | \$\$\$ | \$0.00 |
| + Interest | | \$\$\$ | \$0.00 |
| = Refund Adjustment including Interest | | \$\$\$ | \$0.00 |
| <hr/> | | | |
| / Sales for 12 Months Ended | Sep-12 | MCF | 91,227 |
| = Supplier Refund Adjustment for the Reporting Period (to Schedule I B) | | \$/MCF | \$0.0000 |

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 months ended: Sep-12

| <u>Particulars</u> | <u>Unit</u> | <u>Jul-12</u> | <u>Aug-12</u> | <u>Sep-12</u> |
|---------------------------------|-------------|---------------|---------------|---------------|
| Total Supply Volumes Purchased | MCF | 3,275 | 2,990 | 3,150 |
| Total Cost of Volumes Purchased | \$\$\$ | \$12,145 | \$10,913 | \$11,512 |
| / Total Sales | MCF | 3,180 | 2,906 | 3,062 |
| = Unit Cost of Gas | \$/MCF | \$3.8192 | \$3.7553 | \$3.7596 |
| - EGC in Effect for Month | \$/MCF | \$3.7585 | \$3.7585 | \$3.7585 |
| = Difference | \$/MCF | \$0.0607 | (\$0.0032) | \$0.0011 |
| X Actual Sales during Month | \$/MCF | 3,180 | 2,906 | 3,062 |
| = Monthly Cost Difference | \$\$\$ | \$193 | (\$9) | \$3 |

| | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Cost Difference | \$\$\$ | \$187 |
| / Sales for 12 Months ended: <u>Sep-12</u> | MCF | 91,227 |
| = Actual Adjustment for the reporting period (to SCH I C) | \$\$\$ | \$0.0021 |

May not be less than 95% of Supply Volume