



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY. 40602

August 30, 2010

Case # 2010-?????

RECEIVED

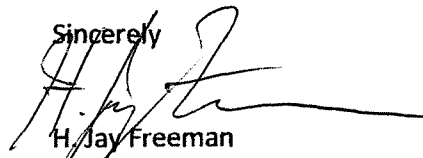
SEP 01 2010

PUBLIC SERVICE
COMMISSION

2010-00352

Natural Energy Utility Corporation is providing the following information in filing its quarterly gas cost report with the Kentucky Public Service Commission (PSC). The enclosed report has a case number of 2010-00???. The calculated gas cost recovery rate for this reporting period is \$5.0850. The base rate remains \$4.24. The minimum billing rate starting July 01, 2010 should be \$9.3250 for all MCF.

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

Sincerely

H. Jay Freeman
President

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/MCF	\$5.2333
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.1483)
Balance Adjustment (BA)	\$/MCF	\$0.0000
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Gas Cost Recovery Rate (GCR)	\$/MCF	\$5.0850

to be effective for service rendered from: 10-1-2010 to 12-31-2010

A) EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$525,000.00
/ Sales for the 12 Months ended: June-10	\$/MCF	100,320
= Expected Gas Cost (EGC)	\$/MCF	\$5.2333

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	(\$0.0923)
+ Previous Quarter Reported Actual Adjustment	\$/MCF	\$0.1496
+ Second Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.1996)
+ Third Previous Quarter Reported Actual Adjustment	\$/MCF	(\$0.0060)
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= Actual Adjustment (AA)	\$/MCF	(\$0.1483)

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 6/30/2010

(1)	(2)	(3) BTU	(4)	(5)	(6) (4) X (5)	
Supplier	Dth	Conversion Factor	Mcf	Rate	Cost	
Marathon Petroleum	108,150		1.03	105,000	\$5.00	\$525,000

Totals				105,000	\$525,000.00
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Line loss for 12 months ended 06/30/2010 is based on purchase of 105,000
and sales of 100,320 Mcf

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$525,000.00
/ Mcf Purchases (4)		105,000
<hr/>		
= Average Expected Cost Per Mcf Purchased		\$5.00
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		100,320
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= Total Expected Gas Cost (to Schedule I A)		\$501,600.00

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 Jun-10	Mcf	100,320
= Supplier Refund Adjustment for the Reporting Period (To Schedule IB)	\$/Mcf	\$0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended: Jun-10

<u>Particulars</u>	<u>Unit</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>
Total Supply Volumes Purchased	Mcf	5,250	3,250	2,900
Total Cost of Volumes Purchased	\$	\$22,671	\$14,990	\$14,767
/ Total Sales	Mcf	5,204	3,124	2,806
= Unit Cost of Gas	\$/Mcf	\$4.3564	\$4.7983	\$5.2625
- EGC in Effect fo Month	\$/Mcf	\$5.5403	\$5.5403	\$5.5403
= Difference	\$/Mcf	(\$1.1839)	(\$0.7420)	(\$0.2778)
X Actual Sales during Month	Mcf	5,204	3,124	2,806
= Monthly Cost Difference	\$	(\$6,161)	(\$2,318)	(\$780)

	<u>Unit</u>	<u>Amount</u>
Total Cost Difference	\$	(\$9,259)
/ Sales for 12 Months ended Jun-10	Mcf	100,320
= Actual Adjustment for the Reporting Period (to SCH IC)	\$	(\$0.0923)

May not be less than 95% of Supply Volume