

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF NATURAL) CASE NO. 2008-00073
ENERGY UTILITY CORPORATION)

ORDER

On February 28, 2008, pursuant to the terms of its Purchased Gas Adjustment Clause, Natural Energy Utility Corporation (“Natural Energy”) filed its quarterly report with the Commission to update its Gas Cost Recovery (“GCR”) rate to be effective April 1, 2008. Natural Energy revised its filing on March 17, 2008.

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’s notice sets out an Expected Gas Cost (“EGC”) of \$8.3462 per Mcf, which is an increase of \$1.1574 per Mcf from the previous EGC of \$7.1888.
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 \$0 per Mcf. Natural Energy miscalculated the total cost difference for October, November and December 2007. Correcting for this produces a current quarter AA of (\$.0069) per Mcf. Natural Energy also carried forward incorrect AAs from previous

quarters. After correcting for this, Natural Energy's total AA is (\$.1538) per Mcf, which is an increase of \$.0088 per Mcf from the previous total AA.

5. Natural Energy's GCR is \$8.1924 per Mcf, which is an increase of \$1.1662 per Mcf from the previous GCR of \$7.0262.

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 April 1, 2008.

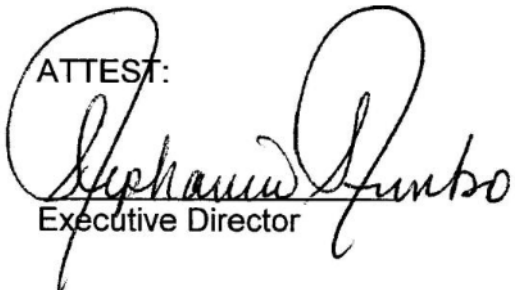
IT IS THEREFORE ORDERED that:

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 April 1, 2008.
3. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of March, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00073 DATED MARCH 31, 2008

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 the 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	\$8.1924	\$12.4324

Minimum Bill

The minimum bill shall be \$12.4324