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Franklin KY 42134  
Phone: (270) 586-3443  
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August 18, 2020

Kent A Chandler  
Acting Executive Director  
PO Box 615 / 211 Sower Blvd.  
Frankfort, KY 40602

RE: Case #      Gas Cost Adjustment Report  
                    Case # 2020-00273

Dear Ms. Pinson:

The following document is Millennium Energy's Gas Cost Adjustment Report for the quarter of October 1, 2020 to December 31, 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,

  
Patty Kantosky  
V.P. of Member Services

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

Date Filed: **1-Sep-20**

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Date Rates to be Effective: **October 1, 2020 to December 31, 2020**

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Reporting Period is Calendar Quarter Ended: **April 1, 2020 to June 30, 2020**

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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	3.2621
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	(0.5632)
+ Balance Adjustment (BA)	\$/Mcf	(0.0357)
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>2.6632</u>

GCR to be effective for service rendered from: 10-01-20 to 12-31-20

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	396,982.88
+ Sales for the 12 months ended 6/30/2020	Mcf	<u>121,694.80</u>
<u>- Expected Gas Cost (EGC)</u>	\$/Mcf	<u>3.2621</u>

<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>
<u>= Refund Adjustment (RA)</u>	\$/Mcf	<u>\$ -</u>

<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	\$ (0.0870)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2775)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0102)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ (0.1885)</u>
<u>=Actual Adjustment (AA)</u>	\$/Mcf	<u>\$ (0.5632)</u>

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0018)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0111
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0010)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ (0.0440)</u>
<u>=Balance Adjustment (BA)</u>	\$/Mcf	<u>\$ (0.0357)</u>

SCHEDULE II  
EXPECTED GAS COST

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Actual\* Mcf Purchase for 12 months ended

06/30/20

(1) <u>Supplier</u>	(2) <u>Dth</u>	(3) <u>Heat Rate</u>	(4) <u>Mcf</u>	(5) <u>Rate</u>	(6) <u>(2) x (5) Cost</u>
Jul-19 Utility Gas Management	8,816.00	1.0611	8,308.00	3.01000	26,536.16
Aug-19 Utility Gas Management	8,136.00	1.0630	7,654.00	3.01000	24,489.36
Sep-19 Utility Gas Management	8,214.00	1.0650	7,713.00	3.01000	24,724.14
Oct-19 Utility Gas Management	10,596.00	1.0630	9,968.00	3.01000	31,893.96
Nov-19 Utility Gas Management	13,270.00	1.0611	12,506.00	3.01000	39,942.70
Dec-19 Utility Gas Management	13,872.00	1.0617	13,066.00	3.01000	41,754.72
Jan-20 Utility Gas Management	15,538.00	1.0640	14,603.00	3.01000	46,769.38
Feb-20 Utility Gas Management	14,247.00	1.0660	13,365.00	3.01000	42,883.47
Mar-20 Utility Gas Management	12,357.00	1.0648	11,605.00	3.01000	37,194.57
Apr-20 Utility Gas Management	10,628.00	1.0605	10,022.00	3.01000	31,990.28
May-20 Utility Gas Management	8,769.00	1.0555	8,308.00	3.01000	26,394.69
Jun-20 Utility Gas Management	<u>7,445.00</u>	<u>1.0559</u>	<u>7,051.00</u>	<u>3.01000</u>	<u>22,409.45</u>
Totals	131,888.00	1.0622	124,168.98	3.01000	396,982.88

Line losses are 1.99% for 12 months ended 6/30/2020 based on purchases of  
 124,168.98 Mcf and sales of 121,694.80 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 396,982.88
	Mcf	<u>124,168.98</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.1971
Plus: Expected Losses of (not to exceed 5%)	Mcf	396,982.88
= Total Expected Gas Cost	\$	\$ 396,982.88
Allowable Sales (maximum losses of 5%).		396,982.88

\*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 6/30/2020

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended 6/30/2020	Mcf	121,695
<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 ending 6/30/2020

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Apr-20</u>	Month 2 <u>May-20</u>	Month 3 <u>Jun-20</u>
Total Supply Volumes Purchased	Mcf	10,022.00	8,308.00	7,051.00
Utility Gas Management				
Total Cost of Volumes Purchased	\$	\$ 18,635.05	\$ 17,320.25	\$ 13,085.55
 Total Sales	 Mcf	 <u>9,520.90</u>	 <u>8,333.60</u>	 <u>7,183.80</u>
(may not be less than 95% of supply volume (G8*0.95))				
= Unit Cost of Gas	\$/Mcf	\$ 1.9573	\$ 2.0784	\$ 1.8215
- EGC in effect for month	\$/Mcf	<u>\$ 2.3825</u>	<u>\$ 2.3825</u>	<u>\$ 2.3825</u>
= Difference [ (Over-)/Under-Recovery]	\$/Mcf	\$ (0.4252)	\$ (0.3041)	\$ (0.5610)
 x Actual sales during month	 Mcf	 <u>9,467.50</u>	 <u>8,333.60</u>	 <u>7,183.80</u>
= Monthly cost difference	\$	(4,025.79)	(2,534.55)	(4,029.85)

01-01-19 to 03-31-19	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (10,590.19)
+ Sales for 12 months ending 6/30/2020	Mcf	<u>121,695</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	\$ (0.0870)



SCHEDULE V  
BALANCE ADJUSTMENT

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For the 3 month period ended 6/30/2020

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>(16,866.99)</u> Case No. 2019-00151 07-01-2019 to 09-30-2019
			(Schedule IV - Line H35)
2 Less:	Dollars amount resulting from the AA of <u>(0.1369)</u> \$/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 121,695 MCF during the 12 month period the AA was in effect.		
3		\$	<u>(16,660.02)</u>
4 Equals:	Balance Adjustment for the AA.	\$	<u>(206.97)</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 <u>-</u> \$/MCF as used to compute the OCR in effect four quarters prior to the effective GCR times the sales of 121,695 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>(885.75)</u> Case No. 2019-00151 07-01-2019 to 09-30-2019
			Case No. 2019-00151 (Line 15/Cell K48)
10 Less:	Dollar amount resulting from the BA of <u>(0.0072)</u> \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of 121,695 MCF during the 12 month period the BA was in effect.		
11		\$	<u>(876.20)</u>
12 Equals:	Balance Adjustment for the BA.	\$	<u>(9.55)</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>-216.52</u>
14	Divided By Sales for 12 months ended <span style="margin-left: 50px;">6/30/2020</span>	\$	<u>121,695</u>
15 Equals:	Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	<u>(0.0018)</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	Jul-19	19,747.45	8,816.00	1.0611	8,308.00	2.38
2	Utility Gas Management	Aug-19	17,649.60	8,136.00	1.0630	7,654.00	2.31
3	Utility Gas Management	Sep-19	17,393.51	8,214.00	1.0650	7,713.00	2.26
4	Utility Gas Management	Oct-19	23,919.52	10,596.00	1.0630	9,968.00	2.40
5	Utility Gas Management	Nov-19	34,550.28	13,270.00	1.0611	12,506.00	2.76
6	Utility Gas Management	Dec-19	38,828.63	13,872.00	1.0617	13,066.00	2.97
7	Utility Gas Management	Jan-20	37,026.52	15,538.00	1.0640	14,603.00	2.54
8	Utility Gas Management	Feb-20	25,386.40	14,247.00	1.0660	13,365.00	1.90
9	Utility Gas Management	Mar-20	22,300.53	12,357.00	1.0648	11,605.00	1.92
10	Utility Gas Management	Apr-20	18,635.05	10,628.00	1.0605	10,022.00	1.86
11	Utility Gas Management	May-20	17,320.25	8,769.00	1.0555	8,308.00	2.08
12	Utility Gas Management	Jun-20	13,085.55	7,445.00	1.0559	7,051.00	1.86
	<b>Total</b>		<b>285,843.29</b>	<b>131,888.00</b>	<b>1.0622</b>	<b>124,168.98</b>	<b>2.30</b>

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[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	8,690.10	-4.60%	2.27	8,308.00	8,690	-4.60%	19,747	2.27
Utility Gas Management	8,091.40	-5.71%	2.18	15,962.00	16,782	-5.13%	37,397	2.23
Utility Gas Management	7,036.80	8.77%	2.47	23,675.00	23,818	-0.61%	54,791	2.30
Utility Gas Management	9,809.60	1.59%	2.44	33,642.99	33,628	0.04%	78,710	2.34
Utility Gas Management	12,593.30	-0.70%	2.74	46,148.99	46,221	-0.16%	113,260	2.45
Utility Gas Management	12,870.00	1.50%	3.02	59,214.99	59,091	0.21%	152,089	2.57
Utility Gas Management	13,401.40	8.23%	2.76	73,817.99	72,493	1.80%	189,116	2.61
Utility Gas Management	13,918.70	-4.14%	1.82	87,182.99	86,411	0.89%	214,502	2.48
Utility Gas Management	10,298.60	11.26%	2.17	98,787.99	96,710	2.10%	236,802	2.45
Utility Gas Management	9,467.50	5.53%	1.97	108,809.99	106,177	2.42%	255,437	2.41
Utility Gas Management	8,333.60	-0.31%	2.08	117,117.98	114,511	2.23%	272,758	2.38
Utility Gas Management	7,183.80	-1.88%	1.82	124,168.98	121,695	1.99%	285,843	2.35
<b>Total</b>	<b>121,694.80</b>	<b>1.99%</b>	<b>2.35</b>	<b>124,168.98</b>	<b>121,694.80</b>	<b>1.99%</b>	<b>285,843</b>	<b>2.35</b>

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

**Meador, Wendy**

**From:** Ron Ragan <ron@utilitygas.com>  
**Sent:** Friday, August 7, 2020 1:16 PM  
**To:** Meador, Wendy  
**Subject:** Re: Nymex estimated futures

\$2.38  
\$2.74  
\$3.05

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

\$ 2.38 Oct  
2.74 Nov  
3.05 Dec

$\$ 8.17 \div 3 = \$ 2.72$  quarter average

On Aug 7, 2020, at 1:15 PM, Meador, Wendy <wendym@wrecc.com> wrote:

Ron

I need the estimated futures for the quarter of October, November and December 2020 for our new Gas Cost Report for the KY PSC please.

Thanks. And have a good weekend.

Wendy Meador  
Member Service Supervisor  
Franklin Office  
698 Morgantown Rd  
Franklin KY 42134  
[wendym@wrecc.com](mailto:wendym@wrecc.com)  
Office Phone: 270-842-5214, Ext. 3004  
Fax: 270-393-2615  
<image001.png>

\$ 2.72 average  
0.08 management See out  
0.210 transport See Suppliers  
Sees charged to US  
\$ 3.01

Schedule 11-EGC Rate (5)  
estimate \$ 3.01

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