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

Glenwood Energy of Oxford, Inc.
21-210-GA-GCR

Financial Audit of the Gas Cost Recovery
Mechanisms for the period of
January 1, 2019 through December 31, 2020

November 19, 2021

Ohio | Public Utilities Commission

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Certificate of Accountability

As ordered by the Public Utilities Commission of Ohio (PUCO or Commission), the Staff has completed the required audit of Glenwood Energy of Oxford, Inc.'s (Glenwood or Company) gas cost recovery (GCR) and costs incurred and included for recovery for the period of January 1, 2019 through December 31, 2020 (Audit Period). The Staff audited for conformity with the procedural aspects of the uniform purchased gas adjustment as set forth in Chapter 4901:1-14, O.A.C and related appendices, and by the Commission Entry signed on January 27, 2021 in Case No. 21-210-GA-GCR.

Our audits have revealed certain findings, as discussed in this audit report, which should be addressed in this proceeding. The Staff notes that at the time of preparing this report, unless otherwise noted, Glenwood accurately calculated its GCR rates for those periods under investigation in accordance with the uniform purchased gas adjustment as set forth in Chapter 4901:1-14, O.A.C, and related appendices, except for those instances noted in the Executive Summary of this audit report. 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 investigation consisted of several components. Staff initially submitted a data request to the Company requesting documentation necessary to recalculate the Company's purchased gas costs, purchased volumes, customer billings, sales volumes and informational items such as number of customers and transportation through-put. Staff reviewed and evaluated the data responses along with relevant documents from within the Commission in preparation for the audit. Staff conducted investigative interviews with appropriate Company personnel and examined related supplier invoices and spreadsheets at the Company's office in Glenwood, Ohio.

Recommendations

Unless otherwise stated in this report, Staff's review has shown that Glenwood accurately calculated its GCR rates for the monthly periods discussed in this report. The following summary describes Staff's recommendations detailed in Sections II through VIII of this report.

- Staff recommends an actual adjustment (AA) of ($450) for an over-collection and a balance adjustment (BA) of $1,557 for an under-collection.

Section II

Introduction

Background

Glenwood purchased certain assets of Oxford Natural Gas Company (Oxford) at a public auction, on August 8, 2007. On September 18, 2007, in Case No. 07-1025-GA-ATR, Glenwood filed for Commission approval to purchase Oxford's assets with the Commission granting approval on October 10, 2007. Glenwood is wholly owned by the Keith G. Smith Trust.

Operations

Glenwood currently serves portions of the city of Oxford and portions of Butler County appurtenant to the city and is headquartered in Oxford, Ohio. Glenwood provides service to its sales customers under an ordinance with the city of Oxford, which was signed on January 5, 2015, and effective for three years beginning with March 2015 billings. This ordinance was superseded by the current ordinance which was signed on September 4, 2018 and effective beginning with the November 2018 billings. During the audit period, Glenwood provided natural gas utility service to approximately 3,982 residential and 535 commercial customers for a total of 4,517 customers.

Section III

Expected Gas Cost

Staff has reviewed Glenwood's calculations of their Expected Gas Cost (EGC) for the Audit Period. The EGC mechanism attempts to match future gas revenues for the upcoming quarter with the anticipated cost to procure gas supplies. It is calculated by multiplying twelve-months of historical purchased volumes from each supplier by the rate that is expected to be in effect during the upcoming period. The cost for each supplier is summed and the total is divided by twelve-months of historical sales to develop an EGC rate that will be applied to customers' bills.

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

Supply Sources

In August 2007, Glenwood signed an initial three-year Contract (Base Contract) for the sale and purchase of natural gas with Atmos Energy Marketing (Atmos), who later became known as CenterPoint Energy Services, Inc (CenterPoint). In 2020, CenterPoint's name was changed to Symmetry Energy Solutions, LLC (Symmetry). Under the terms of the Base Contract, Symmetry procured gas on behalf of Glenwood and nominated delivery of the gas on Texas Eastern Transmission (Texas Eastern) to an interconnection point with Columbia Gas Transmission (TCO). TCO delivered the gas to Duke Energy Ohio (Duke) who then delivered the volumes to Glenwood's city gate. Additionally, under the Base Contract, Glenwood assigned its pipeline capacity entitlements to Symmetry to manage and effectuate the delivery of gas to Duke. In September 2009, Glenwood amended its contract, which resulted in reduced fees and an extended term. Glenwood and Symmetry signed additional amendments in January 2013 and 2014 that helped levelize the EGC and unit book costs by replacing the fixed monthly demand charges from Texas Eastern to volumetric charges.

Purchased Volumes

Purchased volumes were calculated by first taking monthly meter reads from Duke plus shrink, converting from Dth to Mcf, and then subtracting out the volumes for transportation customers in Glenwood's system. Glenwood relied upon monthly reports from Symmetry, containing Glenwood's volumes and transportation customers, to perform this calculation. Staff found that the differences between the Company's and Staff's calculations were minimal over the course of the Audit Period.

Sales Volumes

Staff reviewed Glenwood's January 2019 through December 2020 billing register summaries and their customer billing journals to verify sales volumes. Staff also reviewed Glenwood's billing adjustments from their two gas light customers, Oxford Green and Forest Ridge, during the same period. Staff noted no errors in sales volumes during the audit period.

Transportation Services

Glenwood provided transportation service to four customers through special contract agreements. Under the terms of those agreements, Glenwood would deliver the transporters nominated volumes from its city gate to the customers' facilities with any difference in volumes to be recognized as an imbalance. The transportation customers were to pay volumetric charges and a portion of those charges were to be credited to Glenwood's GCR in order to recognize the transporters use of Glenwood's transportation agreement with Duke.

During the Audit Period, Glenwood cashed-out[1] the imbalances of two transportation customers using Glenwood's average monthly commodity rate paid to Symmetry. The Company included the cash-outs in its GCR. To settle an imbalance, the Company needs to either purchase the positive imbalance (i.e., over-deliveries) or sell a negative imbalance (i.e., under-deliveries) to the customers at rates reflective of the cost of the services.

Recommendations

Staff has no recommendations for this section.

[1] Cash-outs occur when transportation customers over - or under delivers gas.

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 each month by total sales for those respective months. These calculations are performed quarterly. The result is the unit book cost of gas, which is the cost incurred by the Company for procuring each MCF it sold that month. The unit book cost for each month is compared to the EGC rate that was billed for the month. The difference between each monthly unit cost and the monthly EGC, whether positive or negative, is multiplied by the respective monthly jurisdictional sales to identify the total under- or over- recovered gas costs. The monthly under- or over-recoveries are summed for the quarter 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 caused by reporting incorrect purchased gas costs and/or sales volumes or by using the wrong EGC rate and level of credits or cash-outs from transportation customers.

Staff reviewed the applicable purchased gas invoices, sales volumes, and Company prepared worksheets. Staff noted minor differences between its calculated AA and the Company's filed AA, resulting in an AA adjustment of ($450). Staff and the Company's AA calculations are shown on Table I.

Recommendations

The differences between Staff's and the Company's AA calculations are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of ($450) for the over-collection.

Table I

Actual Adjustment Calculation

	Per Staff	Jan-19	Feb-19	Mar-19	AA	Difference
Quarter End:	Supply Cost $	$463,824	$315,156	$300,392		
Mar-19	Jur. Sales MCF	75,338	73,889	62,310		
	Total Sales MCF	75,338	73,889	62,310		
	Book Cost $/ MCF	$6.1566	$4.2653	$4.8209		
	EGC$/MCF	$6.3384	$5.7777	$5.7734		
	Diff. $/MCF	($0.1818)	($1.5124)	($0.9525)		
	Cost Diff. $	($13,696)	($111,750)	($59,350)	($184,796)	
	Per Company					
	Supply Cost $	$463,991	$315,156	$300,393		
	Jur. Sales MCF	75,338	73,888	62,309		
	Total Sales MCF	75,338	73,888	62,309		
	Book Cost $/ MCF	$6.1589	$4.2653	$4.8210		
	EGC$/MCF	$6.3384	$5.7777	$5.7733		
	Diff. $/MCF	($0.1795)	($1.5124)	($0.9523)		
	Cost Diff. $	($13,525)	($111,747)	($59,336)	($184,608)	($188)

	Per Staff	Apr-19	May-19	Jun-19	AA	Difference
Quarter End:	Supply Cost $	$116,560	$67,807	$33,792		
Jun-19	Jur. Sales MCF	27,789	14,498	8,011		
	Total Sales MCF	27,789	14,498	8,011		
	Book Cost $/ MCF	$4.1945	$4.6770	$4.2182		
	EGC$/MCF	$5.0664	$4.9054	$4.9788		
	Diff. $/MCF	($0.8719)	($0.2284)	($0.7606)		
	Cost Diff. $	($24,229)	($3,311)	($6,093)	($33,633)	
	Per Company					
	Supply Cost $	$116,560	$67,806	$33,793		
	Jur. Sales MCF	27,789	14,498	8,011		
	Total Sales MCF	27,789	14,498	8,011		
	Book Cost $/ MCF	$4.1945	$4.6770	$4.2183		
	EGC$/MCF	$5.0664	$4.9055	$4.9788		
	Diff. $/MCF	($0.8719)	($0.2285)	($0.7605)		
	Cost Diff. $	($24,230)	($3,313)	($6,092)	($33,635)	$2

Table I

Actual Adjustment Calculation

	Per Staff	Jul-19	Aug-19	Sep-19	AA	Difference
Quarter End: Sep-19	Supply Cost $	$38,638	$49,521	$18,057		
	Jur. Sales MCF	6,789	7,402	8,434		
	Total Sales MCF	6,789	7,402	8,434		
	Book Cost $/ MCF	$5.6913	$6.6902	$2.1409		
	EGC$/MCF	$4.6102	$4.4459	$4.6825		
	Diff. $/MCF	$1.0811	$2.2443	($2.5416)		
	Cost Diff. $	$7,340	$16,612	($21,436)	$2,516	
	Per Company					
	Supply Cost $	$38,638	$49,521	$46,518		
	Jur. Sales MCF	6,788	7,401	8,434		
	Total Sales MCF	6,788	7,401	8,434		
	Book Cost $/ MCF	$5.6921	$6.6911	$5.5156		
	EGC$/MCF	$4.6102	$4.4460	$4.6825		
	Diff. $/MCF	$1.0819	$2.2451	$0.8331		
	Cost Diff. $	$7,344	$16,616	$7,026	$30,986	($28,470)

	Per Staff	Oct-19	Nov-19	Dec-19	AA	Difference
Quarter End: Dec-19	Supply Cost $	$115,938	$256,978	$301,728		
	Jur. Sales MCF	16,157	49,406	66,050		
	Total Sales MCF	16,157	49,406	66,050		
	Book Cost $/ MCF	$7.1757	$5.2014	$4.5682		
	EGC$/MCF	$5.0174	$5.8825	$5.6678		
	Diff. $/MCF	$2.1583	($0.6811)	($1.0996)		
	Cost Diff. $	$34,872	($33,650)	($72,629)	($71,407)	
	Per Company					
	Supply Cost $	$91,119	$253,337	$301,729		
	Jur. Sales MCF	16,156	49,406	66,049		
	Total Sales MCF	16,156	49,406	66,049		
	Book Cost $/ MCF	$5.6400	$5.1276	$4.5683		
	EGC$/MCF	$5.0175	$5.8825	$5.6679		
	Diff. $/MCF	$0.6225	($0.7549)	($1.0996)		
	Cost Diff. $	$10,057	($37,294)	($72,630)	($99,867)	$28,460

Table I

Actual Adjustment Calculation

	Per Staff	Jan-20	Feb-20	Mar-20	AA	Difference
Quarter End:	Supply Cost $	$328,263	$329,763	$229,813		
	Jur. Sales MCF	63,750	67,748	45,889		
Mar-20	Total Sales MCF	63,750	67,748	45,889		
	Book Cost $/ MCF	$5.1492	$4.8675	$5.0080		
	EGC$/MCF	$5.5442	$5.2442	$5.2070		
	Diff. $/MCF	($0.3950)	($0.3767)	($0.1990)		
	Cost Diff. $	($25,181)	($25,521)	($9,132)	($59,834)	
	Per Company					
	Supply Cost $	$328,263	$329,703	$230,029		
	Jur. Sales MCF	63,749	67,749	45,888		
	Total Sales MCF	63,749	67,749	45,888		
	Book Cost $/ MCF	$5.1493	$4.8665	$5.0128		
	EGC$/MCF	$5.5443	$5.2442	$5.2070		
	Diff. $/MCF	($0.3950)	($0.3777)	($0.1942)		
	Cost Diff. $	($25,181)	($25,586)	($8,909)	($59,676)	($158)

	Per Staff	Apr-20	May-20	Jun-20	AA	Difference
Quarter End:	Supply Cost $	$59,490	$82,518	$44,965		
	Jur. Sales MCF	31,163	16,279	8,357		
Jun-20	Total Sales MCF	31,163	16,279	8,357		
	Book Cost $/ MCF	$1.9090	$5.0690	$5.3805		
	EGC$/MCF	$4.2040	$4.1054	$4.0266		
	Diff. $/MCF	($2.2950)	$0.9636	$1.3539		
	Cost Diff. $	($71,519)	$15,686	$11,315	($44,518)	
	Per Company					
	Supply Cost $	$59,490	$82,518	$44,965		
	Jur. Sales MCF	31,163	16,279	8,357		
	Total Sales MCF	31,163	16,279	8,357		
	Book Cost $/ MCF	$1.9090	$5.0690	$5.3805		
	EGC$/MCF	$4.2040	$4.1055	$4.0266		
	Diff. $/MCF	($2.2950)	$0.9635	$1.3539		
	Cost Diff. $	($71,519)	$15,685	$11,315	($44,519)	$1

Table I

Actual Adjustment Calculation

	Per Staff	Jul-20	Aug-20	Sep-20	AA	Difference
Quarter End: Sep-20	Supply Cost $	$35,049	$44,138	$48,379		
	Jur. Sales MCF	7,820	8,292	9,603		
	Total Sales MCF	7,820	8,292	9,603		
	Book Cost $/ MCF	$4.4820	$5.3230	$5.0379		
	EGC$/MCF	$3.8903	$4.2834	$5.0773		
	Diff. $/MCF	$0.5917	$1.0396	($0.0394)		
	Cost Diff. $	$4,627	$8,620	($378)	$12,869	
	Per Company					
	Supply Cost $	$35,049	$44,138	$48,379		
	Jur. Sales MCF	7,819	8,271	9,603		
	Total Sales MCF	7,819	8,271	9,603		
	Book Cost $/ MCF	$4.4826	$5.3365	$5.0379		
	EGC$/MCF	$3.8903	$4.2834	$5.0773		
	Diff. $/MCF	$0.5923	$1.0531	($0.0394)		
	Cost Diff. $	$4,631	$8,710	($379)	$12,962	($93)

	Per Staff	Oct-20	Nov-20	Dec-20	AA	Difference
Quarter End: Dec-20	Supply Cost $	$94,880	$145,796	$258,943		
	Jur. Sales MCF	19,366	37,374	56,447		
	Total Sales MCF	19,366	37,374	56,447		
	Book Cost $/ MCF	$4.8993	$3.9010	$4.5874		
	EGC$/MCF	$5.3557	$5.4992	$5.4849		
	Diff. $/MCF	($0.4564)	($1.5982)	($0.8975)		
	Cost Diff. $	($8,839)	($59,731)	($50,661)	($119,231)	
	Per Company					
	Supply Cost $	$94,880	$145,796	$258,943		
	Jur. Sales MCF	19,365	37,374	56,447		
	Total Sales MCF	19,365	37,374	56,447		
	Book Cost $/ MCF	$4.8996	$3.9010	$4.5874		
	EGC$/MCF	$5.3557	$5.4992	$5.4849		
	Diff. $/MCF	($0.4561)	($1.5982)	($0.8975)		
	Cost Diff. $	($8,833)	($59,731)	($50,663)	($119,227)	($4)

Total ($450)

Section V

Refund and Reconciliation Adjustment

The refund and reconciliation adjustments (RA) are 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 volumetric rate to be included in the GCR calculation for four quarters.

In the previous audit. Case No. 19-210-GA-GCR, the Commission ordered a RA of $49,848 for an over-collection. This adjustment plus interest of 1.0550 results in a total RA of $52,590 for an over-collection and was placed into rates to be passed back to customers. Staff verified in the current audit that Glenwood completed the Commission ordered RA.

Recommendations

Staff has no recommendations for this area.

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 then included in the AA calculation.

Errors detected in the BA generally occur when sales volumes are reported incorrectly or when rates are applied inconsistently over 12 consecutive months. During this audit, Staff discovered an error in the BA schedule filed with the September 2019 GCR filing, the Company did not use the correct cost difference between book and effective EGC amount from the GCR in effect four quarters prior to the currently effective GCR for that period. This error resulted in an under-collection of $7,554. In addition, Staff found an error in the GCR filed for June 2021 in which the Company did not include the previous RA in its calculations on the BA schedule. This error resulted in an over-collection of $6,000. These two adjustments combined with rounding differences over the course of the Audit Period resulted in a BA total difference of $1,557 for an under-collection.

Recommendations

The differences between Staff's and the Company's BA calculations are not self-correcting through the GCR mechanism. Staff recommends a reconciliation adjustment of $1,557 for an under-collection, as shown on Table II.

Table II

Balance Adjustment Calculation

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	($48,146)	$0	$0		
	Rate $/MCF	($0.1405)	$0.0000	$0.0000		
Mar-19	Sales MCF	429,569	429,569	429,569		
	Recovery $	($60,354)	$0	$0		
	Balance $	$12,208	$0	$0	$12,208	
	Per Company					
	Adjustment $	($18,371)	$0	$0		
	Rate $/MCF	($0.0536)	$0.0000	$0.0000		
	Sales MCF	429,566	429,566	429,566		
	Recovery $	($23,025)	$0	$0		
	Balance $	$4,654	$0	$0	$4,654	$7,554

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	($285,326)	$0	$0		
	Rate $/MCF	($0.7100)	$0.0000	$0.0000		
Jun-19	Sales MCF	420,883	420,883	420,883		
	Recovery $	($298,827)	$0	$0		
	Balance $	$13,501	$0	$0	$13,501	
	Per Company					
	Adjustment $	($285,326)	$0	$0		
	Rate $/MCF	($0.7100)	$0.0000	$0.0000		
	Sales MCF	420,880	420,880	420,880		
	Recovery $	($298,825)	$0	$0		
	Balance $	$13,499	$0	$0	$13,499	$2

Table II

Balance Adjustment Calculation

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	($22,209)	$0	$0		
	Rate $/MCF	($0.0532)	$0.0000	$0.0000		
Sep-19	Sales MCF	420,846	420,846	420,846		
	Recovery $	($22,389)	$0	$0		
	Balance $	$180	$0	$0	$180	
	Per Company					
	Adjustment $	($22,208)	$0	$0		
	Rate $/MCF	($0.0532)	$0.0000	$0.0000		
	Sales MCF	420,841	420,841	420,841		
	Recovery $	($22,389)	$0	$0		
	Balance $	$181	$0	$0	$181	($1)

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	$85,751	$0	$0		
	Rate $/MCF	$0.2063	$0.0000	$0.0000		
Dec-19	Sales MCF	416,073	416,073	416,073		
	Recovery $	$85,836	$0	$0		
	Balance $	($85)	$0	$0	($85)	
	Per Company					
	Adjustment $	$85,751	$0	$0		
	Rate $/MCF	$0.2063	$0.0000	$0.0000		
	Sales MCF	416,066	416,066	416,066		
	Recovery $	$85,834	$0	$0		
	Balance $	($83)	$0	$0	($83)	($2)

Table II

Balance Adjustment Calculation

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	($110,427)	$0	$0		
	Rate $/MCF	($0.2558)	$0.0000	$0.0000		
Mar-20	Sales MCF	381,923	381,923	381,923		
	Recovery $	($97,696)	$0	$0		
	Balance $	($12,731)	$0	$0	($12,731)	
	Per Company					
	Adjustment $	($110,427)	$0	$0		
	Rate $/MCF	($0.2558)	$0.0000	$0.0000		
	Sales MCF	381,918	381,918	381,918		
	Recovery $	($97,695)	$0	$0		
	Balance $	($12,732)	$0	$0	($12,732)	$1

	Per Staff	AA	RA	BA	Total BA	Difference
Year End:	Adjustment $	($179,954)	$0	$0		
	Rate $/MCF	($0.4189)	$0.0000	$0.0000		
Jun-20	Sales MCF	387,424	387,424	387,424		
	Recovery $	($162,292)	$0	$0		
	Balance $	($17,662)	$0	$0	($17,662)	
	Per Company					
	Adjustment $	($179,954)	$0	$0		
	Rate $/MCF	($0.4189)	$0.0000	$0.0000		
	Sales MCF	387,419	387,419	387,419		
	Recovery $	($162,290)	$0	$0		
	Balance $	($17,664)	$0	$0	($17,664)	$2

Table II

Balance Adjustment Calculation

	Per Staff	AA	RA	BA	Total BA	Difference
Year End: Sep-20	Adjustment $	($20,136)	$0	$0		
	Rate $/MCF	($0.0478)	$0.0000	$0.0000		
	Sales MCF	390,514	390,514	390,514		
	Recovery $	($18,667)	$0	$0		
	Balance $	($1,469)	$0	$0	($1,469)	
	Per Company					
	Adjustment $	($20,137)	$0	$0		
	Rate $/MCF	($0.0478)	$0.0000	$0.0000		
	Sales MCF	390,509	390,509	390,509		
	Recovery $	($18,666)	$0	$0		
	Balance $	($1,471)	$0	$0	($1,471)	$2

	Per Staff	AA	RA	BA	Total BA	Difference
Year End: Dec-20	Adjustment $	$31,167	($52,590)	$0		
	Rate $/MCF	$0.0741	($0.1250)	$0.0000		
	Sales MCF	372,088	372,088	372,088		
	Recovery $	$27,572	($46,589)	$0		
	Balance $	$3,595	($6,001)	$0	($2,405)	
	Per Company					
	Adjustment $	$31,167	$0	$0		
	Rate $/MCF	$0.0741	$0.0000	$0.0000		
	Sales MCF	372,084	372,084	372,084		
	Recovery $	$27,571	$0	$0		
	Balance $	$3,596	$0	$0	$3,596	($6,001)

Total BA **$1,557**

Section VII

Unaccounted-For Gas

Unaccounted-for gas (UFG) is the difference between purchased gas volumes and sales volumes. It is calculated on a twelve-month basis, ending in one of the low usage summer months, in order to minimize the effects of unbilled volumes on the calculation. Chapter 4901:1-14-08(F)(3), Ohio 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 Audit Period.

Staff performed an analysis of the UFG for the Audit Period. Staff used the total volumes delivered by Duke to Glenwood's city-gate less metered transportation volumes and imbalances to arrive at purchased volumes. Staff then subtracted from its purchased volumes, the sales volumes, to arrive at the unaccounted-for gas amount for the Audit Period, as shown below.

Table III
System Average UFG Rates
(unless otherwise indicated, values in MCF)

24 Months Ending	Receipts	Deliveries	UFG	UFG (%)
December 2020	771,331	788,130	(16,799)	-2.13%

Recommendation

Staff has no recommendations for this area.

Section VIII

Customer Billing

An important component of the GCR process is the proper application of GCR rates to customer bills. Staff reviewed the Company's customer billing records in order to determine whether Glenwood properly applied its GCR and base rates during the audit period. By random sampling, Staff selected customers from the Company's monthly billing registers and recalculated their bills. Staff then compared its recalculated bills to the customer billing register to determine if there were any differences.

During this audit, Staff found a new customer charge that became effective with the October 2019 billing, based on a new Ordinance with the City of Oxford. Staff verified the new rates against the Ordinance and found the Company accurately billed its customers per the GCR rates filed with the Commission.

Additionally, Staff discovered the most recent city Ordinance had not been filed with the Commission when it became effective.

Recommendation

Staff recommends the Company file all updated city Ordinances with the Commission once they become effective.