

2005-545



P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Emergency: 1-888-291-9133  
Fax: (270)393-2620

RECEIVED

DEC 22 2005

PUBLIC SERVICE  
COMMISSION

December 20, 2005

Ms. Beth O'Donnell  
Executive Director, Public Service Commission  
PO Box 615 / 211 Sower Blvd.  
Frankfort, KY 42602

RE: Case # Gas Cost Adjustment Report

Dear Ms. O'Donnell:

The following document is Millennium Energy's Gas Cost Adjustment Report for quarter, February 1, 2006 through April 30, 2006.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary K. Dillard", written over a horizontal line.

Gary K. Dillard  
Executive Vice President

---

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed: January 1, 2006

---

Date Rates to be Effective: February 1, 2006 TO April 30, 2006

---

Reporting Period is Calendar Quarter Ended:

---

**SCHEDULE I**  
**GAS COST RECOVERY RATE SUMMARY**

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 11.0000
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	0.0563
+ Balance Adjustment (BA)	\$/Mcf	<u>(0.0356)</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	\$ 11.0207

GCR to be effective for service rendered from 02/1/06 to 04/30/06.

---

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	108,387.15
+ Sales for the 12 months ended 10/31/2005	Mcf	<u>9,853.37</u>
- Expected Gas Cost (EGC)	\$/Mcf	11.0000
 <u>B. REFUND ADJUSTMENT CALCULATION</u>	 <u>Unit</u>	 <u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	\$ -
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$ -
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$ -
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	<u>\$ -</u>
= Refund Adjustment (RA)	\$/Mcf	\$ -
 <u>C. ACTUAL ADJUSTMENT CALCULATION</u>	 <u>Unit</u>	 <u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	\$ 0.6751
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2167)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0343
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ (0.4364)</u>
= Actual Adjustment (AA)	\$/Mcf	\$ 0.0563
 <u>D. BALANCE ADJUSTMENT CALCULATION</u>	 <u>Unit</u>	 <u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0052)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0150)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0027)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ (0.0127)</u>
= Balance Adjustment (BA)	\$/Mcf	\$ (0.0356)

SCHEDULE II  
EXPECTED GAS COST

Appendix B  
Page 3

Actual* Mcf Purchase for 12 months ended			10/31/05		
(1)	(2)	(3)	(4)	(5)	(6)
<u>Supplier</u>	<u>Dth</u>	<u>Heat Rate</u>	<u>Mcf</u>	<u>Rate</u>	<u>(4) x (5) Cost</u>
Nov-04 Atmos Energy Marketing	805.71	1.034	779.20	11.820	9,210.14
Dec-04 Atmos Energy Marketing	1,271.00	1.034	1,229.20	11.820	14,529.14
Jan-05 Atmos Energy Marketing	1,389.76	1.034	1,344.06	11.820	15,886.79
Feb-05 Atmos Energy Marketing	769.90	1.034	744.58	11.820	8,800.94
Mar-05 Atmos Energy Marketing	501.83	1.034	485.33	11.820	5,736.60
Apr-05 Atmos Energy Marketing	1,209.79	1.034	1,170.01	11.820	13,829.52
May-05 Atmos Energy Marketing	268.00	1.034	259.19	11.820	3,063.63
Jun-05 Atmos Energy Marketing	612.96	1.034	592.80	11.820	7,006.90
Jul-05 Atmos Energy Marketing	602.33	1.034	582.52	11.820	6,885.39
Aug-05 Atmos Energy Marketing	365.40	1.034	353.38	11.820	4,176.95
Sep-05 Atmos Energy Marketing	863.54	1.034	835.15	11.820	9,871.47
Oct-05 Atmos Energy Marketing	821.40	1.034	794.39	11.820	9,389.69
Totals	9,481.62	1.034	9,169.81	10.847	108,387.15

Line losses are 9,169.81 Mcf and sales of 9,853 Mcf. -7.45% for 12 months ended 10/31/2005 based on purchases of

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 108,387.15
Expected Mcf Purchases (4)	Mcf	<u>9,169.81</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 11.820
Plus: Expected Losses of (not to exceed 5%)	<u>(D26/0.95) Mcf</u>	<u>9,169.81</u>
= Total Expected Gas Cost	\$	\$ 108,387.15

Allowable Sales (maximum losses of 5%). \$108,387.15

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE III  
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended 10/31/2005

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended <u>10/31/2005</u>	Mcf	<u>9,853</u>
<hr/>		
=Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	\$ -

SCHEDULE IV  
ACTUAL ADJUSTMENT

Appendix B  
Page 5

For the 3 month period ended 10/31/2005

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Aug-05</u>	Month 2 <u>Sep-05</u>	Month 3 <u>Oct-05</u>
Total Supply Volumes Purchased	Mcf	353.38	835.15	794.39
Total Cost of Volumes Purchased	\$	\$ 1,749.88	\$ 8,495.12	\$ 10,110.06
Total Sales (may not be less than 95% of supply volumes) (G8*0.95)	Mcf	<u>\$ 447.50</u>	<u>\$ 793.39</u>	<u>\$ 754.67</u>
= Unit Cost of Gas	\$/Mcf	\$ 3.9103	\$ 10.7073	\$ 13.3967
- EGC in effect for month	\$/Mcf	<u>\$ 5.3298</u>	<u>\$ 5.3298</u>	<u>\$ 5.3298</u>
= Difference [ (Over-)/Under-Recovery]	\$/Mcf	\$ (1.4195)	\$ 5.3775	\$ 8.0669
x Actual sales during month	Mcf	<u>447.50</u>	<u>472.50</u>	<u>588.40</u>
= Monthly cost difference	\$	(635.21)	2,540.89	4,746.54
		<u>Unit</u>	<u>Amount</u>	
Total cost difference (Month 1 + Month 2 + Month 3)		\$	\$ 6,652.22	
+ Sales for 12 months ended <u>10/31/2005</u>		Mcf	<u>9,853</u>	
= Actual Adjustment for the Reporting Period (to Schedule IC.)		\$/Mcf	\$ 0.6751	

SCHEDULE V  
BALANCE ADJUSTMENT

Appendix B  
Page 6

For the 3 month period ended 10/31/2005

Line	Particulars	Unit	Amount
1	(1) Total cost difference from actual adjustment used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	<u>(1,090.84)</u> Case No. 2004-00399
2	Less: Dollars amount resulting from the AA of (0.1055) \$/MCF as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of 9,853 MCF during the 12 month period the AA was in effect.	\$	<u>(1,039.53)</u>
4	Equals: Balance Adjustment for the AA.	\$	<u>(51.31)</u>
5	(3) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	<u>-</u>
6	Less: Dollar amount resulting from the RA of - \$/MCF as used to compute the OCR in effect four quarters prior to the effective GCR times the sales of 9,853 MCF during the 12 month period the RA was in effect.	\$	<u>-</u>
8	Equals: Balance Adjustment for the RA.	\$	<u>-</u>
9	(3) Total Balance Adjustment used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	<u>-</u>
10	Less: Dollar amount resulting from the BA of - \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of 9,853 MCF during the 12 month period the BA was in effect.	\$	<u>-</u>
12	Equals: Balance Adjustment for the BA.	\$	<u>-</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>-51.31</u>
14	Divided By: Sales for 12 months ended 10/31/2005	\$	<u>9,853</u>
15	Equals: Balance Adjustment for the Reporting Period (to Schedule ID)	\$/MCF	<u>(0.0052)</u>