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PUBLIC SERVICE
COMMISSION



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

August 20, 2019

Executive Director
Division Of Financial Analysis
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Case # 2019 - To Be Assigned

To Whom It May Concern:

Enclosed please find ten (10) copies of Natural Energy Utility Corporation's Gas Cost Recovery rate application to become effective on October 1, 2019. The calculated Gas Cost Recovery rate (GCR) for this reporting period is \$2.8086 and the base rate remains \$4.24. The minimum billing rate for the period October 1, 2019 to December 31, 2019 should be \$7.0486 for all MCF.

Please include me on all electronic communications regarding tariff filing and purchased gas adjustment filing at 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	\$3.2192
Refund Adjustment (RA)	\$/MCF	\$0.0000
Actual Adjustment (AA)	\$/MCF	(\$0.4106)
Balance Adjustment (BA)	\$/MCF	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/MCF	\$2.8086

To Be Effective For Service Rendered From: 10/1/2019 to 12/31/2019

A) EXPECTED GAS COST CALCULATION

	<u>UNIT</u>	<u>AMOUNT</u>
Total Expected Gas Cost (SCH II)	\$/MCF	\$599,830.00
/ For The Twelve Months Ended June, 2019	\$/MCF	186,328
= Expected Gas Cost (EGC)	\$/MCF	\$3.2192

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	(\$0.1549)
+ Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.3497)
+ Second Previous Quarter Supplier Refund Adjustment	\$/MCF	\$0.1266
+ Third Previous Quarter Supplier Refund Adjustment	\$/MCF	(\$0.0326)
= Actual Adjustment (AA)	\$/MCF	(\$0.4106)

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

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SCHEDULE II
EXPECTED GAS COST

Actual MCF Purchases For The Twelve Months Ended June, 2019

(1)	(2)	(3)	(4)	(5)	(6) = (4) X (5) Cost
SUPPLIER	DTH's	BTU Factor	MCF	Rate	
Marathon Petroleum	200,593	1.03	194,750	\$3.08	\$599,830.00
Totals			194,750		\$599,830.00

Line Loss For The Twelve Months Ended June, 2019 Is Based On Purchases Of 194,750
And Sales Of 186,328

	UNIT	AMOUNT
Total Expected Cost Of Purchases (6)		\$599,830.00
/ MCF Purchases (4)		194,750
= Average Expected Cost Per MCF Purchased		\$3.08
X Allowable MCF Purchases (Must Not Exceed MCF Sales / .95)		194,750
= Total Expected Gas Cost (SCHEDULE I, A)		\$599,830.00

SCHEDULE III

REFUND ADJUSTMENTS

	UNIT	AMOUNT
Total Supplier Refunds Received	\$\$\$	\$0.0000
+ Interest	\$\$\$	\$0.0000
= Refund Adjustment including Interest	\$\$\$	\$0.0000
<u>/ For The Twelve Months Ended June, 2019</u>	MCF	186,328
= Refund Adjustment For The Reporting Period (SCHEDULE I, B)	\$/MCF	\$0.0000

SCHEDULE IV

ACTUAL ADJUSTMENT

For The Twelve Months Ended June, 2019

<u>Particulars</u>	<u>UNIT</u>	<u>Apr, 2019</u>	<u>May, 2019</u>	<u>Jun, 2019</u>
Total Supply Volumes Purchased	MCF	13,521	6,659	5,431
Total Cost Of Volumes Purchased	\$\$\$	\$33,282	\$15,941	\$11,931
<u>/ Total Sales</u>	<u>MCF</u>	<u>12,896</u>	<u>6,368</u>	<u>5,185</u>
= Unit Cost Of Gas	\$/MCF	\$2.5808	\$2.5033	\$2.3010
- EGC In Effect For Month	\$/MCF	\$3.6820	\$3.6820	\$3.6820
= Difference	\$/MCF	(\$1.1012)	(\$1.1787)	(\$1.3810)
X Actual Sales During Month	\$/MCF	12,896	6,368	5,185
= Monthly Cost Difference	\$\$\$	(\$14,201)	(\$7,506)	(\$7,160)
			<u>UNIT</u>	<u>Amount</u>
Total Cost Difference			\$\$\$	(\$28,868)
<u>/ For The Twelve Months Ended June, 2019</u>			<u>MCF</u>	<u>186,328</u>
= Actual Adjustment For The Reporting Period (SCHEDULE I, C)			\$\$\$	(\$0.1549)

May Not Be Less Than 95% Of Supply Volume