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MAY 21 2019
PUBLIC SERVICE
COMMISSION

May 17, 2019

Ms. Gwen R Pinson, Executive Director
Executive Director, Public Service Commission
PO Box 615 / 211 Sower Blvd.
Frankfort, KY 40602

RE: Case # Gas Cost Adjustment Report

Dear Ms. Pinson:

The following document is Millennium Energy's Gas Cost Adjustment Report for the quarter of July 1, 2019 to September 30, 2019.

We also request that correspondence regarding this GCA be emailed to myself at pattyk@wrecc.com as well as Wendy Meador at wendym@wrecc.com

Sincerely,

A handwritten signature in blue ink that reads "Patty Kantosky".

Patty Kantosky
V.P. of Member Services

**QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION**

Date Filed: **1-Jun-19**

Date Rates to be Effective: **July 1, 2019 to September 30, 2019**

Reporting Period is Calendar Quarter Ended: **January 1, 2019 to March 31, 2019**

SCHEDULE I
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	3.2257
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	(0.0274)
+ Balance Adjustment (BA)	\$/Mcf	<u>0.0026</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	3.2009

GCR to be effective for service rendered from: **07-01-19 to 09-30-19**

A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	397,415.78
+ Sales for the 12 months ended 3/30/2019	Mcf	<u>123,201.80</u>
- Expected Gas Cost (EGC)	\$/Mcf	3.2257

B. <u>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>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	\$ (0.1369)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.1526
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0125)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ (0.0306)</u>
=Actual Adjustment (AA)	\$/Mcf	\$ (0.0274)

D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0072)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0043
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0038
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ 0.0017</u>
=Balance Adjustment (BA)	\$/Mcf	\$ 0.0026

SCHEDULE II
EXPECTED GAS COST

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Actual* Mcf Purchase for 12 months ended

			03/30/19			
(1)	(2)	(3)	(4)	(5)	(6)	
<u>Supplier</u>	<u>Dth</u>	<u>Heat Rate</u>	<u>Mcf</u>	<u>Rate</u>	<u>(2) x (5) Cost</u>	
Apr-18	Utility Gas Management	13,269.00	1.0533	12,598.00	2.98000	39,541.62
May-18	Utility Gas Management	10,551.00	1.0555	9,996.00	2.98000	31,441.98
Jun-18	Utility Gas Management	8,742.00	1.0543	8,292.00	2.98000	26,051.16
Jul-18	Utility Gas Management	8,975.00	1.0576	8,486.00	2.98000	26,745.50
Aug-18	Utility Gas Management	9,077.00	1.0594	8,568.00	2.98000	27,049.46
Sep-18	Utility Gas Management	8,045.00	1.0620	7,575.00	2.98000	23,974.10
Oct-18	Utility Gas Management	11,316.00	1.0644	10,631.00	2.98000	33,721.68
Nov-18	Utility Gas Management	12,438.00	1.0593	11,742.00	2.98000	37,065.24
Dec-18	Utility Gas Management	12,344.00	1.0593	11,653.00	2.98000	36,785.12
Jan-19	Utility Gas Management	14,639.00	1.0557	13,867.00	2.98000	43,624.22
Feb-19	Utility Gas Management	11,643.00	1.0523	11,064.00	2.98000	34,696.14
Mar-19	Utility Gas Management	12,322.00	1.0558	11,671.00	2.98000	36,719.56
Totals		133,361.00	1.0572	126,143.01	2.98000	397,415.78

Line losses are 126,143.01 Mcf and sales of 123,201.80 Mcf. 2.33% for 12 months ended 3/30/2019 based on purchases of Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 397,415.78
	Mcf	<u>126,143.01</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.1505
Plus: Expected Losses of (not to exceed 5%)	Mcf	397,415.78
= Total Expected Gas Cost	\$	\$ 397,415.78

Allowable Sales (maximum losses of 5%). 397,415.78

*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 3/30/2019

<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> </u> 3/30/2019	Mcf	123,202
<hr/>		
=Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	\$ -

SCHEDULE IV
ACTUAL ADJUSTMENT

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For the 3 month period ended 3/30/2019

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Jan-19</u>	Month 2 <u>Feb-19</u>	Month 3 <u>Mar-19</u>
Total Supply Volumes Purchased	Mcf	13,867.00	11,064.00	11,671.00
Utility Gas Management				
Total Cost of Volumes Purchased	\$	\$ 65,637.06	\$ 41,107.77	\$ 36,330.38
 Total Sales	 Mcf	 <u>13,201.20</u>	 <u>10,878.20</u>	 <u>11,421.50</u>
(may not be less than 95% of supply volumes) (G8*0.95)				
= Unit Cost of Gas	\$/Mcf	\$ 4.9721	\$ 3.7789	\$ 3.1809
 - EGC in effect for month	 \$/Mcf	 <u>\$ 4.5053</u>	 <u>\$ 4.5053</u>	 <u>\$ 4.5053</u>
 = Difference [(Over-)/Under-Recovery]	 \$/Mcf	 \$ 0.4668	 \$ (0.7264)	 \$ (1.3244)
 x Actual sales during month	 Mcf	 <u>13,201.20</u>	 <u>10,878.20</u>	 <u>11,421.50</u>
 = Monthly cost difference	 \$	 6,161.69	 (7,901.78)	 (15,126.90)

01-01-19 to 03-31-19	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (16,866.99)
 + Sales for 12 months ended <u>3/30/2019</u>	 Mcf	 <u>123,202</u>
 = Actual Adjustment for the Reporting Period (to Schedule IC.)	 \$/Mcf	 \$ (0.1369)

SCHEDULE V
BALANCE ADJUSTMENT

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For the 3 month period ended 3/30/2019

Line	Particulars	Unit	Amount
	Utility Gas Management		
(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.		
1		\$	<u>(11,899.99)</u> Case No. 2018-00081 04-01-18 to 06-30-18
2 Less:	Dollars amount resulting from the AA of (0.0894) \$/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 123,202 MCF during the 12 month period the AA was in effect.		
3		\$	<u>(11,014.24)</u>
4 Equals:	Balance Adjustment for the AA.	\$	<u>(885.75)</u>
(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.		
5		\$	<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 123,202 MCF during the 12 month period the RA was in effect.		
7		\$	<u>-</u>
8 Equals:	Balance Adjustment for the RA.	\$	<u>-</u>
(3)	Total Balance Adjustment used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
9		\$	<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 123,202 MCF during the 12 month period the BA was in effect.		
11		\$	<u>-</u>
12 Equals:	Balance Adjustment for the BA.	\$	<u>-</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>-885.75</u>
14	Divided By Sales for 12 months ended 3/30/2019	\$	<u>123,202</u>
15 Equals:	Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	<u>(0.0072)</u>

MILLENNIUM ENERGY
Purchased Gas Adjustment Calculation [1]

Line No	Wholesale Supplier	Purchased Gas (@ Delivery Point)					
		Month	Amount (\$)	Quantity (decatherms)	Heat Rate (dt/mcF)	Quantity (mcF)	Avg. Rate (\$/mcF)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Utility Gas Management	Apr-18	35,111.10	13,269.00	1.0533	12,598.00	2.79
2	Utility Gas Management	May-18	28,823.33	10,551.00	1.0555	9,996.00	2.88
3	Utility Gas Management	Jun-18	24,820.85	8,742.00	1.0543	8,292.00	2.99
4	Utility Gas Management	Jul-18	26,209.51	8,975.00	1.0576	8,486.00	3.09
5	Utility Gas Management	Aug-18	26,059.19	9,077.00	1.0594	8,568.00	3.04
6	Utility Gas Management	Sep-18	23,081.33	8,045.00	1.0620	7,575.00	3.05
7	Utility Gas Management	Oct-18	35,135.11	11,316.00	1.0644	10,631.00	3.30
8	Utility Gas Management	Nov-18	45,479.67	12,438.00	1.0593	11,742.00	3.87
9	Utility Gas Management	Dec-18	61,259.17	12,344.00	1.0593	11,653.00	5.26
10	Utility Gas Management	Jan-19	65,637.06	14,639.00	1.0557	13,867.00	4.73
11	Utility Gas Management	Feb-19	41,107.77	11,643.00	1.0523	11,064.00	3.72
12	Utility Gas Management	Mar-19	36,330.38	12,322.00	1.0558	11,671.00	3.11
	Total		449,054.47	133,361.00	1.0572	126,143.01	3.56

[1] Losses are based on a 12-month moving average.

MILLENNIUM ENERGY
Purchased Gas Adjustment Calculation [1]

Wholesale Supplier	Monthly Gas Sales			12-Months Gas Totals			Recovery Rate	
	Quantity (mcF)	Losses (%)	Avg. Rate (\$/mcF)	Purchases (mcF)	Sales (mcF)	Losses (%)	Cost (\$)	Rate (\$/mcF)
(a)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Utility Gas Management	12,002.00	4.73%	2.93	12,598.00	12,002	4.73%	35,111	2.93
Utility Gas Management	9,864.60	1.31%	2.92	22,594.00	21,867	3.22%	63,934	2.92
Utility Gas Management	8,396.60	-1.26%	2.96	30,886.00	30,263	2.02%	88,755	2.93
Utility Gas Management	7,776.10	8.37%	3.37	39,372.01	38,039	3.38%	114,965	3.02
Utility Gas Management	8,249.20	3.72%	3.16	47,940.01	46,289	3.44%	141,024	3.05
Utility Gas Management	7,161.90	5.45%	3.22	55,515.01	53,450	3.72%	164,105	3.07
Utility Gas Management	10,963.10	-3.12%	3.20	66,146.01	64,414	2.62%	199,240	3.09
Utility Gas Management	11,332.10	3.49%	4.01	77,888.01	75,746	2.75%	244,720	3.23
Utility Gas Management	11,955.30	-2.59%	5.12	89,541.02	87,701	2.06%	305,979	3.49
Utility Gas Management	13,201.20	4.80%	4.97	103,408.01	100,902	2.42%	371,616	3.68
Utility Gas Management	10,878.20	1.68%	3.78	114,472.01	111,780	2.35%	412,724	3.69
Utility Gas Management	11,421.50	2.14%	3.18	126,143.01	123,202	2.33%	449,054	3.64
Total	123,201.80	2.33%	3.64	126,143.01	123,201.80	2.33%	449,054	3.64

[1] Losses are based on a 12-month moving average.

Meador, Wendy

From: Ron Ragan <ron@utilitygas.com>
Sent: Tuesday, May 14, 2019 8:35 AM
To: Meador, Wendy
Subject: Re: Nymex Futures

\$2.68
\$2.70
\$2.70

Ron Ragan
Utility Gas Management
Ron@utilitygas.com
(913) 515-2994

July 2019 - \$2.68
August 2019 - \$2.70
September 2019 - \$2.70

$\$8.08 \div 3 = \2.69
3 month average

On May 14, 2019, at 9:33 AM, Meador, Wendy <wendym@wrecc.com> wrote:

Ron

I am working on my Gas Cost Adjustment Report for the PSC. I need the Nymex future estimates for the quarter o: July, August and September 2019

Thanks

Wendy Meador
Member Service Supervisor
Franklin Office
698 Morgantown Rd
Franklin KY 42134
wendym@wrecc.com
Office Phone: 270-586-3443, Ext. 3004
Fax: 270-393-2615
<image001.png>

\$2.69 - 3 month average
0.08 - management fee
0.210 - transport fee
\$2.98
our suppliers fees charged to us

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Schedule 11 - EGC Rate (s)
estimate
\$2.98