

NOV 25 2019



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PUBLIC SERVICE
COMMISSION

November 19, 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 January 1, 2020 to March 31, 2020.

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-Dec-19**

Date Rates to be Effective: **January 1, 2020 to March 31, 2020**

Reporting Period is Calendar Quarter Ended: **July 1, 2019 to September 30, 2019**

**SCHEDULE I
GAS COST RECOVERY RATE SUMMARY**

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	3.0920
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	(0.2581)
+ Balance Adjustment (BA)	\$/Mcf	<u>(0.0230)</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	2.8109

GCR to be effective for service rendered from: 01-01-20 to 03-31-20

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	372,833.28
+ Sales for the 12 months ended 9/30/2019	Mcf	<u>120,579.50</u>
- Expected Gas Cost (EGC)	\$/Mcf	3.0920

<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	\$ (0.1885)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0853)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1369)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ 0.1526</u>
=Actual Adjustment (AA)	\$/Mcf	\$ (0.2581)

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0044)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0157)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0072)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ 0.0043</u>
=Balance Adjustment (BA)	\$/Mcf	\$ (0.0230)

SCHEDULE II
EXPECTED GAS COST

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Actual* Mcf Purchase for 12 months ended

09/30/19

(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>
Oct-18 Utility Gas Management	11,316.00	1.0644	10,631.00	2.88000	32,590.08
Nov-18 Utility Gas Management	12,438.00	1.0593	11,742.00	2.88000	35,821.44
Dec-18 Utility Gas Management	12,344.00	1.0593	11,653.00	2.88000	35,550.72
Jan-19 Utility Gas Management	14,639.00	1.0557	13,867.00	2.88000	42,160.32
Feb-19 Utility Gas Management	11,643.00	1.0523	11,064.00	2.88000	33,531.84
Mar-19 Utility Gas Management	12,322.00	1.0558	11,671.00	2.88000	35,487.36
Apr-19 Utility Gas Management	10,760.00	1.0623	10,129.00	2.88000	30,988.80
May-19 Utility Gas Management	9,774.00	1.0599	9,222.00	2.88000	28,149.12
Jun-19 Utility Gas Management	9,054.00	1.0565	8,570.00	2.88000	26,075.52
Jul-19 Utility Gas Management	8,816.00	1.0611	8,308.00	2.88000	25,390.08
Aug-19 Utility Gas Management	8,136.00	1.0630	7,654.00	2.88000	23,431.68
Sep-19 Utility Gas Management	8,214.00	1.0650	7,713.00	2.88000	23,656.32
Totals	129,456.00	1.0592	122,224.01	2.88000	372,833.28

Line losses are 122,224.01 Mcf and sales of 120,579.50 Mcf. 1.35% for 12 months ended 9/30/2019 based on purchases of

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 372,833.28
	Mcf	<u>122,224.01</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.0504
Plus: Expected Losses of (not to exceed 5%)	Mcf	372,833.28
= Total Expected Gas Cost	\$	\$ 372,833.28
Allowable Sales (maximum losses of 5%).		372,833.28

*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 9/30/2019

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended 9/30/2019	Mcf	<u>120,580</u>
<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 end 9/30/2019

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Jul-19</u>	Month 2 <u>Aug-19</u>	Month 3 <u>Sep-19</u>
Total Supply Volumes Purchased	Mcf	8,308.00	7,654.00	7,713.00
Utility Gas Management				
Total Cost of Volumes Purchased	\$	\$ 19,747.45	\$ 17,649.60	\$ 17,393.51
 Total Sales	 Mcf	 <u>8,690.10</u>	 <u>8,091.40</u>	 <u>7,327.35</u>
(may not be less than 95% of supply volume (G8*0.95))				
= Unit Cost of Gas	\$/Mcf	\$ 2.2724	\$ 2.1813	\$ 2.3738
 - EGC in effect for month	 \$/Mcf	 <u>\$ 3.2257</u>	 <u>\$ 3.2257</u>	 <u>\$ 3.2257</u>
 = Difference [(Over-)/Under-Recovery]	 \$/Mcf	 \$ (0.9533)	 \$ (1.0444)	 \$ (0.8519)
 x Actual sales during month	 Mcf	 <u>8,690.10</u>	 <u>8,091.40</u>	 <u>7,036.80</u>
 = Monthly cost difference	 \$	 (8,284.21)	 (8,450.83)	 (5,994.80)

01-01-19 to 03-31-19	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (22,729.84)
+ Sales for 12 months end 9/30/2019	Mcf	<u>120,580</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	\$ (0.1885)

SCHEDULE V
BALANCE ADJUSTMENT

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For the 3 month period ended 9/30/2019

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		\$	(4,244.56) Case No. 2018-00289 10-01-18 to 12-31-18
2 Less:	Dollars amount resulting from the AA of (0.0306) \$/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 120,580 MCF during the 12 month period the AA was in effect.		
3		\$	(3,689.73)
4 Equals:	Balance Adjustment for the AA.	\$	(554.83)
(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		\$	-
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 120,580 MCF during the 12 month period the RA was in effect.		
7		\$	-
8 Equals:	Balance Adjustment for the RA.	\$	-
(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		\$	233.47 (Line 13 - Schedule V) Case No. 2018-00289
10 Less:	Dollar amount resulting from the BA of 0.0017 \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of 120,580 MCF during the 12 month period the BA was in effect.		
11		\$	204.99
12 Equals:	Balance Adjustment for the BA.	\$	28.48
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	-526.34
14 Divided By Sales for 12 months ended 9/30/2019		\$	120,580
15 Equals:	Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	(0.0044)

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	Oct-18	35,135.11	11,316.00	1.0644	10,631.00	3.30
2	Utility Gas Management	Nov-18	45,479.67	12,438.00	1.0593	11,742.00	3.87
3	Utility Gas Management	Dec-18	61,259.17	12,344.00	1.0593	11,653.00	5.26
4	Utility Gas Management	Jan-19	65,637.06	14,639.00	1.0557	13,867.00	4.73
5	Utility Gas Management	Feb-19	41,107.77	11,643.00	1.0523	11,064.00	3.72
6	Utility Gas Management	Mar-19	36,330.38	12,322.00	1.0558	11,671.00	3.11
7	Utility Gas Management	Apr-19	30,879.10	10,760.00	1.0623	10,129.00	3.05
8	Utility Gas Management	May-19	23,934.42	9,774.00	1.0599	9,222.00	2.60
9	Utility Gas Management	Jun-19	22,798.14	9,054.00	1.0565	8,570.00	2.66
10	Utility Gas Management	Jul-19	19,747.45	8,816.00	1.0611	8,308.00	2.38
11	Utility Gas Management	Aug-19	17,649.60	8,136.00	1.0630	7,654.00	2.31
12	Utility Gas Management	Sep-19	17,393.51	8,214.00	1.0650	7,713.00	2.26
Total			417,351.38	129,456.00	1.0592	122,224.01	3.41

[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) (h)	Losses (%) (i)	Avg. Rate (\$/mcF) (j)	Purchases (mcF) (k)	Sales (mcF) (l)	Losses (%) (m)	Cost (\$) (n)	Rate (\$/mcF) (o)
Utility Gas Management	10,963.10	-3.12%	3.20	10,631.00	10,963	-3.12%	35,135	3.20
Utility Gas Management	11,332.10	3.49%	4.01	22,373.01	22,295	0.35%	80,615	3.62
Utility Gas Management	11,955.30	-2.59%	5.12	34,026.01	34,251	-0.66%	141,874	4.14
Utility Gas Management	13,201.20	4.80%	4.97	47,893.00	47,452	0.92%	207,511	4.37
Utility Gas Management	10,878.20	1.68%	3.78	58,957.00	58,330	1.06%	248,619	4.26
Utility Gas Management	11,421.50	2.14%	3.18	70,628.01	69,751	1.24%	284,949	4.09
Utility Gas Management	9,967.60	1.59%	3.10	80,757.01	79,719	1.29%	315,828	3.96
Utility Gas Management	8,816.90	4.39%	2.71	89,979.01	88,536	1.60%	339,763	3.84
Utility Gas Management	8,225.30	4.02%	2.77	98,549.01	96,761	1.81%	362,561	3.75
Utility Gas Management	8,690.10	-4.60%	2.27	106,857.01	105,451	1.32%	382,308	3.63
Utility Gas Management	8,091.40	-5.71%	2.18	114,511.00	113,543	0.85%	399,958	3.52
Utility Gas Management	<u>7,036.80</u>	<u>8.77%</u>	<u>2.47</u>	<u>122,224.01</u>	<u>120,580</u>	<u>1.35%</u>	<u>417,351</u>	<u>3.46</u>
Total	120,579.50	1.35%	3.46	122,224.01	120,579.50	1.35%	417,351	3.46

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

Meador, Wendy

From: Ron Ragan <ron@utilitygas.com>
Sent: Monday, November 18, 2019 8:24 AM
To: Meador, Wendy
Subject: Re: Nymex futures

Jan - \$2.66
Feb - \$2.61
Mar - \$2.50

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

*\$ 2.66 Jan
2.61 Feb
2.50 Mar

\$ 7.77 / 3 = \$ 2.59 Average*

On Nov 18, 2019, at 9:18 AM, Meador, Wendy <wendym@wrecc.com> wrote:

Ron

It's that time again... Working on the next report for the KY PSC... I need the estimated Nymex futures for the quarter of January 2020 – March 2020.

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
<image003.png>

*\$ 2.59 Average
0.08 management fee
0.210 transport fee

\$ 2.88* → *our supplier's fees charged to us*

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*Schedule 11-EGC Rate (5)
estimate \$ 2.88*