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PUBLIC SERVICE
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Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

November 26, 2018

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

Case # 2018 - 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, 2019. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$3.0710 and the base rate remains \$4.24. The minimum billing rate for the period January 1, 2019 to March 31, 2019 should be \$7.311 for all MCF.

Please include me on all electronic communications regarding tariff filing and purchased gas adjustment filing at 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

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.7125
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.6415)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$3.0710
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To Be Effective For Service Rendered From:	1/1/2019 to 3/31/2019	
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A) EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
Total Expected Gas Cost (SCH II)	\$/MCF	\$681,636.76
/ For The Twelve Months Ended September, 2018	\$/MCF	183,608
= Expected Gas Cost (EGC)	\$/MCF	\$3.7125
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B) REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
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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C) ACTUAL ADJUSTMENT CALCULATION	UNIT	AMOUNT
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.0326)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2040)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1420)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.2629)
= Actual Adjustment (AA)	\$/MCF	(\$0.6415)
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D) BALANCE ADJUSTMENT CALCULATION	UNIT	AMOUNT
+ 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, 2018

(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5) Cost
SUPPLIER	DTH's	BTU Factor	MCF	Rate	
Marathon Petroleum	197,215	1.03	191,471	\$3.56	\$681,636.76
Totals			191,471		\$681,636.76

Line Loss For The Twelve Months Ended September, 2018 Is Based On Purchases Of 191,471
 And Sales Of 183,608

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$681,636.76
/ MCF Purchases (4)		191,471
= Average Expected Cost Per MCF Purchased		\$3.56
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		191,471
= Total Expected Gas Cost (SCHEDULE I, A)		\$681,636.76

SCHEDULE III

REFUND ADJUSTMENTS

	UNIT	AMOUNT
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended September, 2018</u>	MCF	183,608
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended September, 2018

<u>Particulars</u>	<u>UNIT</u>	<u>Jul, 2018</u>	<u>Aug, 2018</u>	<u>Sep, 2018</u>
Total Supply Volumes Purchased	MCF	5,063	4,660	4,771
Total Cost Of Volumes Purchased	\$\$\$	\$13,971	\$13,265	\$13,142
/ Total Sales	MCF	4,843	4,463	4,598
= Unit Cost Of Gas	\$/MCF	\$2.8848	\$2.9721	\$2.8582
- EGC In Effect For Month	\$/MCF	\$3.3349	\$3.3349	\$3.3349
= Difference	\$/MCF	(\$0.4501)	(\$0.3628)	(\$0.4767)
X Actual Sales During Month	\$/MCF	4,843	4,463	4,598
= Monthly Cost Difference	\$\$\$	(\$2,180)	(\$1,619)	(\$2,192)
			UNIT	Amount
Total Cost Difference			\$\$\$	(\$5,991)
/ For The Twelve Months Ended September, 2018			MCF	183,608
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.0326)

May Not Be Less Than 95% Of Supply Volume