

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2013-00089

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ("Natural Energy") and provided for their further adjustment in accordance with Natural Energy's Gas Cost Adjustment ("GCA").¹

On March 6, 2013, Natural Energy filed its proposed GCA to become effective April 1, 2013.

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 \$3.9147 per Mcf. Natural Energy miscalculated its Total Expected Gas Cost by failing to multiply its Average Expected Cost Per Mcf Purchased by its Mcf purchase volume of 93,000 Mcf on Schedule II. Correcting for this produces an EGC of \$3.9758 per Mcf, which is no change from the previous EGC.
3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment.

¹ Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company (Ky. PSC Dec. 18, 1991).

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of \$.1198 per Mcf. Natural Energy miscalculated its current quarter AA by dividing the Total Cost Difference by 12 months Mcf purchases instead of Sales for 12 Months ended December 2012 on Schedule IV. Correcting this produces a current quarter AA of \$.1217 per Mcf. Natural Energy's total AA is (\$.1423) per Mcf, which is an increase of \$.3152 per Mcf from the previous total AA of (\$.4575) per Mcf.

5. Natural Energy's GCA is \$3.8335 per Mcf, which is an increase of \$.3152 per Mcf from the previous GCA of \$3.5183 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Natural Energy on and after April 5, 2013. Natural Energy did not file its application with the 30 days' notice required for its increase in rates to be effective April 1, 2013.

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 service rendered on and after April 5, 2013.
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 rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
APR 01 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Executive Director

Case No. 2013-00089

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00089 DATED APR 01 2013

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	\$3.8335	\$8.0735

Minimum Bill

The minimum bill shall be \$8.0735.

H. Jay Freeman
President
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KENTUCKY 41102