



# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

August 31, 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 Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on October 1, 2020. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.9361 and the base rate remains \$4.24. The minimum billing rate for the period October 1, 2020 to December 31, 2020 should be \$7.1761 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

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>UNIT</u>	<u>AMOUNT</u>
Expected Gas Cost (EGC)	\$/MCF	\$3.2339
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.2978)
Balance Adjustment (BA)	\$/MCF	\$0.0000

Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.9361
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To Be Effective For Service Rendered From: 10/1/2020 to 12/31/2020

**A) EXPECTED GAS COST CALCULATION**

	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$573,103.20
/ For The Twelve Months Ended June, 2020	\$/MCF	177,220
= Expected Gas Cost (EGC)	\$/MCF	\$3.2339

**B) REFUND ADJUSTMENT CALCULATION**

	<u>UNIT</u>	<u>AMOUNT</u>
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

**C) ACTUAL ADJUSTMENT CALCULATION**

	<u>UNIT</u>	<u>AMOUNT</u>
Actual Adjustment for the Reporting Period (SCH IV)	\$/MCF	(\$0.0957)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.1835)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0005)
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0181)
= Actual Adjustment (AA)	\$/MCF	(\$0.2978)

**D) BALANCE ADJUSTMENT CALCULATION**

	<u>UNIT</u>	<u>AMOUNT</u>
+ 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 June, 2020

(1) SUPPLIER	(2) DTH's	(3) BTU Factor	(4) MCF	(5) Rate	(6) = (4) X (5) Cost
Marathon Petroleum	193,751	1.0480	184,872	\$3.10	\$573,103.20
<b>Totals</b>			184,872		\$573,103.20

Line Loss For The Twelve Months Ended June, 2020 Is Based On Purchases Of  
And Sales Of 177,220 184,872

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6) / MCF Purchases (4)		\$573,103.20 184,872
= Average Expected Cost Per MCF Purchased		\$3.10
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		184,872
= Total Expected Gas Cost (SCHEDULE I, A)		\$573,103.20

**SCHEDULE III**

**REFUND ADJUSTMENTS**

	<b>UNIT</b>	<b>AMOUNT</b>
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended June, 2020</u>	<u>MCF</u>	<u>177,220</u>
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

**SCHEDULE IV**  
**ACTUAL ADJUSTMENT**

**For The Twelve Months Ended June, 2020**

<u>Particulars</u>	<u>UNIT</u>	<u>Apr, 2020</u>	<u>May, 2020</u>	<u>Jun, 2020</u>
Total Supply Volumes Purchased	MCF	15,295	9,844	6,123
Total Cost Of Volumes Purchased	\$\$\$	\$39,827	\$27,209	\$16,482
<u>/ Total Sales</u>	<u>MCF</u>	<u>14,636</u>	<u>9,420</u>	<u>5,873</u>
= Unit Cost Of Gas	\$/MCF	\$2.7212	\$2.8884	\$2.8064
- EGC In Effect For Month	\$/MCF	\$3.3571	\$3.3571	\$3.3571
= Difference	\$/MCF	(\$0.6359)	(\$0.4687)	(\$0.5507)
X Actual Sales During Month	\$/MCF	14,636	9,420	5,873
= Monthly Cost Difference	\$\$\$	(\$9,307)	(\$4,415)	(\$3,234)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$16,957)
<u>/ For The Twelve Months Ended June, 2020</u>			<u>MCF</u>	<u>177,220</u>
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.0957)

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