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Franklin KY 42134  
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February 24, 2020

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FEB 27 2020

PUBLIC SERVICE  
COMMISSION

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 April 1, 2020 to June 30, 2020.

We also request that correspondence regarding this GCA be emailed to myself at [pattyk@wrecc.com](mailto:pattyk@wrecc.com) as well as Wendy Meador at [wendym@wrecc.com](mailto:wendym@wrecc.com)

Sincerely,

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

Patty Kantosky  
V.P. of Member Services

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FEB 27 2020

PUBLIC SERVICE  
COMMISSION

Appendix B

Page 1

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

Date Filed: **28-Feb-20**

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Date Rates to be Effective: **April 1, 2020 to June 30, 2020**

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Reporting Period is Calendar Quarter Ended: **October 1, 2019 to December 31, 2019**

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

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	2.3825
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	(0.4209)
+ Balance Adjustment (BA)	\$/Mcf	<u>(0.0283)</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	1.9333

GCR to be effective for service rendered from: **04-01-20 to 06-30-20**

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	289,722.16
+ Sales for the 12 months ended 12/31/2019	Mcf	<u>121,601.90</u>
- Expected Gas Cost (EGC)	\$/Mcf	2.3825

<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	\$ (0.0102)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1885)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0853)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ (0.1369)</u>
=Actual Adjustment (AA)	\$/Mcf	\$ (0.4209)

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0010)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0044)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0157)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ (0.0072)</u>
=Balance Adjustment (BA)	\$/Mcf	\$ (0.0283)

**SCHEDULE II  
EXPECTED GAS COST**

Appendix B  
Page 3

Actual\* Mcf Purchase for 12 months ended

	<u>12/31/19</u>				
(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>
Jan-19 Utility Gas Management	14,639.00	1.0557	13,867.00	2.21000	32,352.19
Feb-19 Utility Gas Management	11,643.00	1.0523	11,064.00	2.21000	25,731.03
Mar-19 Utility Gas Management	12,322.00	1.0558	11,671.00	2.21000	27,231.62
Apr-19 Utility Gas Management	10,760.00	1.0623	10,129.00	2.21000	23,779.60
May-19 Utility Gas Management	9,774.00	1.0599	9,222.00	2.21000	21,600.54
Jun-19 Utility Gas Management	9,054.00	1.0565	8,570.00	2.21000	20,009.34
Jul-19 Utility Gas Management	8,816.00	1.0611	8,308.00	2.21000	19,483.36
Aug-19 Utility Gas Management	8,136.00	1.0630	7,654.00	2.21000	17,980.56
Sep-19 Utility Gas Management	8,214.00	1.0650	7,713.00	2.21000	18,152.94
Oct-19 Utility Gas Management	10,596.00	1.0630	9,968.00	2.21000	23,417.16
Nov-19 Utility Gas Management	13,270.00	1.0611	12,506.00	2.21000	29,326.70
Dec-19 Utility Gas Management	13,872.00	1.0617	13,066.00	2.21000	30,657.12
<b>Totals</b>	<b>131,096.00</b>	<b>1.0595</b>	<b>123,737.99</b>	<b>2.21000</b>	<b>289,722.16</b>

Line losses are 123,737.99 Mcf and sales of 121,601.90 Mcf. 1.73% for 12 months ended 12/31/2019 based on purchases of

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 289,722.16
	Mcf	123,737.99
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 2.3414
Plus: Expected Losses of (not to exceed 5%)	Mcf	289,722.16
= Total Expected Gas Cost	\$	\$ 289,722.16
Allowable Sales (maximum losses of 5%).		289,722.16

\*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 12/31/2019

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended 12/31/2019	Mcf	121,602
<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 end 12/31/2019

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Oct-19</u>	Month 2 <u>Nov-19</u>	Month 3 <u>Dec-19</u>
Total Supply Volumes Purchased	Mcf	9,968.00	12,506.00	13,066.00
Utility Gas Management				
Total Cost of Volumes Purchased	\$	\$ 23,919.52	\$ 34,550.28	\$ 38,828.63
 Total Sales	 Mcf	 <u>9,809.60</u>	 <u>12,593.30</u>	 <u>12,870.00</u>
(may not be less than 95% of supply volume (G8*0.95))				
<u>= Unit Cost of Gas</u>	\$/Mcf	\$ 2.4384	\$ 2.7435	\$ 3.0170
 <u>- EGC in effect for month</u>	 \$/Mcf	 <u>\$ 2.7937</u>	 <u>\$ 2.7937</u>	 <u>\$ 2.7937</u>
 = Difference [ (Over-)/Under-Recovery]	 \$/Mcf	 \$ (0.3553)	 \$ (0.0502)	 \$ 0.2233
 <u>x Actual sales during month</u>	 Mcf	 <u>9,809.60</u>	 <u>12,593.30</u>	 <u>12,870.00</u>
 = Monthly cost difference	 \$	 (3,485.56)	 (631.62)	 2,873.71

01-01-19 to 03-31-19	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (1,243.47)
 + Sales for 12 months end 12/31/2019	 Mcf	 <u>121,602</u>
 = Actual Adjustment for the Reporting Period (to Schedule IC.)	 \$/Mcf	 \$ (0.0102)

SCHEDULE V  
BALANCE ADJUSTMENT

Appendix B  
Page 6

For the 3 month period ended 12/31/2019

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.		(Schedule IV - Line H30)
1		\$	<u>(1,696.84)</u> Case No. 2018-00396 01-01-19 to 03-31-19
			(Schedule IV - Line H35)
2 Less:	Dollars amount resulting from the AA of (0.0125) \$/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 121,602 MCF during the 12 month period the AA was in effect.		
3		\$	<u>(1,520.02)</u>
4 Equals:	Balance Adjustment for the AA.	\$	<u>(176.82)</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 121,602 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.		(Schedule V - Line 13/Cell K43)
9		\$	<u>514.38</u> Case No. 2018-00396 01-01-19 to 03-31-19
			Case No. 2018-00289 (Line 15/Cell K48)
10 Less:	Dollar amount resulting from the BA of 0.0038 \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of 121,602 MCF during the 12 month period the BA was in effect.		
11		\$	<u>462.09</u>
12 Equals:	Balance Adjustment for the BA.	\$	<u>52.29</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>-124.52</u>
14 Divided By Sales for 12 months ended 12/31/2019		\$	<u>121,602</u>
15 Equals:	Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	<u>(0.0010)</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	Jan-19	65,637.06	14,639.00	1.0557	13,867.00	4.73
2	Utility Gas Management	Feb-19	41,107.77	11,643.00	1.0523	11,064.00	3.72
3	Utility Gas Management	Mar-19	36,330.38	12,322.00	1.0558	11,671.00	3.11
4	Utility Gas Management	Apr-19	30,879.10	10,760.00	1.0623	10,129.00	3.05
5	Utility Gas Management	May-19	23,934.42	9,774.00	1.0599	9,222.00	2.60
6	Utility Gas Management	Jun-19	22,798.14	9,054.00	1.0565	8,570.00	2.66
7	Utility Gas Management	Jul-19	19,747.45	8,816.00	1.0611	8,308.00	2.38
8	Utility Gas Management	Aug-19	17,649.60	8,136.00	1.0630	7,654.00	2.31
9	Utility Gas Management	Sep-19	17,393.51	8,214.00	1.0650	7,713.00	2.26
10	Utility Gas Management	Oct-19	23,919.52	10,596.00	1.0630	9,968.00	2.40
11	Utility Gas Management	Nov-19	34,550.28	13,270.00	1.0611	12,506.00	2.76
12	Utility Gas Management	Dec-19	38,828.63	13,872.00	1.0617	13,066.00	2.97
	<b>Total</b>		<b>372,775.86</b>	<b>131,096.00</b>	<b>1.0595</b>	<b>123,737.99</b>	<b>3.01</b>

[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	Losses	Avg. Rate	Purchases	Sales	Losses	Cost	Rate
(a)	(mcF)	(%)	(\$/mcF)	(mcF)	(mcF)	(%)	(\$)	(\$/mcF)
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(o)
Utility Gas Management	13,201.20	4.80%	4.97	13,867.00	13,201	4.80%	65,637	4.97
Utility Gas Management	10,878.20	1.68%	3.78	24,931.00	24,079	3.42%	106,745	4.43
Utility Gas Management	11,421.50	2.14%	3.18	36,602.00	35,501	3.01%	143,075	4.03
Utility Gas Management	9,967.60	1.59%	3.10	46,731.00	45,469	2.70%	173,954	3.83
Utility Gas Management	8,816.90	4.39%	2.71	55,953.00	54,285	2.98%	197,889	3.65
Utility Gas Management	8,225.30	4.02%	2.77	64,523.00	62,511	3.12%	220,687	3.53
Utility Gas Management	8,690.10	-4.60%	2.27	72,831.00	71,201	2.24%	240,434	3.38
Utility Gas Management	8,091.40	-5.71%	2.18	80,485.00	79,292	1.48%	258,084	3.25
Utility Gas Management	7,036.80	8.77%	2.47	88,198.00	86,329	2.12%	275,477	3.19
Utility Gas Management	9,809.60	1.59%	2.44	98,166.00	96,139	2.07%	299,397	3.11
Utility Gas Management	12,593.30	-0.70%	2.74	110,671.99	108,732	1.75%	333,947	3.07
Utility Gas Management	12,870.00	1.50%	3.02	123,737.99	121,602	1.73%	372,776	3.07
<b>Total</b>	<b>121,601.90</b>	<b>1.73%</b>	<b>3.07</b>	<b>123,737.99</b>	<b>121,601.90</b>	<b>1.73%</b>	<b>372,776</b>	<b>3.07</b>

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

**Meador, Wendy**

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**From:** Ron Ragan <ron@utilitygas.com>  
**Sent:** Thursday, February 13, 2020 3:18 PM  
**To:** Meador, Wendy  
**Subject:** RE: Nymex Futures

Apr - \$1.86  
May - \$1.91  
Jun - \$1.98

1.86 April  
1.91 May  
1.98 June

Ron Ragan  
Utility Gas Management  
PH (913) 515-2994  
Fax (913) 730-8667  
Email – [ron@utilitygas.com](mailto:ron@utilitygas.com)  
[www.utilitygas.com](http://www.utilitygas.com)

$\$ \frac{5.75}{3} = \$1.92 \text{ average}$

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**From:** Meador, Wendy <[wendym@wrecc.com](mailto:wendym@wrecc.com)>  
**Sent:** Thursday, February 13, 2020 2:26 PM  
**To:** Ron Ragan <[ron@utilitygas.com](mailto:ron@utilitygas.com)>  
**Subject:** Nymex Futures

Ron

I am working on my next quarterly Gas Cost Adjustment for the KY PSC. This one will be for the quarter of: April, May and June 2020

Can you send me the estimated Nymex futures for this time period?

Thanks

**Wendy Meador**  
**Member Service Supervisor**  
**Franklin Office**  
698 Morgantown Rd  
Franklin KY 42134  
[wendym@wrecc.com](mailto:wendym@wrecc.com)  
Office Phone: 270-586-3443, Ext. 3004  
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\$1.92 Average

0.08 management fee  
0.210 transport fee

our suppliers fees charged to US

$\$2.2100$



Schedule 11-EGC Rate (5)  
estimate \$2.21

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