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2560 Hoods Creek Pike · Ashland, Kentucky 41102

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

November 26, 2012

Case # 2012-00000

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 2012-00000. The calculated gas cost recovery rate for this reporting period is \$ 3.5205. The base rate remains \$4.24. The minimum billing rate starting July 1, 2012 should be \$ 7.7602 for all MCF.

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

606 324-3920 Fax: 606 325-2991



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING	P.S.C.	KY.	NO
	SHEE	T NO	

RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$7.7602 - covers 0-1 MCF

Cost Per MCF: \$7.7602

A copy of the Company's billing format is attached on Sheet 21.

- 2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).
- 3) CUSTOMER CLASSIFICATIONS:

Residential:

Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial:

Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE_11/26/12	DATE EFFECTIVE 01/01/13
MONTH DAY YEAR	MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN NAME OF OFFICER	MGR. President
NAME OF OFFICER	TITLE /

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	-	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)		\$/MCF	\$3.9780
Refund Adjustment (RA)		\$/MCF	\$0.0000
Actual Adjustment (AA)		\$/MCF	(\$0.4575)
Balance Adjustment (BA)		\$/MCF	\$0.0000
Gas Cost Recovery Rate (GCR)		\$/MCF	\$3.5205
to be effective for service rendered from:	01-01-2013 to 03-31-2013		
A) EXPECTED GAS COST CALCULATION		<u>Unit</u>	Amount
Total Expected Gas Cost (SCH II)		\$/MCF	\$362,901.01
/ Sales for the 12 Months ended:	Sep-12	\$/MCF	91,227
= Expected Gas Cost (EGC)		\$/MCF	\$3.9780
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	0.0021
+ Previous Quarter Supplier Refund Adjustment		\$/MCF	(0.1053)
+ Second Previous Quarter Supplier Refund Adjustment		\$/MCF	(0.1608)
+ Third Previous Quarter Supplier Refund Adjustment		\$/MCF	(0.1935)
= Actual Adjustment (AA)		\$/MCF	(0.4575)
D) BALANCE ADJUSTMENT CALCULATION + Previous Quarter Supplier Refund Adjustment		<u>Unit</u> \$/MCF	Amount \$0.0000
+ Second Previous Quarter Supplier Refund Adjustment		\$/MCF	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment		\$/MCF	\$0.0000
= Balance Adjustment (BA)			\$0.0000

SCHEDULE II EXPECTED GAS COST

Actual MCF Purchases	s for 12 mor	nths ended:	Sep-1	2	
(1)	(2)	(3) BTU	(4)	(5)	(6) '(4)X(5)
Supplier	DTH's	Conv Factor	MCF	Rate	Cost
Marathon Petroleum	95,790	1.03	93,00	0 \$3.90	\$362,700.00
Totals			93,00	0	\$362,700.00
Line loss for 12 month and sales of	ns ended 91,227		sed on purchases of	93,000	
Total Expected Cost o / MCF Purchases (4)	f Purchases	(6)		<u>Unit</u>	<u>Amount</u> \$362,700.00 93,000
= Average Expected (X Allowable MCF Pure			sales / .95)		\$3.90 93,052
= Total Expected Gas	Cost (to SC	11 A)			\$362,901.01

SCHEDULE III

REFUND ADJUSTMENTS

Total Supplier Refunds Received		<u>Unit</u> \$\$\$	Amount \$0.00
+ Interest		\$\$\$	\$0.00
= Refund Adjustment including Interest		\$\$\$	\$0.00
/ Sales for 12 Months Ended	Sep-12	MCF	91,227
= Supplier Refund Adjustment for the Reporting Period (to Schedule B)		\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 months ended:	Sep-12			
<u>Particulars</u>	<u>Unit</u>	<u>Jul-12</u>	Aug-12	<u>Sep-12</u>
Total Supply Volumes Purchased	MCF	3,275	2,990	3,150
Total Cost of Volumes Purchased	\$\$\$	\$12,145	\$10,913	\$11,512
/ Total Sales	MCF	3,180	2,906	3,062
= Unit Cost of Gas	\$/MCF	\$3.8192	\$3.7553	\$3.7596
- EGC in Effect for Month	\$/MCF	\$3.7585	\$3.7585	\$3.7585
- EGC III Ellect for Month	Ψ, ιτιο:	Ţ	7	
= Difference	\$/MCF	\$0.0607	(\$0.0032)	\$0.0011
X Actual Sales during Month	\$/MCF	3,180	2,906	3,062
= Monthly Cost Difference	\$\$\$	\$193	(\$9)	\$3
			<u>Unit</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	\$187
/ Sales for 12 Months ended:	Sep-12		MCF	91,227
= Actual Adjustment for the reporting period (to SCH I C)			\$\$\$	\$0.0021

^{***}May not be less than 95% of Supply Volume***