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# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

November 13, 2017

Executive Director  
Division Of Financial Analysis  
Kentucky Public Service Commissior  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Case # 2017 - To Be Assigned

To Whom It May Concern:

Enclosed please find ten (10) copies of Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on January 1, 2018. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.8727 and the base rate remains \$4.24. The minimum billing rate for the period January 1, 2018 to March 31, 2018 should be \$7.1127 for all MCF.

Please include me on all electronic communications regarding tariff filing and purchased gas adjustment filing at my new email address of Mark.Baldock@kyneuc.com. Should you require any additional information or have questions, please call me at 606-324-3920.

Sincerely,

Mark T. Baldock, CPA  
Chief Financial Officer

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.3812
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.5085)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.8727
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To Be Effective For Service Rendered From:	1/1/2018 to 3/31/2018	
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<b>A) EXPECTED GAS COST CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
Total Expected Gas Cost (SCH II)	\$/MCF	\$362,186.50
/ For The Twelve Months Ended September, 2017	\$/MCF	107,119
= Expected Gas Cost (EGC)	\$/MCF	\$3.3812
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<b>B) REFUND ADJUSTMENT CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
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
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<b>C) ACTUAL ADJUSTMENT CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.1038)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1197)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1885)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0965)
= Actual Adjustment (AA)	\$/MCF	(\$0.5085)
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<b>D) BALANCE ADJUSTMENT CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
+ 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)	\$/MCF	\$0.0000

SCHEDULE II  
EXPECTED GAS COST

Actual MCF Purchases For The Twelve Months Ended September, 2017

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	114,785	1.03	111,442	\$3.25	\$362,186.50
<b>Totals</b>			111,442		\$362,186.50

Line Loss For The Twelve Months Ended September, 2017 Is Based On Purchases Of 111,442  
And Sales Of 107,119

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$362,186.50
/ MCF Purchases (4)		111,442
<b>= Average Expected Cost Per MCF Purchased</b>		<b>\$3.25</b>
<b>X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)</b>		<b>111,442</b>
<b>= Total Expected Gas Cost (SCHEDULE I, A)</b>		<b>\$362,186.50</b>

SCHEDULE III

REFUND ADJUSTMENTS

	<u>UNIT</u>	<u>AMOUNT</u>
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended September, 2017</u>	<u>MCF</u>	<u>107,119</u>
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended September, 2017

Particulars	UNIT	Jul, 2017	Aug, 2017	Sep, 2017
Total Supply Volumes Purchased	MCF	4,964	5,565	5,985
Total Cost Of Volumes Purchased	\$\$\$	\$14,351	\$15,741	\$17,189
/ Total Sales	MCF	4,790	5,345	5,711
= Unit Cost Of Gas	\$/MCF	\$2.9960	\$2.9450	\$3.0098
- EGC In Effect For Month	\$/MCF	\$3.6853	\$3.6853	\$3.6853
= Difference	\$/MCF	(\$0.6893)	(\$0.7403)	(\$0.6755)
X Actual Sales During Month	\$/MCF	4,790	5,345	5,711
= Monthly Cost Difference	\$\$\$	(\$3,302)	(\$3,957)	(\$3,858)
			UNIT	Amount
Total Cost Difference			\$\$\$	(\$11,117)
/ For The Twelve Months Ended September, 2017			MCF	107,119
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.1038)

\*\*\*May Not Be Less Than 95% Of Supply Volume\*\*\*