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# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

February 26, 2020

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

Case # 2020 - 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 April 1, 2020. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.8339 and the base rate remains \$4.24. The minimum billing rate for the period April 1, 2020 to June 30, 2020 should be \$7.0739 for all MCF.

Please include me on all electronic communications regarding tariff filing and purchased gas adjustment filing at [Mark.Baldock@kyneuc.com](mailto: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	\$3.3571
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.5232)
Balance Adjustment (BA)	\$/MCF	\$0.0000
<b>Gas Cost Recovery Rate (GCR)</b>	<b>\$/MCF</b>	<b>\$2.8339</b>
<b>To Be Effective For Service Rendered From: 4/1/2020 to 6/30/2020</b>		
<b>A) EXPECTED GAS COST CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
Total Expected Gas Cost (SCH II)	\$/MCF	\$621,902.19
/ For The Twelve Months Ended December, 2019	\$/MCF	185,248
= Expected Gas Cost (EGC)	\$/MCF	\$3.3571
<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
<b>C) ACTUAL ADJUSTMENT CALCULATION</b>	<b>UNIT</b>	<b>AMOUNT</b>
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.0005)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0181)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1549)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.3497)
= Actual Adjustment (AA)	\$/MCF	(\$0.5232)
<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 December, 2019**

(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5) Cost
SUPPLIER	DTH's	BTU Factor	MCF	Rate	
Marathon Petroleum	202,949	1.0475	193,739	\$3.21	\$621,902.19
<b>Totals</b>			193,739		\$621,902.19

Line Loss For The Twelve Months Ended December, 2019 Is Based On Purchases Of  
And Sales Of 185,248

193,739

	UNIT	AMOUNT
<b>Total Expected Cost Of Purchases (6)</b>		\$621,902.19
<b>/ MCF Purchases (4)</b>		193,739
<b>= Average Expected Cost Per MCF Purchased</b>		\$3.21
<b>X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)</b>		193,739
<b>= Total Expected Gas Cost (SCHEDULE I, A)</b>		\$621,902.19

**SCHEDULE III**

**REFUND ADJUSTMENTS**

	<b>UNIT</b>	<b>AMOUNT</b>
<b>Total Supplier Refunds Received</b>	\$\$\$	\$0.0000
<b>+ Interest</b>	\$\$\$	\$0.0000
<b>= Refund Adjustment including Interest</b>	\$\$\$	\$0.0000
<b><u>/ For The Twelve Months Ended December, 2019</u></b>	<b>MCF</b>	<b>185,248</b>
<b>= Refund Adjustment For The Reporting Period (SCHEDULE I, B)</b>	<b>\$/MCF</b>	<b>\$0.0000</b>

**SCHEDULE IV**

**ACTUAL ADJUSTMENT**

**For The Twelve Months Ended December, 2019**

<u>Particulars</u>	<u>UNIT</u>	<u>Oct, 2019</u>	<u>Nov, 2019</u>	<u>Dec, 2019</u>
Total Supply Volumes Purchased	MCF	9,088	22,371	30,333
Total Cost Of Volumes Purchased	\$\$\$	\$27,245	\$70,848	\$92,213
/ Total Sales	MCF	8,688	21,432	29,027
<b>= Unit Cost Of Gas</b>	<b>\$/MCF</b>	<b>\$3.1359</b>	<b>\$3.3057</b>	<b>\$3.1768</b>
<b>- EGC In Effect For Month</b>	<b>\$/MCF</b>	<b>\$3.2192</b>	<b>\$3.2192</b>	<b>\$3.2192</b>
<b>= Difference</b>	<b>\$/MCF</b>	<b>(\$0.0833)</b>	<b>\$0.0865</b>	<b>(\$0.0424)</b>
<b>X Actual Sales During Month</b>	<b>\$/MCF</b>	<b>8,688</b>	<b>21,432</b>	<b>29,027</b>
<b>= Monthly Cost Difference</b>	<b>\$\$\$</b>	<b>(\$724)</b>	<b>\$1,854</b>	<b>(\$1,231)</b>
			<u>UNIT</u>	<u>Amount</u>
<b>Total Cost Difference</b>			\$\$\$	(\$100)
<b>/ For The Twelve Months Ended December, 2019</b>			MCF	185,248
<b>= Actual Adjustment For The Reporting Period (SCHEDULE I, C)</b>			\$\$\$	(\$0.0005)

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