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A report by the Staff of the  
Public Utilities Commission of Ohio

Eastern Natural Gas Company  
19-207-GA-GCR

Pike Natural Gas Company  
19-214-GA-GCR

Financial Audit of the Gas Cost Recovery  
Mechanisms for the Effective GCR Periods  
January 1, 2017 through December 31, 2018

June 14, 2019

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**Ohio**

**Public Utilities  
Commission**

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## **Certificate of Accountability**

The Staff has completed the required audits of the Eastern Natural Gas Company (Eastern) and Pike Natural Gas Company (Pike) (collectively "Companies"), as ordered by the Public Utilities Commission of Ohio (PUCO or Commission) for the Companies' Gas Cost Recovery (GCR) rates for the monthly filings from January 1, 2017 through December 31, 2018, for conformity in all material respects with the procedural aspects of the uniform purchased gas adjustment clause as set forth in Chapter 4901:1-14 and related appendices, Administrative Code, and the Commission Entries in Case Nos. 19-207-GA-GCR and 19-214-GA-GCR.

Our audits have revealed certain findings, as discussed in this combined audit report, which should be addressed in this proceeding. The Staff notes that the Companies have accurately calculated their Gas Cost Recovery rates for those periods under investigation in accordance with the uniform purchased gas adjustment clause as set forth in Chapter 4901:1-14, Administrative Code, and related appendices. The Staff has performed investigations into these specific areas and respectfully submits its findings and recommendations.

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## **Section I**

### **Executive Summary**

#### **Audit Work Program**

The audit investigations consisted of an initial review and evaluation of relevant documents from within the Commission in preparation for the audit. Staff also visited the Companies offices in Canton, Ohio, in order to review and evaluate relevant documents of the Companies as necessary to understand and evaluate the Companies' activities. For these audits, Staff focused its review of purchased gas costs on invoices from the Companies' marketing affiliate, KIDN Marketing, Limited (KIDN) and their asset manager, CenterPoint Energy (CenterPoint), formerly Atmos Energy.

#### **Recommendations**

Unless otherwise stated, Staff's review has shown that Eastern and Pike accurately calculated their GCR rates for the monthly periods under investigation. The details of the Staff's recommendations are contained in Sections III through IX of this report. A summary of Staff's recommendations is shown below.

##### **Eastern**

Staff recommends the following:

- An Actual Adjustment (AA) of (\$25,524) for an over-collection.
- That the AA of (\$25,524) and the remaining six months of the Commission ordered Refund and Reconciliation Adjustment (RA) from Case No. 17-214-GA-GCR be completed prior to the Commission granting approval for Eastern to transfer its assets.

##### **Pike – Hillsboro Division**

Staff recommends the following:

- An AA of \$60 for an under-collection
- A Balance Adjustment (BA) of (\$2,478) for an over-collection.

##### **Pike – Waverly Division**

Staff recommends the following:

- An AA of (\$5,320) for an over-collection.
- A BA of (\$2,459) for an over-collection.
- During the next audit, Staff needs to verify that the 2017 ordered adjustments were refunded or collected through October 2019.
- A second Company person needs to independently verify that the appropriate monthly GCR rates are used prior to any bills being issued to customers.

## **Section II**

### **Introduction**

#### **Eastern**

Eastern's service area is comprised of five non-contiguous regions, located in the eastern portions of Ashtabula and Trumbull counties. Three of the regions were formerly part of National Fuel Gas Supply (National Fuel). Eastern still receives the majority of its system requirements through National Fuel, with approximately 13% received through Dominion East Ohio and roughly one percent from local production that is delivered directly into its system. Currently, Eastern provides utility sales service to approximately 6,607 residential and commercial customers, and four industrial customers. On March 1, 2018, Eastern filed a joint application with Village Energy Cooperative Association, Inc. (Village Energy) in Case No. 18-369-GA-ATR, requesting Commission approval to transfer 100% of its assets and customers from Eastern to Village Energy. If the Commission approves the Companies' requests, this would be the last GCR audit for Eastern.

#### **Pike-Hillsboro and Waverly**

Pike's system is separated into two service areas, Hillsboro and Waverly. Different interstate pipelines serve each service area and their systems are not interconnected; therefore, the Company files separate GCR rates.

The Hillsboro division currently serves approximately 3,735 residential, commercial, and industrial customers located in Highland and Clinton Counties and receives its gas supply through Columbia Gas Transmission Corporation (TCO).

The Waverly division currently serves approximately 3,655 residential, commercial, and industrial customers located in Pike, Ross, and Jackson Counties and receives its gas supply through Tennessee Gas Pipeline (Tennessee). Combined, the two systems provide transportation service to 5 customers.

#### **Companies**

On December 12, 2012, the Commission issued a Finding in Order in Case No. 12-2792-GA-UNC granting the approval and transfer of common stock from Clearfield Ohio Holdings, Inc. to Utility Pipeline Ltd. The Companies are each Ohio Corporations and are 100% wholly owned subsidiaries of Utility Pipeline Ltd. (UPL). UPL currently operates as a natural gas distribution management company and is headquartered in Canton, Ohio.

On September 2, 2016, Eastern and Pike filed Case No. 16-1825-GA-UNC, requesting Commission approval to transfer 100% of the ownership rights of UPL to Utility Pipeline Holdings, LLC (UPH). On January 11, 2017, the Commission issued a Finding and Order granting approval for a change in ownership rights from UPL to UPH.

## **Section III**

### **Expected Gas Cost**

The Expected Gas Cost (EGC) mechanism attempts to match future gas revenues for the upcoming quarter with the anticipated cost to procure gas supplies. Each Company calculates its EGC by extending twelve-months of historical purchased volumes from each supplier by the rate that is expected to be in effect during the upcoming GCR quarter. The cost for each supplier is summed and the total is divided by twelve-months of historical sales to develop an EGC rate to be applied to customers' bills.

In reviewing the Companies' calculations of the EGC, Staff makes the following observations concerning supply sources, purchased volumes, and sales volumes.

#### **Supply Sources**

CenterPoint purchased and nominated nearly all the Companies' gas supplies, except for some supplies from Constellation purchased by Knox Energy Cooperative that serves four customers in West Portsmouth and a small amount of local production. Under the terms of an asset management agreement (AMA), the Companies released their pipeline capacity (firm transportation and storage) to CenterPoint. As the asset manager, CenterPoint is responsible for purchasing supplies and nominating the gas to the Companies' city gates. CenterPoint bills Eastern and Pike commodity rates based on the NYMEX monthly closing price plus price add-ons that recovered their respective pipeline capacity costs (fixed and volumetric), and management fees.

#### **Sales Volumes**

##### **Eastern**

Staff noted no errors in sales volumes for the monthly periods under investigation.

##### **Pike - Hillsboro Division**

Staff noted no errors in sales volumes for the monthly periods under investigation.

##### **Pike-Waverly Division**

Staff noted no errors in sales volumes for the monthly periods under investigation.

## **Purchased Volumes**

### **Eastern**

Staff reviewed the purchased gas volumes for Eastern by reviewing invoices from CenterPoint, local producers and Eastern's transport customers. Staff determined that most of the purchases were made through CenterPoint for jurisdictional sales customers and transport customers. Staff removed the applicable transport customers' volumes to arrive at the jurisdictional purchased volumes. Staff found differences between the purchased volumes reported by the Company and those calculated by Staff. Those differences were primarily related to the way that Staff and the Company accounted for prior period adjustments. Differences in purchase volumes do not impact the actual adjustment calculation, but Staff does account for them in its unaccounted-for gas calculation.

### **Pike - Hillsboro Division**

Staff reviewed the purchased volumes from supplier invoices for the Hillsboro division and found that these volumes, with the exception of October, November and December 2018, matched those filed in the Company's periodic filings. The difference between Staff's calculation and the Company's amounted to 14 Mcfs more than the volumes filed by the Company. Staff has reflected this difference in its calculation of purchased volumes.

### **Pike-Waverly Division**

Staff reviewed the purchased volumes for the Pike-Waverly Division by examining the invoices from CenterPoint, Constellation and a local producer and also examined the volumes associated with the Pike-Waverly transport customers. Staff determined that most of the purchases were made through CenterPoint for customers to arrive at the jurisdictional purchased volumes. Staff found small differences between the purchased volumes reported by the Company and those calculated by Staff. In Case No. 15-214-GA-GCR, the Commission directed Staff to monitor the Pike-Waverly Division's practice of inserting additional entities into the procurement or delivery of gas. During the course of its investigation, Staff did find that an additional customer was added in this audit period.

## **Recommendations**

### **Eastern**

Staff has no recommendations in this section.

### **Pike - Hillsboro Division**

Staff has no recommendations in this section.

**Pike - Waverly Division**

Staff has no recommendations in this section.



## **Section IV**

### **Actual Adjustment**

The AA reconciles the monthly cost of purchased gas with the EGC billing rate. It is calculated by dividing the total cost of gas purchased for each month of the three-month reporting quarter by total sales for those respective months. The result is the unit book cost of gas, which is the cost incurred by the Companies for procuring each Mcf it sold that month. The unit book cost for each month is compared to the EGC rate billed for that quarter. The difference between each monthly unit cost and the EGC, whether positive or negative, is multiplied by the respective monthly jurisdictional sales to identify the total under- or over- recoveries of gas costs. The monthly under- or over- recoveries are summed and divided by the twelve-months of historic jurisdictional sales to develop an AA rate, to be included in the GCR for four quarters.

Errors in the AA calculation can be a result of incorrectly reported purchased gas costs, errors in the stated sales volumes or from using the wrong EGC rate.

#### **Eastern**

Staff examined the invoices from Eastern's supplier CenterPoint and local producers. In order to verify the purchase volumes, Staff removed purchases made on behalf of its transport customers to arrive at the jurisdictional purchased volumes. Staff noted differences in the purchased gas costs for all months under investigation.

Staff accounted for these differences in its AA calculations and the differences, which are not self-correcting, totaled (\$25,524) and represents a decrease to the Company's GCR rates. Staff's calculated AA and the Company's filed AA are shown on Table I.

#### **Pike - Hillsboro Division**

Staff examined the invoices from Atmos and found that with the exception of October, November and December 2018, the Company properly recorded the purchased volumes and costs.

Staff accounted for these errors in its AA calculations and the differences, which are not self-correcting, totaled \$60. Staff's AA calculations are as shown on Table II.

#### **Pike - Waverly Division**

Staff examined the invoices from Pike-Waverly's primary supplier CenterPoint, Constellation and a local producer, Geopetro, LLC. In order to verify the amount of purchased volumes, Staff had to remove any purchases made on behalf of the transport customers to arrive at jurisdictional purchased volumes. Staff noted differences in all of the months under investigation.

Staff accounted for these differences in its AA calculations and the differences, which are not self-correcting, totaled (\$5,320). The negative adjustment represents a decrease to the Company's GCR rates. Staff's AA calculations are as shown on Table III.

## **Recommendations**

### **Eastern**

The errors detailed above are not self-correcting through the GCR mechanism. Staff recommends that the Commission order a reconciliation adjustment of (\$25,524) for an over-collection, be applied to Eastern's GCR rates. Since this is the last GCR audit for Eastern, Staff recommends that this adjustment be passed back to Eastern's customers prior to receiving approval to transfer its assets to Village Energy.

### **Pike - Hillsboro Division**

Staff recommends a reconciliation adjustment of \$60 for an under collection be applied to Pike-Hillsboro's GCR rates, as shown on Table II. This adjustment should be added in the first GCR filing following the Opinion and Order in this case.

### **Pike - Waverly Division**

Staff recommends a reconciliation adjustment of (\$5,320) for an over collection as shown in Table III. This reconciliation adjustment should be added in the first GCR filing following the Opinion and Order in this Case.

**Table I**  
**Eastern Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$622,040	\$430,779	\$385,613		
<b>End:</b>	<b>Jur. Sales MCF</b>	140,816	112,076	103,587		
<b>Mar-17</b>	<b>Total Sales MCF</b>	140,816	112,076	103,587		
	<b>Book Cost \$/ MCF</b>	\$4.4174	\$3.8436	\$3.7226		
	<b>EGCS/MCF</b>	\$4.4290	\$4.2020	\$3.6690		
	<b>Diff. \$/MCF</b>	(\$0.0116)	(\$0.3584)	\$0.0536		
	<b>Cost Diff. \$</b>	(\$1,634)	(\$40,168)	\$5,553	(\$36,249)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$625,347	\$432,762	\$388,599		
	<b>Jur. Sales MCF</b>	140,816	112,076	103,587		
	<b>Total Sales MCF</b>	140,816	112,076	103,587		
	<b>Book Cost \$/ MCF</b>	\$4.4409	\$3.8613	\$3.7514		
	<b>EGCS/MCF</b>	\$4.4290	\$4.2020	\$3.6690		
	<b>Diff. \$/MCF</b>	\$0.0119	(\$0.3407)	\$0.0824		
	<b>Cost Diff. \$</b>	\$1,674	(\$38,180)	\$8,538	(\$27,968)	(\$8,281)
	<u><b>Per Staff</b></u>	<u><b>Apr-17</b></u>	<u><b>May-17</b></u>	<u><b>Jun-17</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$174,965	\$134,422	\$59,025		
<b>End:</b>	<b>Jur. Sales MCF</b>	68,140	35,095	17,782		
<b>Jun-17</b>	<b>Total Sales MCF</b>	68,140	35,095	17,782		
	<b>Book Cost \$/ MCF</b>	\$2.5677	\$3.8302	\$3.3194		
	<b>EGCS/MCF</b>	\$3.9010	\$4.0660	\$4.2580		
	<b>Diff. \$/MCF</b>	(\$1.3333)	(\$0.2358)	(\$0.9386)		
	<b>Cost Diff. \$</b>	(\$90,851)	(\$8,275)	(\$16,690)	(\$115,816)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$175,868	\$134,774	\$59,220		
	<b>Jur. Sales MCF</b>	68,140	35,095	17,782		
	<b>Total Sales MCF</b>	43,399	32,995	13,742		
	<b>Book Cost \$/ MCF</b>	\$2.5810	\$3.8402	\$3.3304		
	<b>EGCS/MCF</b>	\$3.9010	\$4.0660	\$4.2580		
	<b>Diff. \$/MCF</b>	(\$1.3200)	(\$0.2258)	(\$0.9276)		
	<b>Cost Diff. \$</b>	(\$89,947)	(\$7,923)	(\$16,494)	(\$114,364)	(\$1,452)

**Table I**  
**Eastern Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$49,137	\$52,471	\$62,414		
<b>End:</b>	<b>Jur. Sales MCF</b>	12,460	11,675	14,602		
<b>Sep-17</b>	<b>Total Sales MCF</b>	12,460	11,675	14,602		
	<b>Book Cost \$/ MCF</b>	\$3.9436	\$4.4943	\$4.2743		
	<b>EGCS/MCF</b>	\$3.9390	\$3.8820	\$3.8910		
	<b>Diff. \$/MCF</b>	\$0.0046	\$0.6123	\$0.3833		
	<b>Cost Diff. \$</b>	\$57	\$7,149	\$5,597	\$12,803	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$49,320	\$52,616	\$62,235		
	<b>Jur. Sales MCF</b>	12,460	11,675	14,602		
	<b>Total Sales MCF</b>	12,460	11,675	14,602		
	<b>Book Cost \$/ MCF</b>	\$3.9584	\$4.5066	\$4.2621		
	<b>EGCS/MCF</b>	\$3.9390	\$3.8820	\$3.8910		
	<b>Diff. \$/MCF</b>	\$0.0194	\$0.6246	\$0.3711		
	<b>Cost Diff. \$</b>	\$242	\$7,293	\$5,419	\$12,954	(\$151)
	<u>Per Staff</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$144,838	\$339,891	\$564,597		
<b>End:</b>	<b>Jur. Sales MCF</b>	18,276	55,294	106,547		
<b>Dec-17</b>	<b>Total Sales MCF</b>	18,276	55,294	106,547		
	<b>Book Cost \$/ MCF</b>	\$7.9250	\$6.1470	\$5.2990		
	<b>EGCS/MCF</b>	\$3.9610	\$3.8350	\$4.0950		
	<b>Diff. \$/MCF</b>	\$3.9640	\$2.3120	\$1.2040		
	<b>Cost Diff. \$</b>	\$72,446	\$127,840	\$128,283	\$328,569	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$145,238	\$331,894	\$566,021		
	<b>Jur. Sales MCF</b>	18,276	55,294	106,547		
	<b>Total Sales MCF</b>	18,276	55,294	106,547		
	<b>Book Cost \$/ MCF</b>	\$7.9468	\$6.0023	\$5.3124		
	<b>EGCS/MCF</b>	\$3.9610	\$3.8350	\$4.0950		
	<b>Diff. \$/MCF</b>	\$3.9858	\$2.1673	\$1.2174		
	<b>Cost Diff. \$</b>	\$72,846	\$119,841	\$129,711	\$322,398	\$6,171

**Table I**  
**Eastern Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$630,705	\$507,171	\$432,843		
<b>End:</b>	<b>Jur. Sales MCF</b>	157,458	153,338	110,601		
<b>Mar-18</b>	<b>Total Sales MCF</b>	157,458	153,338	110,601		
	<b>Book Cost \$/ MCF</b>	\$4.0055	\$3.3075	\$3.9136		
	<b>EGCS/MCF</b>	\$3.6110	\$4.0350	\$3.4500		
	<b>Diff. \$/MCF</b>	\$0.3945	(\$0.7275)	\$0.4636		
	<b>Cost Diff. \$</b>	\$62,117	(\$111,553)	\$51,275	\$1,839	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$637,888	\$502,191	\$430,094		
	<b>Jur. Sales MCF</b>	157,458	153,338	110,601		
	<b>Total Sales MCF</b>	157,458	153,338	110,601		
	<b>Book Cost \$/ MCF</b>	\$4.0512	\$3.2751	\$3.8887		
	<b>EGCS/MCF</b>	\$3.6110	\$4.0350	\$3.4500		
	<b>Diff. \$/MCF</b>	\$0.4402	(\$0.7599)	\$0.4387		
	<b>Cost Diff. \$</b>	\$69,308	(\$116,526)	\$48,521	\$1,303	\$536
	<u><b>Per Staff</b></u>	<u><b>Apr-18</b></u>	<u><b>May-18</b></u>	<u><b>Jun-18</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$325,467	\$69,507	\$47,702		
<b>End:</b>	<b>Jur. Sales MCF</b>	117,048	54,579	16,572		
<b>Jun-18</b>	<b>Total Sales MCF</b>	117,048	54,579	16,572		
	<b>Book Cost \$/ MCF</b>	\$2.7806	\$1.2735	\$2.8784		
	<b>EGCS/MCF</b>	\$3.6800	\$3.5830	\$3.6470		
	<b>Diff. \$/MCF</b>	(\$0.8994)	(\$2.3095)	(\$0.7686)		
	<b>Cost Diff. \$</b>	(\$105,273)	(\$126,050)	(\$12,737)	(\$244,060)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$339,466	\$70,345	\$48,224		
	<b>Jur. Sales MCF</b>	117,048	54,579	16,572		
	<b>Total Sales MCF</b>	117,048	54,579	16,572		
	<b>Book Cost \$/ MCF</b>	\$2.9002	\$1.2889	\$2.9099		
	<b>EGCS/MCF</b>	\$3.6800	\$3.5830	\$3.6470		
	<b>Diff. \$/MCF</b>	(\$0.7798)	(\$2.2941)	(\$0.7371)		
	<b>Cost Diff. \$</b>	(\$91,272)	(\$125,212)	(\$12,215)	(\$228,699)	(\$15,361)

**Table I**  
**Eastern Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$41,258	\$41,790	\$49,015		
<b>End:</b>	<b>Jur. Sales MCF</b>	13,329	11,625	13,972		
<b>Sep-18</b>	<b>Total Sales MCF</b>	13,329	11,625	13,972		
	<b>Book Cost \$/ MCF</b>	\$3.0953	\$3.5949	\$3.5081		
	<b>EGCS/MCF</b>	\$3.9190	\$3.7070	\$3.8080		
	<b>Diff. \$/MCF</b>	(\$0.8237)	(\$0.1121)	(\$0.2999)		
	<b>Cost Diff. \$</b>	(\$10,979)	(\$1,303)	(\$4,190)	(\$16,472)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$41,942	\$42,370	\$49,578		
	<b>Jur. Sales MCF</b>	13,329	11,625	13,972		
	<b>Total Sales MCF</b>	13,329	11,625	13,972		
	<b>Book Cost \$/ MCF</b>	\$3.1468	\$3.6447	\$3.5484		
	<b>EGCS/MCF</b>	\$3.9190	\$3.7070	\$3.8080		
	<b>Diff. \$/MCF</b>	(\$0.7722)	(\$0.0623)	(\$0.2596)		
	<b>Cost Diff. \$</b>	(\$10,292)	(\$725)	(\$3,628)	(\$14,645)	(\$1,827)
	<u><b>Per Staff</b></u>	<u><b>Oct-18</b></u>	<u><b>Nov-18</b></u>	<u><b>Dec-18</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$223,291	\$452,782	\$672,139		
<b>End:</b>	<b>Jur. Sales MCF</b>	15,718	57,900	144,296		
<b>Dec-18</b>	<b>Total Sales MCF</b>	15,718	57,900	144,296		
	<b>Book Cost \$/ MCF</b>	\$14.2061	\$7.8201	\$4.6581		
	<b>EGCS/MCF</b>	\$3.7100	\$4.0720	\$4.5670		
	<b>Diff. \$/MCF</b>	\$10.4961	\$3.7481	\$0.0911		
	<b>Cost Diff. \$</b>	\$164,978	\$217,015	\$13,145	\$395,138	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$224,452	\$454,406	\$674,518		
	<b>Jur. Sales MCF</b>	15,718	57,900	144,296		
	<b>Total Sales MCF</b>	15,718	57,900	144,296		
	<b>Book Cost \$/ MCF</b>	\$14.2802	\$7.8482	\$4.6746		
	<b>EGCS/MCF</b>	\$3.7100	\$4.0720	\$4.5670		
	<b>Diff. \$/MCF</b>	\$10.5702	\$3.7762	\$0.1076		
	<b>Cost Diff. \$</b>	\$166,139	\$218,638	\$15,520	\$400,297	(\$5,159)
					<b>TOTAL</b>	<b>(\$25,524)</b>

**Table II**  
**Pike (Hillsboro) Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$367,893	\$248,264	\$207,077		
<b>End:</b>	<b>Jur. Sales MCF</b>	84,442	68,110	50,478		
<b>Mar-17</b>	<b>Total Sales MCF</b>	84,442	68,110	50,478		
	<b>Book Cost \$/ MCF</b>	\$4.3568	\$3.6451	\$4.1023		
	<b>EGCS/MCF</b>	\$5.0290	\$4.8020	\$4.2690		
	<b>Diff. \$/MCF</b>	(\$0.6722)	(\$1.1569)	(\$0.1667)		
	<b>Cost Diff. \$</b>	(\$56,762)	(\$78,796)	(\$8,415)	(\$143,973)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$367,893	\$248,264	\$207,077		
	<b>Jur. Sales MCF</b>	84,442	68,110	50,478		
	<b>Total Sales MCF</b>	84,442	68,110	50,478		
	<b>Book Cost \$/ MCF</b>	\$4.3568	\$3.6451	\$4.1023		
	<b>EGCS/MCF</b>	\$5.0290	\$4.8020	\$4.2690		
	<b>Diff. \$/MCF</b>	(\$0.6722)	(\$1.1569)	(\$0.1667)		
	<b>Cost Diff. \$</b>	(\$56,766)	(\$78,800)	(\$8,414)	(\$143,980)	\$7
	<u><b>Per Staff</b></u>	<u><b>Apr-17</b></u>	<u><b>May-17</b></u>	<u><b>Jun-17</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$97,439	\$42,941	\$52,454		
<b>End:</b>	<b>Jur. Sales MCF</b>	53,596	16,530	11,220		
<b>Jun-17</b>	<b>Total Sales MCF</b>	53,596	16,530	11,220		
	<b>Book Cost \$/ MCF</b>	\$1.8180	\$2.5977	\$4.6750		
	<b>EGCS/MCF</b>	\$4.5010	\$4.6660	\$4.8580		
	<b>Diff. \$/MCF</b>	(\$2.6830)	(\$2.0683)	(\$0.1830)		
	<b>Cost Diff. \$</b>	(\$143,798)	(\$34,190)	(\$2,053)	(\$180,041)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$97,439	\$42,941	\$52,454		
	<b>Jur. Sales MCF</b>	53,596	16,530	11,220		
	<b>Total Sales MCF</b>	53,596	16,530	11,220		
	<b>Book Cost \$/ MCF</b>	\$1.8180	\$2.5977	\$4.6750		
	<b>EGCS/MCF</b>	\$4.5010	\$4.6660	\$4.8580		
	<b>Diff. \$/MCF</b>	(\$2.6830)	(\$2.0683)	(\$0.1830)		
	<b>Cost Diff. \$</b>	(\$143,796)	(\$34,189)	(\$2,053)	(\$180,038)	(\$3)

**Table II**  
**Pike (Hillsboro) Natural Gas Company**  
**Actual Adjustment**

<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Jul-17</u></b>	<b><u>Aug-17</u></b>	<b><u>Sep-17</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$47,942	\$50,790	\$56,828		
<b>Sep-17</b>	<b>Jur. Sales MCF</b>	8,872	6,213	7,438		
	<b>Total Sales MCF</b>	8,872	6,213	7,438		
	<b>Book Cost \$/ MCF</b>	\$5.4037	\$8.1748	\$7.6400		
	<b>EGCS/MCF</b>	\$4.5390	\$4.4820	\$4.4910		
	<b>Diff. \$/MCF</b>	\$0.8647	\$3.6928	\$3.1490		
	<b>Cost Diff. \$</b>	\$7,672	\$22,943	\$23,423	\$54,038	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$47,942	\$50,790	\$56,828		
	<b>Jur. Sales MCF</b>	8,872	6,213	7,438		
	<b>Total Sales MCF</b>	8,872	6,213	7,438		
	<b>Book Cost \$/ MCF</b>	\$5.4038	\$8.1748	\$7.6400		
	<b>EGCS/MCF</b>	\$4.5390	\$4.4820	\$4.4910		
	<b>Diff. \$/MCF</b>	\$0.8648	\$3.6928	\$3.1490		
	<b>Cost Diff. \$</b>	\$7,672	\$22,943	\$23,423	\$54,038	\$0
<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Oct-17</u></b>	<b><u>Nov-17</u></b>	<b><u>Dec-17</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$119,244	\$212,548	\$297,484		
<b>Dec-17</b>	<b>Jur. Sales MCF</b>	10,323	29,894	67,792		
	<b>Total Sales MCF</b>	10,323	29,894	67,792		
	<b>Book Cost \$/ MCF</b>	\$11.5518	\$7.1101	\$4.3882		
	<b>EGCS/MCF</b>	\$4.5610	\$4.4350	\$4.6950		
	<b>Diff. \$/MCF</b>	\$6.9908	\$2.6751	(\$0.3068)		
	<b>Cost Diff. \$</b>	\$72,163	\$79,969	(\$20,799)	\$131,333	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$119,244	\$212,548	\$297,484		
	<b>Jur. Sales MCF</b>	10,323	29,894	67,792		
	<b>Total Sales MCF</b>	10,323	29,894	67,792		
	<b>Book Cost \$/ MCF</b>	\$11.5518	\$7.1101	\$4.3882		
	<b>EGCS/MCF</b>	\$4.5610	\$4.4350	\$4.6950		
	<b>Diff. \$/MCF</b>	\$6.9908	\$2.6751	(\$0.3068)		
	<b>Cost Diff. \$</b>	\$72,163	\$79,969	(\$20,799)	\$131,333	\$0



**Table II**  
**Pike (Hillsboro) Natural Gas Company**  
**Actual Adjustment**

<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Jan-18</u></b>	<b><u>Feb-18</u></b>	<b><u>Mar-18</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$393,967	\$274,503	\$221,633		
<b>Mar-18</b>	<b>Jur. Sales MCF</b>	94,715	96,280	63,238		
	<b>Total Sales MCF</b>	94,715	96,280	63,238		
	<b>Book Cost \$/ MCF</b>	\$4.1595	\$2.8511	\$3.5048		
	<b>EGCS/MCF</b>	\$4.2110	\$4.6350	\$4.0500		
	<b>Diff. \$/MCF</b>	(\$0.0515)	(\$1.7839)	(\$0.5452)		
	<b>Cost Diff. \$</b>	(\$4,878)	(\$171,754)	(\$34,477)	(\$211,109)	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$393,967	\$274,503	\$221,633		
	<b>Jur. Sales MCF</b>	94,715	96,280	63,238		
	<b>Total Sales MCF</b>	94,715	96,280	63,238		
	<b>Book Cost \$/ MCF</b>	\$4.1595	\$2.8511	\$3.5048		
	<b>EGCS/MCF</b>	\$4.2110	\$4.6350	\$4.0500		
	<b>Diff. \$/MCF</b>	(\$0.0515)	(\$1.7839)	(\$0.5452)		
	<b>Cost Diff. \$</b>	(\$4,879)	(\$171,755)	(\$34,480)	(\$211,114)	\$5
<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Apr-18</u></b>	<b><u>May-18</u></b>	<b><u>Jun-18</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$152,371	\$45,223	\$47,426		
<b>Jun-18</b>	<b>Jur. Sales MCF</b>	63,770	38,182	8,684		
	<b>Total Sales MCF</b>	63,770	38,182	8,684		
	<b>Book Cost \$/ MCF</b>	\$2.3894	\$1.1844	\$5.4610		
	<b>EGCS/MCF</b>	\$4.2800	\$4.1830	\$4.2470		
	<b>Diff. \$/MCF</b>	(\$1.8906)	(\$2.9986)	\$1.2140		
	<b>Cost Diff. \$</b>	(\$120,564)	(\$114,492)	\$10,543	(\$224,513)	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$152,371	\$45,223	\$47,426		
	<b>Jur. Sales MCF</b>	63,770	38,182	8,684		
	<b>Total Sales MCF</b>	63,770	38,182	8,684		
	<b>Book Cost \$/ MCF</b>	\$2.3894	\$1.1844	\$5.4610		
	<b>EGCS/MCF</b>	\$4.2800	\$4.1830	\$4.2470		
	<b>Diff. \$/MCF</b>	(\$1.8906)	(\$2.9986)	\$1.2140		
	<b>Cost Diff. \$</b>	(\$120,566)	(\$114,491)	\$10,543	(\$224,514)	\$1

**Table II**  
**Pike (Hillsboro) Natural Gas Company**  
**Actual Adjustment**

<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Jul-18</u></b>	<b><u>Aug-18</u></b>	<b><u>Sep-18</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$49,551	\$46,904	\$63,788		
<b>Sep-18</b>	<b>Jur. Sales MCF</b>	6,534	7,361	7,744		
	<b>Total Sales MCF</b>	6,534	7,361	7,744		
	<b>Book Cost \$/ MCF</b>	\$7.5842	\$6.3719	\$8.2374		
	<b>EGCS/MCF</b>	\$4.5190	\$4.3070	\$4.4080		
	<b>Diff. \$/MCF</b>	\$3.0652	\$2.0649	\$3.8294		
	<b>Cost Diff. \$</b>	\$20,026	\$15,200	\$29,654	\$64,880	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$49,551	\$46,904	\$63,788		
	<b>Jur. Sales MCF</b>	6,534	7,361	7,744		
	<b>Total Sales MCF</b>	6,534	7,361	7,744		
	<b>Book Cost \$/ MCF</b>	\$7.5842	\$6.3719	\$8.2374		
	<b>EGCS/MCF</b>	\$4.5190	\$4.3070	\$4.4080		
	<b>Diff. \$/MCF</b>	\$3.0652	\$2.0649	\$3.8294		
	<b>Cost Diff. \$</b>	\$20,026	\$15,200	\$29,654	\$64,880	\$0
<b>Quarter</b>	<b><u>Per Staff</u></b>	<b><u>Oct-18</u></b>	<b><u>Nov-18</u></b>	<b><u>Dec-18</u></b>	<b><u>AA</u></b>	<b><u>Difference</u></b>
<b>End:</b>	<b>Supply Cost \$</b>	\$124,130	\$270,628	\$405,740		
<b>Dec-18</b>	<b>Jur. Sales MCF</b>	12,524	32,519	66,682		
	<b>Total Sales MCF</b>	12,524	32,519	66,682		
	<b>Book Cost \$/ MCF</b>	\$9.9117	\$8.3221	\$6.0847		
	<b>EGCS/MCF</b>	\$4.3100	\$4.6720	\$5.1670		
	<b>Diff. \$/MCF</b>	\$5.6017	\$3.6501	\$0.9177		
	<b>Cost Diff. \$</b>	\$70,153	\$118,699	\$61,194	\$250,046	
	<b><u>Per Company</u></b>					
	<b>Supply Cost \$</b>	\$124,130	\$270,628	\$405,690		
	<b>Jur. Sales MCF</b>	12,524	32,519	66,682		
	<b>Total Sales MCF</b>	12,524	32,519	66,682		
	<b>Book Cost \$/ MCF</b>	\$9.9117	\$8.3221	\$6.0840		
	<b>EGCS/MCF</b>	\$4.3100	\$4.6720	\$5.1670		
	<b>Diff. \$/MCF</b>	\$5.6017	\$3.6501	\$0.9170		
	<b>Cost Diff. \$</b>	\$70,153	\$118,698	\$61,145	\$249,996	\$50
					<b>TOTAL</b>	<b>\$60</b>

**Table III**  
**Pike (Waverly) Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$283,275	\$190,023	\$169,341		
<b>End:</b>	<b>Jur. Sales MCF</b>	61,357	58,468	43,700		
<b>Mar-17</b>	<b>Total Sales MCF</b>	61,357	58,468	43,700		
	<b>Book Cost \$/ MCF</b>	\$4.6168	\$3.2500	\$3.8751		
	<b>EGCS/MCF</b>	\$4.2790	\$4.0520	\$3.5190		
	<b>Diff. \$/MCF</b>	\$0.3378	(\$0.8020)	\$0.3561		
	<b>Cost Diff. \$</b>	\$20,726	(\$46,891)	\$15,562	(\$10,603)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$281,656	\$188,642	\$167,388		
	<b>Jur. Sales MCF</b>	61,357	58,468	43,700		
	<b>Total Sales MCF</b>	61,357	58,468	43,700		
	<b>Book Cost \$/ MCF</b>	\$4.5905	\$3.2264	\$3.8304		
	<b>EGCS/MCF</b>	\$4.2790	\$4.0520	\$3.5190		
	<b>Diff. \$/MCF</b>	\$0.3115	(\$0.8256)	\$0.3114		
	<b>Cost Diff. \$</b>	\$19,110	(\$48,270)	\$13,608	(\$15,552)	\$4,949
	<u><b>Per Staff</b></u>	<u><b>Apr-17</b></u>	<u><b>May-17</b></u>	<u><b>Jun-17</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$83,656	\$48,840	\$41,651		
<b>End:</b>	<b>Jur. Sales MCF</b>	40,401	15,628	11,818		
<b>Jun-17</b>	<b>Total Sales MCF</b>	40,401	15,628	11,818		
	<b>Book Cost \$/ MCF</b>	\$2.0706	\$3.1253	\$3.5244		
	<b>EGCS/MCF</b>	\$3.7510	\$3.9160	\$4.1080		
	<b>Diff. \$/MCF</b>	(\$1.6804)	(\$0.7907)	(\$0.5836)		
	<b>Cost Diff. \$</b>	(\$67,889)	(\$12,357)	(\$6,897)	(\$87,143)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$82,503	\$47,180	\$40,088		
	<b>Jur. Sales MCF</b>	40,401	15,628	11,818		
	<b>Total Sales MCF</b>	40,401	15,628	11,818		
	<b>Book Cost \$/ MCF</b>	\$2.0421	\$3.0191	\$3.3922		
	<b>EGCS/MCF</b>	\$3.7510	\$3.9160	\$4.1080		
	<b>Diff. \$/MCF</b>	(\$1.7089)	(\$0.8969)	(\$0.7158)		
	<b>Cost Diff. \$</b>	(\$69,040)	(\$14,017)	(\$8,459)	(\$91,516)	\$4,373

**Table III**  
**Pike (Waverly) Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$20,011	\$37,478	\$28,087		
<b>End:</b>	<b>Jur. Sales MCF</b>	8,621	6,881	7,252		
<b>Sep-17</b>	<b>Total Sales MCF</b>	8,621	6,881	7,252		
	<b>Book Cost \$/ MCF</b>	\$2.3213	\$5.4468	\$3.8731		
	<b>EGCS/MCF</b>	\$3.7890	\$3.7320	\$3.7410		
	<b>Diff. \$/MCF</b>	(\$1.4677)	\$1.7148	\$0.1321		
	<b>Cost Diff. \$</b>	(\$12,653)	\$11,799	\$958	\$104	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$20,220	\$37,721	\$28,325		
	<b>Jur. Sales MCF</b>	8,621	6,881	7,252		
	<b>Total Sales MCF</b>	8,621	6,881	7,252		
	<b>Book Cost \$/ MCF</b>	\$2.3456	\$5.4821	\$3.9060		
	<b>EGCS/MCF</b>	\$3.7890	\$3.7320	\$3.7410		
	<b>Diff. \$/MCF</b>	(\$1.4434)	\$1.7501	\$0.1650		
	<b>Cost Diff. \$</b>	(\$12,443)	\$12,042	\$1,196	\$795	(\$691)
	<u><b>Per Staff</b></u>	<u><b>Oct-17</b></u>	<u><b>Nov-17</b></u>	<u><b>Dec-17</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$88,884	\$159,554	\$257,081		
<b>End:</b>	<b>Jur. Sales MCF</b>	12,746	22,987	47,778		
<b>Dec-17</b>	<b>Total Sales MCF</b>	12,746	22,987	47,778		
	<b>Book Cost \$/ MCF</b>	\$6.9734	\$6.9412	\$5.3807		
	<b>EGCS/MCF</b>	\$3.8110	\$3.6850	\$3.9450		
	<b>Diff. \$/MCF</b>	\$3.1624	\$3.2562	\$1.4357		
	<b>Cost Diff. \$</b>	\$40,309	\$74,849	\$68,595	\$183,753	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$88,781	\$159,317	\$257,469		
	<b>Jur. Sales MCF</b>	12,746	22,987	47,778		
	<b>Total Sales MCF</b>	12,746	22,987	47,778		
	<b>Book Cost \$/ MCF</b>	\$6.9653	\$6.9309	\$5.3888		
	<b>EGCS/MCF</b>	\$3.8110	\$3.6850	\$3.9450		
	<b>Diff. \$/MCF</b>	\$3.1543	\$3.2459	\$1.4438		
	<b>Cost Diff. \$</b>	\$40,205	\$74,611	\$68,984	\$183,800	(\$47)

**Table III**  
**Pike (Waverly) Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$272,965	\$217,310	\$175,293		
<b>End:</b>	<b>Jur. Sales MCF</b>	85,757	80,335	53,923		
<b>Mar-18</b>	<b>Total Sales MCF</b>	85,757	80,335	53,923		
	<b>Book Cost \$/ MCF</b>	\$3.1830	\$2.7050	\$3.2508		
	<b>EGCS/MCF</b>	\$3.4610	\$3.8850	\$3.3000		
	<b>Diff. \$/MCF</b>	(\$0.2780)	(\$1.1800)	(\$0.0492)		
	<b>Cost Diff. \$</b>	(\$23,840)	(\$94,796)	(\$2,653)	(\$121,289)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$273,654	\$217,517	\$168,163		
	<b>Jur. Sales MCF</b>	85,757	80,335	53,923		
	<b>Total Sales MCF</b>	85,757	80,335	53,923		
	<b>Book Cost \$/ MCF</b>	\$3.1911	\$2.7076	\$3.1186		
	<b>EGCS/MCF</b>	\$3.4610	\$3.8850	\$3.3000		
	<b>Diff. \$/MCF</b>	(\$0.2699)	(\$1.1774)	(\$0.1814)		
	<b>Cost Diff. \$</b>	(\$23,150)	(\$94,586)	(\$9,782)	(\$127,518)	\$6,229
	<u><b>Per Staff</b></u>	<u><b>Apr-18</b></u>	<u><b>May-18</b></u>	<u><b>Jun-18</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$114,617	\$34,881	\$22,533		
<b>End:</b>	<b>Jur. Sales MCF</b>	58,197	33,718	10,002		
<b>Jun-18</b>	<b>Total Sales MCF</b>	58,197	33,718	10,002		
	<b>Book Cost \$/ MCF</b>	\$1.9695	\$1.0345	\$2.2529		
	<b>EGCS/MCF</b>	\$3.5300	\$3.7810	\$3.4970		
	<b>Diff. \$/MCF</b>	(\$1.5605)	(\$2.7465)	(\$1.2441)		
	<b>Cost Diff. \$</b>	(\$90,817)	(\$92,605)	(\$12,443)	(\$195,865)	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$122,040	\$34,931	\$22,699		
	<b>Jur. Sales MCF</b>	58,197	33,718	10,002		
	<b>Total Sales MCF</b>	58,197	33,718	10,002		
	<b>Book Cost \$/ MCF</b>	\$2.0970	\$1.0360	\$2.2695		
	<b>EGCS/MCF</b>	\$3.5300	\$3.4330	\$3.4970		
	<b>Diff. \$/MCF</b>	(\$1.4330)	(\$2.3970)	(\$1.2275)		
	<b>Cost Diff. \$</b>	(\$83,396)	(\$80,821)	(\$12,277)	(\$176,494)	(\$19,371)

**Table III**  
**Pike (Waverly) Natural Gas Company**  
**Actual Adjustment**

	<u>Per Staff</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>AA</u>	<u>Difference</u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$35,291	\$24,599	\$49,823		
<b>End:</b>	<b>Jur. Sales MCF</b>	9,016	9,318	9,462		
<b>Sep-18</b>	<b>Total Sales MCF</b>	9,016	9,318	9,462		
	<b>Book Cost \$/ MCF</b>	\$3.9144	\$2.6400	\$5.2657		
	<b>EGCS/MCF</b>	\$3.7690	\$3.5570	\$3.6580		
	<b>Diff. \$/MCF</b>	\$0.1454	(\$0.9170)	\$1.6077		
	<b>Cost Diff. \$</b>	\$1,311	(\$8,545)	\$15,212	\$7,978	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$35,474	\$24,798	\$49,899		
	<b>Jur. Sales MCF</b>	9,016	9,318	9,462		
	<b>Total Sales MCF</b>	9,016	9,318	9,462		
	<b>Book Cost \$/ MCF</b>	\$3.9347	\$2.6614	\$5.2738		
	<b>EGCS/MCF</b>	\$3.7690	\$3.5570	\$3.6580		
	<b>Diff. \$/MCF</b>	\$0.1657	(\$0.8956)	\$1.6158		
	<b>Cost Diff. \$</b>	\$1,494	(\$8,345)	\$15,288	\$8,437	(\$459)
	<u><b>Per Staff</b></u>	<u><b>Oct-18</b></u>	<u><b>Nov-18</b></u>	<u><b>Dec-18</b></u>	<u><b>AA</b></u>	<u><b>Difference</b></u>
<b>Quarter</b>	<b>Supply Cost \$</b>	\$76,462	\$211,909	\$349,055		
<b>End:</b>	<b>Jur. Sales MCF</b>	12,546	26,984	63,021		
<b>Dec-18</b>	<b>Total Sales MCF</b>	12,546	26,984	63,021		
	<b>Book Cost \$/ MCF</b>	\$6.0945	\$7.8531	\$5.5388		
	<b>EGCS/MCF</b>	\$3.5600	\$3.9220	\$4.4170		
	<b>Diff. \$/MCF</b>	\$2.5345	\$3.9311	\$1.1218		
	<b>Cost Diff. \$</b>	\$31,798	\$106,076	\$70,696	\$208,570	
	<u><b>Per Company</b></u>					
	<b>Supply Cost \$</b>	\$76,578	\$212,018	\$349,132		
	<b>Jur. Sales MCF</b>	12,546	26,984	63,021		
	<b>Total Sales MCF</b>	12,546	26,984	63,021		
	<b>Book Cost \$/ MCF</b>	\$6.1038	\$7.8572	\$5.5400		
	<b>EGCS/MCF</b>	\$3.5600	\$3.9220	\$4.4170		
	<b>Diff. \$/MCF</b>	\$2.5438	\$3.9352	\$1.1230		
	<b>Cost Diff. \$</b>	\$31,914	\$106,187	\$70,771	\$208,872	(\$302)
					<b>TOTAL:</b>	<b>(\$5,320)</b>

## **Section V**

### **Refund and Reconciliation Adjustment**

The Refund and Reconciliation Adjustment (RA) is used to pass through the jurisdictional portion of refunds received from gas suppliers and/or adjustments ordered by the Commission. An annual interest rate of ten percent is applied to the net jurisdictional amount of the RA, which is then divided by twelve months of historic sales volumes to develop a unit rate to be included in the GCR calculation for four quarters.

Staff reviewed the RA calculations contained in each GCR filing within the months under investigation and found that the Commission-ordered reconciliation adjustments from Case Nos. 17-207-GA-GCR and 17-214-GA-GCR were not signed until July 25, 2018 and were not placed into rates until the November 2018. These adjustments were included in each of the Companies RA and are still being passed back or collected from customers through October 2019.

#### **Eastern**

Staff found that Eastern received no refunds from its pipeline or suppliers during the months under investigation. In addition, Staff found that due to the timing of the Commission order in Case No. 17-207-GA-GCR, Eastern did not put the ordered RA of (\$27,756) into rates until October 2018. As a result, Eastern was only able to include six months of the RA in rates at the time of the GCR audit.

#### **Pike - Hillsboro & Waverly**

Staff found that Pike-Hillsboro and Pike-Waverly received no refunds from its pipeline or supplier during the months under investigation and the Commission ordered RA from Case No. 17-214-GA-GCR was properly included in rates through December 2018.

### **Recommendations**

#### **Eastern**

Staff recommends that the Commission order Eastern to complete the ordered RA from Case No. 17-214-GA-GCR prior to receiving approval to transfer its assets to Village Energy.

#### **Pike – Hillsboro & Waverly**

During its next audit, Staff needs to verify that the 2017 ordered adjustments were refunded or collected through October 2019.

## **Section VI**

### **Balance Adjustment**

The Balance Adjustment (BA) mechanism corrects for under- or over-recoveries of previously calculated AA's and RA's. The BA is calculated by subtracting the product of each respective AA and RA and the sales to which those rates were applied from the dollar amounts of the respective AA or RA previously included in the GCR and used to generate those adjustment rates. Since those adjustment rates, themselves, were derived by dividing the dollar amounts by historic sales, the BA calculation depicts the differences in revenues generated for each of these adjustment mechanisms using actual versus historical sales. The sum of the differences for the AA and RA calculations is the total BA which is placed into the AA calculation.

### **Conclusions**

#### **Eastern**

Staff's calculation did not result in any differences.

#### **Pike - Hillsboro**

Staff found a difference in the first quarter AA calculation in the amount of (\$2,478). This resulted in an over-collection as shown on Table IV.

#### **Pike - Waverly**

Staff found a difference in the last quarterly BA calculation in the amount of (\$2,459). This resulted in an over-collection as shown on Table V.

### **Recommendations**

#### **Eastern**

Staff has no recommendations in this section.

#### **Pike - Hillsboro Division**

The differences between Staff's and Pike's calculations in the BA are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of (\$2,478), as shown on Table IV, be added to Pike – Hillsboro's GCR rates. This adjustment should be applied in the first GCR filing following the Opinion and Order in this case.

#### **Pike - Waverly**

The differences between Staff's and Pike's calculations in the BA are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of (\$2,459), as shown on



Table V, be added to Pike – Waverly's GCR rates. This adjustment should be applied in the first GCR filing following the Opinion and Order in this case.

**Table IV**  
**Pike (Hillsboro) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$100,922	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.2217	\$0.0000	\$0.0000		
<b>Mar-17</b>	<b>Sales MCF</b>	380,684	380,684	380,684		
	<b>Recovery \$</b>	\$84,398	\$0	\$0		
	<b>Balance \$</b>	\$16,524	\$0	\$0	\$16,524	
 <u>Per Company</u>						
	<b>Adjustment \$</b>	\$100,922	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.2217	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	380,684	380,684	380,684		
	<b>Recovery \$</b>	\$84,398	\$0	\$0		
	<b>Balance \$</b>	\$16,524	\$0	\$0	\$16,524	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$80,694)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.2065)	\$0.0106	\$0.0000		
<b>Jun-17</b>	<b>Sales MCF</b>	387,951	387,951	387,951		
	<b>Recovery \$</b>	(\$80,112)	\$0	\$0		
	<b>Balance \$</b>	(\$582)	\$0	\$0	(\$582)	
 <u>Per Company</u>						
	<b>Adjustment \$</b>	(\$80,694)	\$307,386	\$0		
	<b>Rate \$/MCF</b>	(\$0.2065)	\$0.7865	\$0.0000		
	<b>Sales MCF</b>	387,951	387,951	387,951		
	<b>Recovery \$</b>	(\$80,112)	\$305,123	\$0		
	<b>Balance \$</b>	(\$582)	\$2,263	\$0	\$1,681	(\$2,263)

**Table IV**  
**Pike (Hillsboro) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$98,672)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.2525)	\$0.0000	\$0.0000		
<b>Sep-17</b>	<b>Sales MCF</b>	389,929	389,929	389,929		
	<b>Recovery \$</b>	(\$98,457)	\$0	\$0		
	<b>Balance \$</b>	(\$215)	\$0	\$0	(\$215)	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	(\$98,672)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.2525)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	389,929	389,929	389,929		
	<b>Recovery \$</b>	(\$98,457)	\$0	\$0		
	<b>Balance \$</b>	(\$215)	\$0	\$0	(\$215)	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$31,518	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.0809	\$0.0000	\$0.0000		
<b>Dec-17</b>	<b>Sales MCF</b>	414,908	414,908	414,908		
	<b>Recovery \$</b>	\$33,566	\$0	\$0		
	<b>Balance \$</b>	(\$2,048)	\$0	\$0	(\$2,048)	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	\$31,518	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.0809	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	414,908	414,908	414,908		
	<b>Recovery \$</b>	\$33,566	\$0	\$0		
	<b>Balance \$</b>	(\$2,048)	\$0	\$0	(\$2,048)	\$0

**Table IV**  
**Pike (Hillsboro) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$195,683	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.5008	\$0.0000	\$0.0000		
<b>Mar-18</b>	<b>Sales MCF</b>	466,111	466,111	466,111		
	<b>Recovery \$</b>	\$233,428	\$0	\$0		
	<b>Balance \$</b>	(\$37,746)	\$0	\$0	(\$37,746)	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	\$195,683	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.5008	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	466,111	466,111	466,111		
	<b>Recovery \$</b>	\$233,428	\$0	\$0		
	<b>Balance \$</b>	(\$37,746)	\$0	\$0	(\$37,746)	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$127,455)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.3348)	\$0.0000	\$0.0000		
<b>Jun-18</b>	<b>Sales MCF</b>	495,401	495,401	495,401		
	<b>Recovery \$</b>	(\$165,860)	\$0	\$0		
	<b>Balance \$</b>	\$38,405	\$0	\$0	\$38,405	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	(\$127,455)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.3348)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	495,401	495,401	495,401		
	<b>Recovery \$</b>	(\$165,860)	\$0	\$0		
	<b>Balance \$</b>	\$38,405	\$0	\$0	\$38,405	\$0

**Table IV**  
**Pike (Hillsboro) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$178,358)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.4597)	\$0.0000	\$0.0000		
<b>Sep-18</b>	<b>Sales MCF</b>	494,516	494,516	494,516		
	<b>Recovery \$</b>	(\$227,329)	\$0	\$0		
	<b>Balance \$</b>	\$48,971	\$0	\$0	\$48,971	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	(\$178,358)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.4597)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	494,516	494,516	494,516		
	<b>Recovery \$</b>	(\$227,329)	\$0	\$0		
	<b>Balance \$</b>	\$48,971	\$0	\$0	\$48,971	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$53,824	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.1380	\$0.0000	\$0.0000		
<b>Dec-18</b>	<b>Sales MCF</b>	498,232	498,232	498,232		
	<b>Recovery \$</b>	\$68,756	\$0	\$0		
	<b>Balance \$</b>	(\$14,932)	\$0	\$0	(\$14,932)	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	\$54,039	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.1380	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	498,232	498,232	498,232		
	<b>Recovery \$</b>	\$68,756	\$0	\$0		
	<b>Balance \$</b>	(\$14,717)	\$0	\$0	(\$14,717)	(\$215)
					<b>TOTAL:</b>	<b>(\$2,478)</b>

**Table V**  
**Pike (Waverly) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$97,962	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.2399	\$0.0000	\$0.0000		
<b>Mar-17</b>	<b>Sales MCF</b>	314,294	314,294	0		
	<b>Recovery \$</b>	\$75,399	\$0	\$0		
	<b>Balance \$</b>	\$22,563	\$0	\$0	\$22,563	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	\$97,962	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.2399	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	314,294	314,294	0		
	<b>Recovery \$</b>	\$75,399	\$0	\$0		
	<b>Balance \$</b>	\$22,563	\$0	\$0	\$22,563	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$23,539)	(\$56,310)	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.0669)	(\$0.1599)	\$0.0000		
<b>Jun-17</b>	<b>Sales MCF</b>	322,620	322,620	0		
	<b>Recovery \$</b>	(\$21,583)	(\$51,587)	\$0		
	<b>Balance \$</b>	(\$1,956)	(\$4,723)	\$0	(\$6,679)	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	(\$23,539)	(\$56,310)	\$0		
	<b>Rate \$/MCF</b>	(\$0.0669)	(\$0.1599)	\$0.0000		
	<b>Sales MCF</b>	322,620	322,620	0		
	<b>Recovery \$</b>	(\$21,583)	(\$51,587)	\$0		
	<b>Balance \$</b>	(\$1,956)	(\$4,723)	\$0	(\$6,679)	\$0

**Table V**  
**Pike (Waverly) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$69,968)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.2071)	\$0.0000	\$0.0000		
<b>Sep-17</b>	<b>Sales MCF</b>	325,974	325,974	0		
	<b>Recovery \$</b>	(\$67,509)	\$0	\$0		
	<b>Balance \$</b>	(\$2,459)	\$0	\$0	(\$2,459)	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	(\$69,968)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.2071)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	325,974	0	0		
	<b>Recovery \$</b>	(\$67,509)	\$0	\$0		
	<b>Balance \$</b>	(\$2,459)	\$0	\$0	(\$2,459)	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$23,050)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.0701)	\$0.0000	\$0.0000		
<b>Dec-17</b>	<b>Sales MCF</b>	337,635	337,635	0		
	<b>Recovery \$</b>	(\$23,668)	\$0	\$0		
	<b>Balance \$</b>	\$619	\$0	\$0	\$619	
<b><u>Per Company</u></b>						
	<b>Adjustment \$</b>	(\$23,050)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.0701)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	337,635	0	0		
	<b>Recovery \$</b>	(\$23,668)	\$0	\$0		
	<b>Balance \$</b>	\$619	\$0	\$0	\$619	\$0

**Table V**  
**Pike (Waverly) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$168,371	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.5033	\$0.0000	\$0.0000		
<b>Mar-18</b>	<b>Sales MCF</b>	394,125	394,125	0		
	<b>Recovery \$</b>	\$198,363	\$0	\$0		
	<b>Balance \$</b>	(\$29,992)	\$0	\$0	(\$29,992)	
 <u>Per Company</u>						
	<b>Adjustment \$</b>	\$168,371	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.5033	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	394,125	0	0		
	<b>Recovery \$</b>	\$198,363	\$0	\$0		
	<b>Balance \$</b>	(\$29,992)	\$0	\$0	(\$29,992)	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	\$7,010	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	\$0.0223	\$0.0000	\$0.0000		
<b>Jun-18</b>	<b>Sales MCF</b>	428,195	428,195	0		
	<b>Recovery \$</b>	\$9,549	\$0	\$0		
	<b>Balance \$</b>	(\$2,539)	\$0	\$0	(\$2,539)	
 <u>Per Company</u>						
	<b>Adjustment \$</b>	\$7,010	\$0	\$0		
	<b>Rate \$/MCF</b>	\$0.0223	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	428,195	0	0		
	<b>Recovery \$</b>	\$9,549	\$0	\$0		
	<b>Balance \$</b>	(\$2,539)	\$0	\$0	(\$2,539)	\$0



**Table V**  
**Pike (Waverly) Natural Gas Company**  
**Balance Adjustment**

	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$98,195)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.3044)	\$0.0000	\$0.0000		
<b>Sep-18</b>	<b>Sales MCF</b>	433,237	433,237	0		
	<b>Recovery \$</b>	(\$131,877)	\$0	\$0		
	<b>Balance \$</b>	\$33,682	\$0	\$0	\$33,682	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	(\$98,195)	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.3044)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	433,237	0	0		
	<b>Recovery \$</b>	(\$131,877)	\$0	\$0		
	<b>Balance \$</b>	\$33,682	\$0	\$0	\$33,682	\$0
	<u>Per Staff</u>	<u>AA</u>	<u>RA</u>	<u>BA</u>	<u>Total BA</u>	<u>Difference</u>
<b>Year</b>	<b>Adjustment \$</b>	(\$1,664)	\$0	\$0		
<b>End:</b>	<b>Rate \$/MCF</b>	(\$0.0051)	\$0.0000	\$0.0000		
<b>Dec-18</b>	<b>Sales MCF</b>	452,277	452,277	0		
	<b>Recovery \$</b>	(\$2,307)	\$0	\$0		
	<b>Balance \$</b>	\$643	\$0	\$0	\$643	
	<u>Per Company</u>					
	<b>Adjustment \$</b>	\$795	\$0	\$0		
	<b>Rate \$/MCF</b>	(\$0.0051)	\$0.0000	\$0.0000		
	<b>Sales MCF</b>	452,277	0	0		
	<b>Recovery \$</b>	(\$2,307)	\$0	\$0		
	<b>Balance \$</b>	\$3,102	\$0	\$0	\$3,102	(\$2,459)
					<b>TOTAL:</b>	<b>(\$2,459)</b>

## **Section VIII**

### **Customer Billing**

An important component of the GCR process is the proper application of GCR rates to a customer's bill. Staff recalculated customers' bills to verify that the GCR rates, as well as the customer service base rate charges and taxes, were properly applied to jurisdictional customer bills during the months under investigation.

Staff randomly sampled customer bills for Eastern and Pike (Hillsboro and Waverly Divisions).

### **Conclusions**

Eastern and Pike properly billed their GCR, customer charge, and base rate to their respective customers for all months under investigation except for Pike-Waverly's May 2018 billings. Staff found that Waverly customers were billed the EGC rate instead of the GCR rate for May 2018. Staff has incorporated this billing error into its AA calculation.

### **Recommendations**

Staff recommends that a second Company person independently verify that the appropriate monthly GCR rates are used prior to any bills issuing to customers.

## Section IX Unaccounted For Gas

Unaccounted-For Gas (UFG) is the difference between gas purchases and sales. It is calculated on a twelve-month basis, ending in one of the low usage summer months, so as to minimize the effects of unbilled volumes on the calculation. The GCR Rule, Chapter 4901:1-14 (FF)(3), Administrative Code, specifies that the Commission may adjust the Company's future GCR rates as a result of UFG above a reasonable level, presumed to be no more than five percent for the months under investigation.

Staff performed an analysis of the UFG for each of the Companies based on the information that was available from the audit period. Staff used the difference between sales volumes and purchased volumes to calculate the amount of the UFG. The difference was then divided by the purchased volumes to arrive at a system UFG percentage. The results of the Staff's calculations are shown in Tables VI through Table VIII below.

### Eastern

Table VI System Average UFG Rates				
Twenty-four Month Period Ending _____	Purchases (MCF)	Sales (MCF)	UFG (MCF)	UFG
December 2018	1,555,985	1,562,786	(6,801)	(0.44) %

### Pike - Hillsboro

Table VII System Average UFG Rates				
Twenty-four Month Period Ending _____	Purchases (MCF)	Sales (MCF)	UFG (MCF)	UFG
July 2018	870,173	881,968	(11,795)	(1.36%)

## Pike - Waverly

**Table VIII**  
**System Average UFG Rates**

Twenty-four Month <u>Period Ending</u>	Purchases <u>(MCF)</u>	Sales <u>(MCF)</u>	UFG <u>(MCF)</u>	UFG
December 2018	769,019	763,161	5,858	0.56%

### Conclusion

Staff finds that the Companies' UFG percentages are within acceptable levels.

### Recommendations

Staff has no recommendations in this section.