

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2014-00095

ORDER

On May 20, 2002, Natural Energy Utility Corporation ("Natural Energy") adopted the tariffs, including a Purchased Gas Cost Adjustment Clause, for furnishing gas service to the customers previously served by American Natural Gas Corporation.¹

On March 14, 2014, Natural Energy filed its Gas Cost Recovery Rate ("GCR") application to become effective April 1, 2014.

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

1. Natural Energy's notice includes a revised rate 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 \$4.6920 per Mcf. On Schedule II of its application, Natural Energy's actual Mcf purchases for the 12 months ending December 2013 do not match the sum of the monthly purchase volumes provided in Schedule IV of this application and Natural Energy's three previous GCR applications. Correcting this produces volumes purchased of 110,750 Mcf instead of 109,000 Mcf. Natural Energy also miscalculated its Total Expected Gas Cost by unnecessarily adjusting purchase volumes for 5 percent

¹ Natural Energy Utility Corporation Tariff, PSC Ky. No. 1, First Revised Sheet No. 17 (effective Apr. 15, 2006).

line loss. Correcting this produces an EGC of \$4.7063 per Mcf, which is a decrease of \$.0271 per Mcf from the previous EGC of \$4.7334 per Mcf.

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment.

4. Natural Energy's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.1854 per Mcf. Natural Energy did not use the correct Third Previous Quarter ACA of \$.1734 per Mcf in its calculation of its total ACA. Correcting this produces a total ACA of \$.5145 per Mcf, which is an increase of \$.0637 per Mcf from the previous total ACA of \$.4508 per Mcf.

5. Natural Energy's GCR is \$5.2208 per Mcf, which is an increase of \$.0366 per Mcf from the previous GCR of \$5.1842 per Mcf.

6. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Natural Energy on and after April 13, 2014. Natural Energy did not provide the 30 days' notice required for its increase in rates to become effective April 1, 2014.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Natural Energy is denied.
2. The rate in the Appendix, attached hereto and incorporated herein, is approved for service rendered on and after April 13, 2014.
3. Within 20 days of the date of this Order, Natural Energy shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED ⁴⁸
MAR 28 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Aaron D. Greenwell for
Executive Director

Case No. 2014-00095

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00095 DATED **MAR 28 2014**

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	\$5.2208	\$9.4608

Minimum Bill

The minimum bill shall be \$9.4608

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102