



# Natural Energy Utility Corporation

2563 Hoods Creek Pike • Ashland, Kentucky 41102

Ms. Stephanie Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602

2008-509

**RECEIVED**

DEC 09 2008

PUBLIC SERVICE  
COMMISSION

December 8, 2008

Case #: 2008-00???

Dear Ms. Stumbo

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2008-00???. The calculated gas cost recovery rate for this reporting period is \$7.3669. The base rate remains \$4.24. The minimum billing rate starting January 1, 2009 should be \$11.6169 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerely

  
H. Jay Freeman  
President

Enclosure

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$6.4687
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	\$0.8982
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$7.3669

to be effective for service rendered from: 01-01-2009 to 03-31-2009

A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$556,800.00
/ Sales for the 12 Months ended: September-08	\$/MCF	86,076
= Expected Gas Cost (EGC)	\$/MCF	\$6.4687

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
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= 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	\$0.1350
+ Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0469)
+ Second Previous Quarter Reported Actual Adjustment	\$/MCF	\$0.8170
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0069)
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= Actual Adjustment (AA)	\$/MCF	\$0.8982

D) BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (SCH V)	\$/MCF	\$0.0000
+ Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Second Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
+ Third Previous Quarter Reported Balance Adjustment	\$/MCF	\$0.0000
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= Balance Adjustment (BA)	\$/MCF	\$0.0000

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended 9/30/2008

(1)	(2)	(3) BTU	(4)	(5)	(6) (4) X (5)	
Supplier	Dth	Conversion Factor	Mcf	Rate	Cost	
Marathon Petroleum	89,610		1.03	87,000	\$6.40	\$556,800

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Totals		87,000	\$556,800.00
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Line loss for 12 months ended 09/30/2008 is based on purchase of 87,000  
and sales of 86,076 Mcf

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$556,800.00
/ Mcf Purchases (4)		87,000

= Average Expected Cost Per Mcf Purchased	\$6.40
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	86,076

= Total Expected Gas Cost (to Schedule I A)	\$550,886.40
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SCHEDULE III

REFUND ADJUSTMENTS

	<u>Unit</u>	<u>Amount</u>
Total Supplier Refuds Received	\$	\$0.00
+ INTEREST	\$	\$0.00
= Refund Adjustment including Interest	\$	\$0.00
/ Sales for 12 Months Ended      Sep-08	Mcf	86,076
= Supplier Refund Adjustment for the Reporting Period (To Schedule IB)	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended: Sep-08

<u>Particulars</u>	<u>Unit</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>
Total Supply Volumes Purchased	Mcf	2,500	2,500	2,500
Total Cost of Volumes Purchased	\$	\$29,760	\$21,657	\$19,230
/ Total Sales	Mcf	2,500	2,623	2,305
= Unit Cost of Gas	\$/Mcf	\$11.9039	\$8.2565	\$8.3426
- EGC in Effect fo Month	\$/Mcf	\$7.9469	\$7.9469	\$7.9469
= Difference	\$/Mcf	\$3.9570	\$0.3096	\$0.3957
X Actual Sales during Month	Mcf	2,500	2,623	2,305
= Monthly Cost Difference	\$	\$9,893	\$812	\$912

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$	\$11,617
/ Sales for 12 Months ended Sep-08	Mcf	86,076
= Actual Adjustment for the Reporting Period (to SCH IC)	\$	\$0.1350

\*\*May not be less than 95% of Supply Volume\*\*

