

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF NATURAL        )    CASE NO. 2003-00338  
ENERGY UTILITY CORPORATION            )

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ( Natural Energy ), formerly American Natural Gas Corporation, and provided for their further adjustment in accordance with Natural Energy s gas cost adjustment ( GCA ).

On September 2, 2003, Natural Energy filed its proposed GCA to be effective October 1, 2003.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Natural Energy proposed an expected gas cost ( EGC ) of \$6.1360 per Mcf. Natural Energy incorrectly adjusted its EGC for line loss. Correcting for this error produces an EGC of \$6.0930, which is 25.45 cents per Mcf more than the previous EGC of \$5.8385.
3. Natural Energy s notice sets out no current quarter supplier refund adjustment ( RA ). Natural Energy s notice sets out no total RA.

4. Natural Energy's notice sets out a current quarter Actual Adjustment ( AA ) of (8.97) cents per Mcf. Natural Energy's notice sets out a total AA of \$1.0125 per Mcf. Natural Energy incorrectly carried forward the quarterly AA for one of the previous quarters. Correcting for this results in a total AA of \$1.1605, which is .08 cent per Mcf more than the previous total AA.

5. Natural Energy's GCA is \$7.2535 per Mcf, which is 25.53 cents per Mcf more than the previous GCA of \$6.9982.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Natural Energy on and after October 1, 2003.

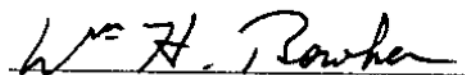
IT IS THEREFORE ORDERED that:

1. The rates proposed by Natural Energy are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2003.
3. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23<sup>rd</sup> day of September, 2003.

By the Commission

ATTEST:

  
Deputy Executive Director

Case No. 2003-00338

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2003-00338 DATED SEPTEMBER 23, 2003

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$7.2535	\$11.4935

Minimum Bill

The minimum bill shall be \$11.4935