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August 26, 2019

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SEP 03 2019

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 October 1, 2019 to December 31, 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 cursive script that reads "Patty Kantosky".

Patty Kantosky
V.P. of Member Services

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SEP 03 2019

PUBLIC SERVICE
COMMISSION

Appendix B

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

Date Filed: **30-Aug-19**

Date Rates to be Effective: **October 1, 2019 to December 31, 2019**

Reporting Period is Calendar Quarter Ended: **April 1, 2019 to June 30, 2019**

**SCHEDULE I
GAS COST RECOVERY RATE SUMMARY**

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	2.7937
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	(0.0821)
+ Balance Adjustment (BA)	\$/Mcf	(0.0122)
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>2.6994</u>

GCR to be effective for service rendered from: **10-01-19 to 12-31-19**

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	335,094.59
+ Sales for the 12 months ended 6/30/2019	Mcf	119,948.40
<u>- Expected Gas Cost (EGC)</u>	\$/Mcf	<u>2.7937</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>= Refund Adjustment (RA)</u>	\$/Mcf	<u>\$ -</u>

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	\$ (0.0853)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1369)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.1526
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0125)
<u>=Actual Adjustment (AA)</u>	\$/Mcf	<u>\$ (0.0821)</u>

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	\$ (0.0131)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0072)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0043
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0038
<u>=Balance Adjustment (BA)</u>	\$/Mcf	<u>\$ (0.0122)</u>

SCHEDULE II
EXPECTED GAS COST

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Actual* Mcf Purchase for 12 months ended

06/30/19

(1)	(2)	(3)	(4)	(5)	(6)
<u>Supplier</u>	<u>Dth</u>	Heat <u>Rate</u>	<u>Mcf</u>	<u>Rate</u>	(2) x (5) <u>Cost</u>
Jul-18 Utility Gas Management	8,975.00	1.0576	8,486.00	2.57000	23,065.75
Aug-18 Utility Gas Management	9,077.00	1.0594	8,568.00	2.57000	23,327.89
Sep-18 Utility Gas Management	8,045.00	1.0620	7,575.00	2.57000	20,675.65
Oct-18 Utility Gas Management	11,316.00	1.0644	10,631.00	2.57000	29,082.12
Nov-18 Utility Gas Management	12,438.00	1.0593	11,742.00	2.57000	31,965.66
Dec-18 Utility Gas Management	12,344.00	1.0593	11,653.00	2.57000	31,724.08
Jan-19 Utility Gas Management	14,639.00	1.0557	13,867.00	2.57000	37,622.23
Feb-19 Utility Gas Management	11,643.00	1.0523	11,064.00	2.57000	29,922.51
Mar-19 Utility Gas Management	12,322.00	1.0558	11,671.00	2.57000	31,667.54
Apr-19 Utility Gas Management	10,760.00	1.0623	10,129.00	2.57000	27,653.20
May-19 Utility Gas Management	9,774.00	1.0599	9,222.00	2.57000	25,119.18
Jun-19 Utility Gas Management	9,054.00	1.0565	8,570.00	2.57000	23,268.78
Totals	130,387.00	1.0585	123,178.01	2.57000	335,094.59

Line losses are 123,178.01 Mcf and sales of 119,948.40 Mcf. 2.62% for 12 months ended 6/30/2019 based on purchases of

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6) (to Schedule IA.)	\$	\$ 335,094.59
	Mcf	<u>123,178.01</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 2.7204
Plus: Expected Losses of (not to exceed 5%)	Mcf	335,094.59
= Total Expected Gas Cost	\$	\$ 335,094.59
Allowable Sales (maximum losses of 5%).		335,094.59

*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 6/30/2019

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$ -
+ Interest	\$	\$ -
<hr/>		
= Refund Adjustment including interest	\$	\$ -
+ Sales for 12 months ended 6/30/2019	Mcf	119,948
<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 6/30/2019

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Apr-19</u>	Month 2 <u>May-19</u>	Month 3 <u>Jun-19</u>
Total Supply Volumes Purchased	Mcf	10,129.00	9,222.00	8,570.00
Utility Gas Management				
Total Cost of Volumes Purchased	\$	\$ 30,879.10	\$ 23,934.42	\$ 22,798.14
 Total Sales	 Mcf	 <u>9,967.60</u>	 <u>8,816.90</u>	 <u>8,225.30</u>
(may not be less than 95% of supply volume (G8*0.95))				
= Unit Cost of Gas	\$/Mcf	\$ 3.0979	\$ 2.7146	\$ 2.7717
 - EGC in effect for month	 \$/Mcf	 <u>\$ 3.2524</u>	 <u>\$ 3.2524</u>	 <u>\$ 3.2524</u>
 = Difference [(Over-)/Under-Recovery]	 \$/Mcf	 \$ (0.1545)	 \$ (0.5378)	 \$ (0.4807)
 x Actual sales during month	 Mcf	 <u>9,967.60</u>	 <u>8,816.90</u>	 <u>8,225.30</u>
 = Monthly cost difference	 \$	 (1,539.52)	 (4,741.67)	 (3,953.83)

01-01-19 to 03-31-19	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (10,235.01)
+ Sales for 12 months ending 6/30/2019	Mcf	<u>119,948</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	\$ (0.0853)

SCHEDULE V
BALANCE ADJUSTMENT

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For the 3 month period ended 6/30/2019

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.	\$	<u>(11,716.45)</u>
1			Case No. 2018-00176 07-01-18 to 09-30-18
2 Less:	Dollars amount resulting from the AA of <u>(0.0846)</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 119,948 MCF during the 12 month period the AA was in effect.	\$	<u>(10,147.63)</u>
3			
4 Equals:	Balance Adjustment for the AA.	\$	<u>(1,568.82)</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.	\$	<u>-</u>
5			
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 119,948 MCF during the 12 month period the RA was in effect.	\$	<u>-</u>
7			
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.	\$	<u>-</u>
9			
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 119,948 MCF during the 12 month period the BA was in effect.	\$	<u>-</u>
11			
12 Equals:	Balance Adjustment for the BA.	\$	<u>-</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>-1568.82</u>
14	Divided By Sales for 12 months ended 6/30/2019	\$	<u>119,948</u>
15 Equals:	Balance Adjustment for the Reporting Period (to Schedule ID).	\$/MCF	<u>(0.0131)</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-18	26,209.51	8,975.00	1.0576	8,486.00	3.09
2	Utility Gas Management	Aug-18	26,059.19	9,077.00	1.0594	8,568.00	3.04
3	Utility Gas Management	Sep-18	23,081.33	8,045.00	1.0620	7,575.00	3.05
4	Utility Gas Management	Oct-18	35,135.11	11,316.00	1.0644	10,631.00	3.30
5	Utility Gas Management	Nov-18	45,479.67	12,438.00	1.0593	11,742.00	3.87
6	Utility Gas Management	Dec-18	61,259.17	12,344.00	1.0593	11,653.00	5.26
7	Utility Gas Management	Jan-19	65,637.06	14,639.00	1.0557	13,867.00	4.73
8	Utility Gas Management	Feb-19	41,107.77	11,643.00	1.0523	11,064.00	3.72
9	Utility Gas Management	Mar-19	36,330.38	12,322.00	1.0558	11,671.00	3.11
10	Utility Gas Management	Apr-19	30,879.10	10,760.00	1.0623	10,129.00	3.05
11	Utility Gas Management	May-19	23,934.42	9,774.00	1.0599	9,222.00	2.60
12	Utility Gas Management	Jun-19	22,798.14	9,054.00	1.0565	8,570.00	2.66
	Total		437,910.85	130,387.00	1.0585	123,178.01	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	Losses	Avg. Rate	Purchases	Sales	Losses	Cost	Rate
(a)	(mcF)	(%)	(\$/mcF)	(mcF)	(mcF)	(%)	(\$)	(\$/mcF)
	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Utility Gas Management	7,776.10	8.37%	3.37	8,486.00	7,776	8.37%	26,210	3.37
Utility Gas Management	8,249.20	3.72%	3.16	17,054.00	16,025	6.03%	52,269	3.26
Utility Gas Management	7,161.90	5.45%	3.22	24,629.00	23,187	5.85%	75,350	3.25
Utility Gas Management	10,963.10	-3.12%	3.20	35,260.01	34,150	3.15%	110,485	3.24
Utility Gas Management	11,332.10	3.49%	4.01	47,002.01	45,482	3.23%	155,965	3.43
Utility Gas Management	11,955.30	-2.59%	5.12	58,655.01	57,438	2.08%	217,224	3.78
Utility Gas Management	13,201.20	4.80%	4.97	72,522.01	70,639	2.60%	282,861	4.00
Utility Gas Management	10,878.20	1.68%	3.78	83,586.01	81,517	2.48%	323,969	3.97
Utility Gas Management	11,421.50	2.14%	3.18	95,257.01	92,939	2.43%	360,299	3.88
Utility Gas Management	9,967.60	1.59%	3.10	105,386.01	102,906	2.35%	391,178	3.80
Utility Gas Management	8,816.90	4.39%	2.71	114,608.01	111,723	2.52%	415,113	3.72
Utility Gas Management	8,225.30	4.02%	2.77	123,178.01	119,948	2.62%	437,911	3.65
Total	119,948.40	2.62%	3.65	123,178.01	119,948.40	2.62%	437,911	3.65

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

Meador, Wendy

From: Ron Ragan <ron@utilitygas.com>
Sent: Tuesday, August 13, 2019 2:55 PM
To: Meador, Wendy
Subject: RE: Nymex estimates

Oct 19 - \$2.16
Nov 19 - \$2.25
Dec 19 - \$2.43

Oct 2.16
Nov 2.25
Dec 2.43

From: Meador, Wendy <wendym@wrecc.com>
Sent: Tuesday, August 13, 2019 2:43 PM
To: Ron Ragan <ron@utilitygas.com>
Subject: Nymex estimates

$6.84 \div 3 = 2.28$

average

Ron

I am working on the next GCA for the KY PSC. This will be for the quarter of October, November and December 2019. I need the estimated Nymex futures for this quarter please

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

\$2.28 - average over 3 months
0.08 - management fee
0.210 - transport fee
\$2.57

our suppliers fees charged to us



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Schedule 11 - EGC Rate (5)
estimate

\$2.57