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February 22, 2009

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PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Executive Director, Public Service Commission  
PO Box 615 / 211 Sower Blvd.  
Frankfort, KY 42602

2009-00088

RE: Case #      Gas Cost Adjustment Report

Dear Ms. Stumbo:

The following document is Millennium Energy's Gas Cost Adjustment Report for quarter, April 1, 2009 to June 30, 2009 .

Sincerely,

A handwritten signature in cursive script, appearing to read "Wayne Goodrum".

Wayne Goodrum  
Manager

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QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed: 1-Mar-09

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Date Rates to be Effective: April 1, 2009 TO June 30, 2009

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Reporting Period is Calendar Quarter Ended:

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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	\$ 3.8825
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	1.0733
+ Balance Adjustment (BA)	\$/Mcf	<u>0.0315</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	\$ 4.9873

GCR to be effective for service rendered from:

**04-01-09 TO 06-30-09**

A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	430,304.79
+ Sales for the 12 months ended 1/31/2009	Mcf	<u>110,832.90</u>
- Expected Gas Cost (EGC)	\$/Mcf	3.8825
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	\$ -
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	\$ 0.4447
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.3798)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.4784
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	<u>\$ 0.5300</u>
= Actual Adjustment (AA)	\$/Mcf	\$ 1.0733
D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0176)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0303)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0475
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<u>\$ 0.0319</u>
= Balance Adjustment (BA)	\$/Mcf	\$ 0.0315

SCHEDULE II  
EXPECTED GAS COST

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Actual\* Mcf Purchase for 12 months ended

01/31/09

(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>
Feb-08 Atmos Energy Marketing	11,814.00	1.034	11,425.53	4.1377	47,275.42
Mar-08 Atmos Energy Marketing	10,912.00	1.034	10,553.19	4.1377	43,665.94
Apr-08 Atmos Energy Marketing	9,012.00	1.034	8,715.67	4.1377	36,062.82
May-08 Atmos Energy Marketing	7,808.00	1.034	7,551.26	4.1377	31,244.84
Jun-08 Atmos Energy Marketing	6,365.00	1.034	6,155.71	4.1377	25,470.46
Jul-08 Atmos Energy Marketing	6,834.00	1.034	6,609.28	4.1377	27,347.24
Aug-08 Atmos Energy Marketing	6,063.00	1.034	5,863.64	4.1377	24,261.97
Sep-08 Atmos Energy Marketing	6,229.00	1.034	6,024.18	4.1377	24,926.24
Oct-08 Atmos Energy Marketing	8,670.00	1.034	8,384.91	4.1377	34,694.25
Nov-08 Atmos Energy Marketing	9,809.00	1.034	9,486.46	4.1377	39,252.13
Dec-08 Atmos Energy Marketing	11,392.00	1.034	11,017.41	4.1377	45,586.73
Jan-09 Atmos Energy Marketing	12,624.00	1.034	12,208.90	4.1377	50,516.76
<b>Totals</b>	<b>107,532.00</b>	<b>1.034</b>	<b>103,996.13</b>	<b>4.1377</b>	<b>430,304.79</b>

Line losses are 103,996.13 Mcf and sales of 110,833 Mcf. -6.57% for 12 months ended 1/31/2009 based on purchases of

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 430,304.79
Expected Mcf Purchases (4)	Mcf	<u>103,996.13</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.1377
Plus: Expected Losses of (not to exceed 5%)	(D26/0.95) if line loss > 5% Mcf	<u>430,304.79</u>
= Total Expected Gas Cost	(J32*J33 if line loss) \$	\$ 430,304.79

Allowable Sales (maximum losses of 5%).

\$430,304.79

\*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 1/31/2009

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended ___ 1/31/2009	Mcf	110,833
<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        1/31/2009

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Nov-08</u>	Month 2 <u>Dec-08</u>	Month 3 <u>Jan-09</u>
Total Supply Volumes Purchased	Mcf	9,486.46	11,017.41	12,208.90
Total Cost of Volumes Purchased	\$	\$ 84,038.15	\$ 99,001.42	\$ 107,539.47
Total Sales (may not be less than 95% of supply volumes) (G8*0.95)	Mcf	<u>\$ 9,012.14</u>	<u>\$ 11,798.90</u>	<u>\$ 12,066.40</u>
= Unit Cost of Gas	\$/Mcf	\$ 9.3250	\$ 8.3907	\$ 8.9123
-				
- EGC in effect for month	\$/Mcf	<u>\$ 8.1088</u>	<u>\$ 8.1088</u>	<u>\$ 6.0027</u>
= Difference [ (Over-)/Under-Recovery]	\$/Mcf	\$ 1.2162	\$ 0.2819	\$ 2.9096
x Actual sales during month	Mcf	<u>8,923.80</u>	<u>11,798.90</u>	<u>12,066.40</u>
= Monthly cost difference	\$	10,853.10	3,326.50	35,108.49
		<u>Unit</u>	<u>Amount</u>	
Total cost difference (Month 1 + Month 2 + Month 3)	\$		\$ 49,288.09	
+ Sales for 12 months ended <u>      </u> 1/31/2009	Mcf		<u>110,833</u>	
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf		\$ 0.4447	

SCHEDULE V  
BALANCE ADJUSTMENT

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For the 3 month period ended

1/31/2009

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>18,632.52</u> Case No. 2007-0055'
2	Less: Dollars amount resulting from the AA of <u>0.1857</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 <u>110,833</u> MCF during the 12 month period the AA was in effect.		
3		\$	<u>20,581.67</u>
4	Equals: Balance Adjustment for the AA.	\$	<u>(1,949.15)</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 <u>-</u> \$/MCF as used to compute the OCR in effect four quarters prior to the effective GCR times the sales of <u>110,833</u> MCF during the 12 month period the RA was in effect.		
7		\$	<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 <u>-</u> \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of <u>110,833</u> 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>-1949.15</u>
14	Divided By: Sales for 12 months ended <u>1/31/2009</u>	\$	<u>110,833</u>
15	Equals: Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	<u>(0.0176)</u>