

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2012-00234

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 June 7, 2012, Natural Energy filed its proposed GCA to become effective July 1, 2012.

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 \$3.7536 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 94,000 Mcf. Correcting for this produces an EGC of \$3.7585 per Mcf, which is a decrease of \$.1797 per Mcf from the previous EGC of \$3.9382 per Mcf.
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 (\$.1608) per Mcf. Natural Energy's total AA is (\$.3193) per Mcf, which is a decrease of \$.1156 per Mcf from the previous total AA of (\$.2037) per Mcf.

5. Natural Energy's GCA is \$3.4392 per Mcf, which is a decrease of \$.2953 per Mcf from the previous GCA of \$3.7345 per Mcf.

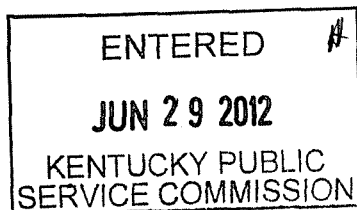
6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Natural Energy on and after July 1, 2012.

IT IS THEREFORE ORDERED that:

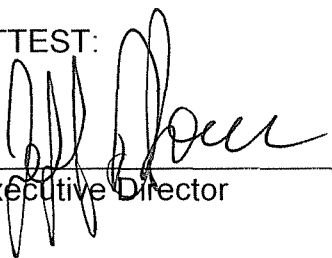
1. The rates proposed by Natural Energy are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after July 1, 2012.
3. Within 20 days of the date of this Order, Natural Energy shall file its revised tariff sheets with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00234 DATED JUN 29 2012

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	\$3.4392	\$7.6792

Minimum Bill

The minimum bill shall be \$7.6792

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