

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
TOCCOA NATURAL GAS
DOCKET NO. G-41, SUB 55**

**DIRECT TESTIMONY
OF
RAI TRIPPE**

September 1, 2020

1 Q. Mr. Trippe, please state your name, your employer, and your business address.

2 A. My name is Rai Trippe. I am employed by the Municipal Gas Authority of Georgia
3 (“Gas Authority”). My business address is 104 TownPark Drive, Kennesaw,
4 Georgia 30144.

5

6 Q. In what capacity are you employed by the Gas Authority?

7 A. I am employed by the Gas Authority as a Member Support Senior Business Analyst.
8 My duties include retail rate studies and design, budget forecasting, contract
9 administration and negotiation, and general activities in support of our members.
10 The Gas Authority serves the City of Toccoa.

11

12 Q. Please summarize your professional background.

13 A. Please see Exhibit A, Biographical Sketch.

14

15 Q. What is the purpose of your testimony in this proceeding?

16 A. Commission Rule R1-17(k)(6) requires Toccoa to submit to the Commission on or
17 before September 1, 2020, Toccoa’s actual gas costs and volumes of purchased gas
18 for the twelve-month period ended June 30, 2020, and certain other information as
19 directed by the Commission. This information is contained in my direct testimony
20 and the accompanying exhibits. Commission Rule R1-17(k)(6) provides for a
21 hearing on the first Wednesday of November “in order to compare each LDC’s
22 prudently incurred gas costs recovered from all its customers that it served during

1 the test period.” Toccoa is providing my testimony and schedules in compliance
2 with Commission Rule R1-17(k)(6). My testimony demonstrates that Toccoa’s gas
3 costs during the test period were prudently incurred and therefore meet the
4 requirement for recovery under the Commission Rule. This is Toccoa’s nineteenth
5 proceeding under Commission Rule R1-17(k)(6) since it began gas operations.
6

7 Q. Please describe Toccoa’s gas supply policy.

8 A. Toccoa is a charter member of the Municipal Gas Authority of Georgia, the largest
9 non-profit joint action natural gas agency in the nation. As a member of the Gas
10 Authority, Toccoa receives all its gas supply at very competitive rates. The Gas
11 Authority uses a portfolio approach to supply its 80 member cities’ needs, relying
12 on a combination of long-term firm supply arrangements, short-term spot market
13 purchases, seasonal peaking, and contract storage services. Specifically, the Gas
14 Authority bills its Williams Transco supplied members at the first-of-the-month
15 spot market index price for gas delivered into Transco at 50% of Transco Zone 3
16 index + 50% of Transco Zone 4 index. In addition, Toccoa participates in the Gas
17 Authority’s “Winter Hedge Program” under the Authority’s *Option 2*; that is,
18 Toccoa relies on the Gas Authority’s advisement in locking-in future prices for a
19 portion of their firm load (*Option 3* members make their own decisions, and *Option*
20 *1* members do not hedge prices). The Gas Authority’s objective in hedging prices
21 is to achieve price stability at a reasonable level for its members’ retail customers.
22 This was accomplished by locking-in futures prices on approximately 22.2% of

1 their forecasted firm Georgia residential gas sales and all firm North Carolina gas
2 sales for November 2019 through March 2020. Please see Exhibit B for monthly
3 hedge volumes during the current review period. At the time that these hedge
4 volume decisions were made, Toccoa chose to adopt more conservative hedge
5 volumes for its participation in the Winter Hedge Program because market and
6 future pricing was significantly less than it had been at the time the previous Winter
7 Hedge Program volumes were put in place. Large industrial customers may make
8 their own hedging decisions if they choose to do so. Because of its participation in
9 Gas Authority, Toccoa's "gas supply policy" is the same as that of the Gas
10 Authority.

11
12 Q. What are some of the challenges in the development and implementation of
13 Toccoa's gas supply strategy, if any?

14 A. Because of the experience, expertise, and resources of the Gas Authority, gas
15 supply is not a problem for Toccoa. Through the Gas Authority's efforts, Toccoa
16 is assured adequate, dependable, and economical gas supplies. One of the
17 challenges for Toccoa is explaining to customers swings and spikes in the
18 wholesale cost of natural gas. Although hedging helps manage this volatility, it can
19 create its own challenges. Some customers have unrealistic expectations of the
20 benefits of hedging because a common benchmark for evaluating hedged prices is
21 the actual spot market price. This can be an unfair measure because it is only
22 available after the fact and assumes the goal of hedging is "to beat the market."

1 The principal goal of hedging is to achieve price stability at a reasonable level for
2 the consuming public. The Gas Authority's "Winter Hedge Program" helps
3 achieve this goal.

4

5 Q. Has there been any significant change to Toccoa's gas supply strategy or source
6 during the test year?

7 A. No.

8

9 Q. Please describe Toccoa's interstate capacity.

10 A. Toccoa currently contracts for firm transportation (FT) capacity on
11 Transcontinental Gas Pipeline/Williams (Transco), as well as an additional
12 liquefied natural gas storage service. Also, Toccoa has storage service agreements
13 with Pine Needle LNG Company, LLC. Furthermore, through participation in the
14 Gas Authority, Toccoa has access to other members' available pipeline capacity.

15

16 Q. With this approach, does Toccoa have the flexibility to meet its market
17 requirements?

18 A. Absolutely.

19

20 Q. How does Toccoa participate in and communicate with the Gas Authority regarding
21 gas supply purchases?

1 A. Toccoa is an active Member of the Gas Authority; therefore, no specific initiative
2 is necessary. Toccoa's management meets with the Gas Authority's staff on a
3 regular and frequent basis.

4
5 Q. Did Toccoa pursue capacity release options to mitigate the cost of extra demand
6 capacity?

7 A. Yes. On behalf of Toccoa, the Gas Authority released a portion of Toccoa's
8 unutilized capacity each month of the fiscal period. Total demand cost savings
9 generated during the period of July 2019 – June 2020 totaled \$14,582. This
10 released capacity that generated the demand savings encompassed production area
11 and market area FT capacity contracted by Toccoa on Transco.

12
13 Q. Did Toccoa follow the gas cost accounting procedures prescribed by Rule R1-17(k)
14 for the year ended June 30, 2020?

15 A. Yes.

16
17 Q. In following Section (5)(c) of the Rule, Toccoa was responsible for reporting gas
18 costs and deferred account activity to the Commission and the Public Staff monthly.
19 Are you aware of any outstanding issues regarding these reports?

20 A. No.

21
22 Q. What schedules have you caused to be prepared?

1 A. Exhibit B and Schedules 1 – 10 which includes the Deferred Account Summary.

2

3 Q. What activity occurred in the deferred account during the twelve months ended
4 June 30, 2020?

5 A. Toccoa began the review period with a balance of (\$22,850) owed to firm
6 customers. On January 3, 2020, the Commission issued its *Order on Annual*
7 *Review of Gas Costs* in Docket No. G-41 Sub 54, authorizing Toccoa to retain the
8 rate decrement of \$0.4397 per dth in the North Carolina firm service rates that
9 previously were approved by Commission Order in G-41 Sub 50. Toccoa desired
10 to rely on the Deferred Account process and tracking method such that the
11 forecasted Deferred Account balance at the end of the current review period would
12 be as close to zero as practical. The Deferred Account balance was closely
13 monitored as each monthly Deferred Account update was filed in anticipation that
14 the effective rate decrement would decrease the balance owed to customers without
15 causing a swing to a balance owed to Toccoa. Although there was a modest
16 decrease in the balance during the first few months of the review period, the
17 Deferred Account Balance ending June 30, 2020 was (\$26,478). Please see
18 Schedule 8 for specific tracking.

19

20 Q. The attached schedules show the gas costs incurred by Toccoa and billed to
21 customers during the period July 1, 2019 through June 30, 2020. In your opinion,
22 were all these gas costs prudently incurred?

1 A. Yes.

2

3 Q. What action does Toccoa request the Commission take regarding the deferred
4 accounts?

5 A. Toccoa requests that the Commission approve the June 30, 2020 balances and find
6 that Toccoa's gas purchases were prudent during the relevant twelve-month period.

7

8 Q. Has Toccoa taken any steps recently to enable it to manage its deferred account
9 more effectively?

10 A. Toccoa has effectively managed the Deferred Account and filed monthly Deferred
11 Account Summary reports in a timely manner as required. No new steps or actions
12 were undertaken.

13

14 Q. Please describe the current requirement for the interest rate applied to Toccoa's
15 Deferred Gas Cost Account.

16 A. On October 1, 2016, Toccoa began calculating interest on its Deferred Gas Cost
17 Account ("Deferred Account"). The interest rate applied to Toccoa's Deferred
18 Account for amounts over-collected or under-collected from the North Carolina
19 firm sales customers was established in G-41 Sub 0, and approved by the December
20 8, 1998 Order granting Toccoa and the Municipal Gas Authority of Georgia a
21 Certificate of Public Convenience and Necessity ("CPCN"). Toccoa's Deferred
22 Account interest rate proposed by Public Staff is the overall rate of return. Toccoa

1 has not adjusted its Deferred Account interest rate for known tax changes because
2 it is exempt from federal income tax and it does not pay income taxes in North
3 Carolina since Toccoa is a municipality.
4

5 Q. What is the Company's authorized overall rate of return?

6 A. The rate is presently 5.83%. The interest rate has been applied to Toccoa's Deferred
7 Account during the full twelve months of the review period.
8

9 Q. Do you believe a change to the interest rate applicable to the company's Deferred
10 Account is warranted at this time?

11 A. No.
12

13 Q. Does Toccoa have additional comments or information to provide?
14

15 A. Yes. Per the *Order Requiring Reporting* issued in Docket G-100 Sub 91, Toccoa
16 submits the following responses.
17

18 1. Please describe any changes in the Company's customer mix or customer
19 market profiles that it forecasts for the next ten (10) years and explain how the
20 changes will impact the Company's gas supply, transportation, and storage
21 requirements.
22

1 **Response 1-1:** We do not forecast a significant change in Toccoa's customer mix
2 over the next ten years; however, Toccoa's gas system may experience incremental
3 growth. The general condition of the economy and more recent economic trends
4 will impact the rate at which Toccoa actually connects customers. Any additional
5 growth may create a need for additional firm capacity. At the appropriate time, the
6 Gas Authority will assist Toccoa in acquiring the most cost-effective combination
7 of pipeline, storage, and peaking capacity on Transco as needed.

8
9 **2.** Please identify the rate schedules and special contracts that the Company
10 uses to determine peak day demand requirements for planning purposes.

11
12 **Response 1-2:** The Gas Authority evaluates all firm customer classes that are part
13 of Toccoa's total firm load in planning for peak day demand requirements. The
14 Gas Authority's planning is based on the number of customers within each firm
15 rate schedule, and we consider all customer requirements with exception of
16 alternate fuel customers.

17
18 **3.** Please provide the base load demand requirements of the firm market
19 estimated for the review period and forecasted for each of the next five (5) years.

20
21 **Response 1-3:** We expect that Toccoa's base load demand requirements for the
22 next five years will be sufficiently served under the demand contract, LNG contract,

1 and Pine Needle contract volumes shown in this summary. No Demand or Storage
2 service changes occurred during the review period ending June 30, 2020. Volumes
3 shown are Dth.

4

Description of Service	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020
Cherokee - FT	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
Sunbelt 1997 - FT	518	518	518	518	518	518	518	518	518	518	518	518
SouthCoast - FT												
Mainline	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
Converted Firm Trans. – CFT	294	290	346	1,381	1,898	2,300	2,300	2,300	1,898	1,381	346	346
							-	-	-	-	-	-
LNG Capacity	3,105	3,105	3,105	3,105	3,105	3,105	3,105	3,105	3,105	3,105	3,105	3,105
LNG Daily Demand	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035
							-	-	-	-	-	-
Pine Needle Capacity	2,898	2,898	2,898	2,898	2,898	2,898	2,898	2,898	2,898	2,898	2,898	2,898

5

6 4. Please provide the one-day design peak demand requirements used by the
7 Company for planning purposes for the review period and forecasted for each of
8 the next five (5) winter seasons. The peak demand requirement amounts should set
9 forth the estimated demand for each rate schedule or priority with peak day demand.
10 All assumptions, such as heating degree-days, dekatherms per heating degree-day,
11 customer growth rates, and supporting calculations used to determine the peak day
12 requirement amounts should be provided.

13

14 **Response 1-4:** Toccoa's peak day and peak demand requirements are evaluated
15 annually by the Municipal Gas Authority of Georgia staff, and an updated Winter

1 Service Plan is produced and submitted to Toccoa each year prior to the winter
2 season. Please see Exhibit C, "Municipal Gas Authority of Georgia Winter Service
3 Plan –2019 - 2020". Gas Authority analysis uses 51 HDD's to forecast design day
4 usage.

5
6 **5.** Please describe how Toccoa determines which type of resources should be
7 acquired or developed for meeting the Company's deliverability needs. Also,
8 please describe the factors evaluated in deciding whether the Company should
9 acquire pipeline transportation capacity, acquire a storage service, or develop
10 additional on-system storage deliverability.

11
12 **Response 1-5:** The Gas Authority makes these determinations based on least cost
13 and operational flexibility of the options available at the time new pipeline, storage,
14 or peaking capacity is forecasted to be necessary to meet TNG's firm needs. No
15 new or additional capacity or storage opportunities are being considered at this
16 time.

17
18 **6.** Please describe how the Company determines the amount of pipeline
19 capacity that should be acquired for (a) the whole year, (b) the full winter season,
20 and (c) less than the full winter season. Also, please describe the factors evaluated
21 in determining the appropriate amount and mix of service period options.

1 **Response 1-6:** Each year Toccoa's capacity needs are met by its existing capacity
2 agreements. Most of these contracts are in place for 15 years or more. If Toccoa
3 exceeds the contract, the least expensive option will be chosen to cover that
4 particular period. Options include shifting capacity from another MGAG Member
5 city, acquiring a delivered service, incurring "penalty gas" charges, etc. However,
6 Toccoa has the capability to interrupt several large gas users to prevent the potential
7 cost of exceeding its contract. No additional capacity needs are anticipated, and no
8 new capacity opportunities are being considered at this time.

9

10 7. Please describe each new capacity and storage opportunity that the
11 Company is contemplating entering during the next five (5) year period beginning
12 with the -2020 - 2021 winter season.

13

14 **Response 1-7:** No new, additional capacity or storage opportunities are being
15 considered at this time.

16

17 8. Please provide a computation of the reserve or excess capacity estimated
18 for the review period and forecasted for each of the next five (5) winter seasons.

19

20 **Response 1-8:** Please see Exhibit C, "Municipal Gas Authority of Georgia Winter
21 Service Plan -2019 - 2020".

22

1 **9.** Please describe any significant storage, transmission, and distribution
2 upgrades required for the Company to fulfill its peak day requirements during the
3 next five (5) years.

4
5 **Response 1-9:** No upgrades are anticipated at this time.

6
7 **Q.** Does that conclude your testimony?

8 **A.** Yes.

BIOGRAPHICAL SKETCH

Rai Trippe

Mr. Trippe serves as Senior Business Analyst, Member Support for the Municipal Gas Authority of Georgia. His responsibilities include firm and interruptible retail rate analysis and design, gas cost and revenue budget planning, rate notification, consulting, project planning and implementation, industrial customer relations, and support services for Members of the Gas Authority. Mr. Trippe is responsible for support in all these areas for nineteen Gas Authority Members that are supplied gas through the Williams Transco Pipeline. This includes Toccoa, Georgia.

Mr. Trippe joined the Gas Authority on February 24, 2003 as a Business Analyst in the Member Support Group. Prior to a joining the Gas Authority, Mr. Trippe worked as an associate process engineer with CryoLife, Inc. of Kennesaw, Georgia where he was responsible for evaluation and maintenance of procedurally regulated production processes pertaining to biomedical device manufacturing. This included extensive documentation origination and review for regulatory agency reporting purposes. Mr. Trippe has over 34 years of business experience.

Mr. Trippe received a Bachelor of Science from Presbyterian College in Clinton, South Carolina in 1985. He is active within his church and volunteers his time and leadership abilities for church sponsored community service projects. He enjoys outdoor activities and resides in Marietta, Georgia with his wife.

Toccoa Natural Company
Docket No. G-41, Sub 55

Exhibit B

Natural Gas Hedge Transactions

For the Twelve Month Period Ended June 30, 2020

Member Hedge Program

Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
Hedged Price (\$)					\$2.8444	\$2.8133	\$2.7694	\$2.7099	\$2.6976				\$2.7669
Index Price (\$)					\$2.5400	\$2.4100	\$2.1100	\$1.8300	\$1.7700				\$2.1320
Net Hedged Price					\$0.3044	\$0.4033	\$0.6594	\$0.8799	\$0.9276				\$0.6349
Hedged Volume (Dts)	0	0	0		7,900	12,500	11,200	8,500	5,200	0	0	0	45,300
Total Adjustment - Charge/(Credit)					\$2,405	\$5,041	\$7,386	\$7,479	\$4,824				\$27,134
NC Sales Allocation Factor	14.15%	15.99%	15.57%	16.06%	11.47%	13.61%	13.08%	12.13%	12.29%	13.90%	13.84%	13.99%	
Firm Hedges - NC Portion	\$0	\$0	\$0	\$0	\$276	\$686	\$966	\$907	\$593	\$0	\$0	\$0	\$3,428

Toccoa Natural Gas Company

Schedule 1

Docket No. G-41, Sub 55

Summary of Cost of Gas

For the Twelve Month Period Ended June 30, 2020

Item	Source	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
<u>Toccoa Cost of Gas</u>														
Demand and Storage Costs	Sch 2	\$44,435	\$44,325	\$43,523	\$57,150	\$62,593	\$69,189	\$69,126	\$64,313	\$65,178	\$55,928	\$45,007	\$43,277	\$664,043
Commodity Costs	Sch 3	194,719	175,620	175,637	237,516	406,326	455,740	459,737	379,430	253,502	172,251	166,632	137,558	3,214,668
Other Cost of Gas Charges	Sch 4	11,350	8,823	4,926	3,587	4,428	17,313	34,754	26,850	18,111	6,190	3,967	1,494	141,792
Total Company Cost of Gas	Sum L1 thru L3	\$250,505	\$228,768	\$224,085	\$298,253	\$473,347	\$542,242	\$563,617	\$470,592	\$336,790	\$234,368	\$215,606	\$182,328	\$4,020,503
<u>NC Cost of Gas</u>														
Demand and Storage Costs	Sch 2	\$6,285	\$7,086	\$6,777	\$9,176	\$7,178	\$9,418	\$9,043	\$7,803	\$8,007	\$7,772	\$6,230	\$6,055	\$90,831
Commodity Costs Expensed	Sch 3	8,612	9,184	8,804	22,370	29,367	42,099	39,913	29,140	16,477	10,661	9,056	6,680	232,362
Other Charges (Credits)	Sch 4	-	-	-	-	276	686	966	907	593	-	-	-	3,428
Total NC Cost of Gas	Sum L5 thru L7	\$14,897	\$16,270	\$15,582	\$31,545	\$36,821	\$52,203	\$49,922	\$37,850	\$25,077	\$18,433	\$15,286	\$12,734	\$326,621

Toccoa Natural Gas Company

Schedule 2

Docket No. G-41, Sub 55

Demand and Storage Costs

For the Twelve Month Period Ended June 30, 2020

Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
DEMAND COSTS													
Cherokee - FT	\$18,168	\$18,168	\$17,582	\$18,168	\$17,582	\$18,168	\$18,168	\$16,996	\$18,168	\$17,828	\$18,423	\$17,828	\$215,245
Converted Firm Trans. - CFT	3,597	3,548	4,097	16,898	22,216	27,850	27,852	26,054	22,957	16,137	4,167	3,217	178,591
SouthCoast - FT Mainline	10,269	10,269	9,937	10,269	9,937	10,269	10,269	9,606	10,269	9,929	10,260	8,806	120,087
Sunbelt 1997 - FT	3,078	3,078	2,978	3,078	2,978	3,078	3,078	2,879	3,078	2,976	3,076	2,815	36,169
Capacity Release Credits (save for future use)	(\$1,531)	(\$1,593)	(\$1,577)	(\$2,117)	(\$625)	(\$1,030)	(\$1,095)	(\$1,376)	(\$148)	(\$1,448)	(\$988)	(\$1,054)	(14,582)
													-
STORAGE/PEAKING SERVICES													
LNG Capacity	982	982	950	982	950	982	982	918	982	950	982	1,852	12,493
LNG Daily Demand	1,699	1,699	1,644	1,699	1,644	1,699	1,699	1,589	1,699	1,644	1,699	3,203	21,617
Pine Needle Capacity	8,174	8,174	7,911	8,174	7,911	8,174	8,174	7,647	8,174	7,911	7,388	6,609	94,423
(save for future use)													-
													-
Total Demand and Storage Costs Expensed	\$44,435	\$44,325	\$43,523	\$57,150	\$62,593	\$69,189	\$69,126	\$64,313	\$65,178	\$55,928	\$45,007	\$43,277	\$664,043
NC Firm Sales Allocation Factor	14.15%	15.99%	15.57%	16.06%	11.47%	13.61%	13.08%	12.13%	12.29%	13.90%	13.84%	13.99%	13.84%
Total Demand and Storage Costs - NC Portion	\$6,285	\$7,086	\$6,777	\$9,176	\$7,178	\$9,418	\$9,043	\$7,803	\$8,007	\$7,772	\$6,230	\$6,055	\$90,831

Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
COMMODITY COSTS INCURRED													
Authority Gas Supply FT	\$181,941	\$165,161	\$163,420	\$215,518	\$364,883	\$397,137	\$383,741	\$301,920	\$213,538	\$153,772	\$151,098	\$125,102	2,817,231
Supply Charge Based on Meters	\$2,382	\$1,588	\$2,382	\$5,568	\$7,940	\$12,705	\$16,034	\$12,828	\$8,819	\$4,009	\$3,207	\$2,405	79,857
Supply Charge Based on Throughput	\$1,976	\$1,916	\$1,802	\$2,197	\$3,548	\$4,083	\$4,537	\$4,244	\$2,961	\$2,352	\$2,110	\$1,828	33,553
Poultry Grower Program	\$1,750	\$2,223	\$2,376	\$5,687	\$6,673	\$9,873	\$15,668	\$19,370	\$13,287	\$6,190	\$3,967	\$1,494	88,558
Poultry Grower Program													-
Fieldale Farms - Industry hedge	\$9,600	\$6,600	\$2,550	(\$2,100)	(\$4,650)	\$2,400	\$11,700						26,100
MGAG Directed - Hedge Option 2					\$2,405	\$5,041	\$7,386	\$7,479	\$4,824				27,134
Authority Pine Needle Supply							\$12,273	\$13,245	\$5,610				31,127
FT Released Capacity Supply					\$8,689	\$11,360	\$5,782	\$12,281	\$958				39,071
													-
STORAGE/PEAKING SERVICES													
LNG Injections													-
LNG Withdrawal								\$3,615					3,615
GENERAL & ADMINISTRATIVE CHARGES													
G&A Based on Meters	\$1,935	\$1,290	\$1,935	\$4,516	\$6,452	\$10,323	\$13,228	\$10,583	\$7,276	\$3,307	\$2,646	\$1,984	65,475
G&A Based on Total Throughput	\$4,425	\$4,292	\$4,037	\$4,921	\$7,948	\$9,146	\$10,343	\$9,676	\$6,751	\$5,362	\$4,811	\$4,168	75,881
Production Area Supply Savings													-
Swing Supply Charge-Seasonalized Contract Volume	\$2,060	\$1,373	\$2,060	\$4,806	\$6,866	\$10,986	\$13,799	\$11,039	\$7,589	\$3,450	\$2,760	\$2,070	68,858
Total System Commodity Costs Incurred	\$206,069	\$184,443	\$180,563	\$241,103	\$410,754	\$473,053	\$494,491	\$406,280	\$271,612	\$178,441	\$170,599	\$139,051	\$3,356,460
Less: Poultry & Industrial Hedging Costs - Assigned to GA Firm Market	(11,350)	(8,823)	(4,926)	(3,587)	(2,023)	(12,273)	(27,368)	(19,370)	(13,287)	(6,190)	(3,967)	(1,494)	(114,658)
Less: Industrial Sales Pass Through Costs - Assigned to GA Firm Market													
Less: Firm Hedge Costs - Assigned to NC & GA Firm Market	-	-	-	-	(2,405)	(5,041)	(7,386)	(7,479)	(4,824)	-	-	-	(27,134)
Commodity Costs for Allocation to Interruptible	194,719	175,620	175,637	237,516	406,326	455,740	459,737	379,430	253,502	172,251	166,632	137,558	3,214,668
Less: Cost of Gas Allocated to Interruptible Market	(137,411)	(122,407)	(120,230)	(116,454)	(139,075)	(154,891)	(148,561)	(119,104)	(114,511)	(97,319)	(98,198)	(91,274)	(1,459,436)
Total Firm Market Commodity Cost of Gas	57,308	53,213	55,407	121,062	267,251	300,849	311,176	260,326	138,991	74,932	68,434	46,284	\$1,755,232
Sales to Purchases Conversion Factor	1.0624	1.0796	1.0204	1.1509	0.9582	1.0280	0.9805	0.9226	0.9649	1.0238	0.9559	1.0315	
Total Commodity Costs Allocable to North Carolina	60,882	57,450	56,540	139,326	256,075	309,272	305,111	240,184	134,115	76,718	65,416	47,743	1,748,834
NC Firm Sales Allocation Factor	14.15%	15.99%	15.57%	16.06%	11.47%	13.61%	13.08%	12.13%	12.29%	13.90%	13.84%	13.99%	
Total Commodity Costs - NC Portion	\$8,612	\$9,184	\$8,804	\$22,370	\$29,367	\$42,099	\$39,913	\$29,140	\$16,477	\$10,661	\$9,056	\$6,680	\$232,362

Toccoa Natural Gas Company

Docket No. G-41, Sub 55

Other Cost of Gas Charges (Credits)

For the Twelve Month Period Ended June 30, 2020

Schedule 4

Line No.	Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
1	Firm Hedge Costs - Assigned to NC & GA Firm Market	\$0	\$0	\$0	\$0	\$2,405	\$5,041	\$7,386	\$7,479	\$4,824	\$0	\$0	\$0	\$27,134
2	Poultry Hedging Costs - Assigned to GA Firm Market	1,750	2,223	2,376	5,687	6,673	9,873	15,668	19,370	13,287	6,190	3,967	1,494	\$88,558
3	Industrial Hedging Costs - Assigned to GA Firm Market	9,600	6,600	2,550	(2,100)	(4,650)	2,400	11,700	0	0	0	0	0	\$26,100
4	Total Company Other Cost of Gas Charges (Credits)	\$11,350	\$8,823	\$4,926	\$3,587	\$4,428	\$17,313	\$34,754	\$26,850	\$18,111	\$6,190	\$3,967	\$1,494	\$141,792
5	Less: Poultry & Industrial Hedging Costs - GA Firm Market	(11,350)	(8,823)	(4,926)	(3,587)	(2,023)	(12,273)	(27,368)	(19,370)	(13,287)	(6,190)	(3,967)	(1,494)	(\$114,658)
6	Total Other Gas Costs Allocable to North Carolina	\$0	\$0	\$0	\$0	\$2,405	\$5,041	\$7,386	\$7,479	\$4,824	\$0	\$0	\$0	\$27,134
7	NC Firm Sales Allocation Factor	14.15%	15.99%	15.57%	16.06%	11.47%	13.61%	13.08%	12.13%	12.29%	13.90%	13.84%	13.99%	
8	TOTAL OTHER COST OF GAS CHARGES - NC PORTION	\$0	\$0	\$0	\$0	\$276	\$686	\$966	\$907	\$593	\$0	\$0	\$0	\$3,428

Toccoa Natural Gas
Docket No. G-41, Sub 55
DEMAND AND STORAGE RATE CHANGES
For the Twelve Month Period Ended June 30, 2020

Schedule 5

Line No.	Effective Date of Change	FERC Docket No.	Description of Service	New Rate	Old Rate	Increase (Decrease)
1	5/1/2020	RP20-720-000	Pine Needle Capacity	\$0.08224	\$0.09099	(\$0.00875)
2	6/1/2020	RP20-780-001	Pine Needle Capacity	\$0.07602	\$0.08224	(\$0.00622)
3	4/1/2020	RP20-575-000	Cherokee	\$0.28709	\$0.28312	\$0.00397
4	4/1/2020	RP20-575-000	FT	\$0.39450	\$0.39471	(\$0.00021)
5	6/1/2020	RP18-1126-004	FT	\$0.31560	\$0.39450	(\$0.07890)
6	4/1/2020	RP20-575-000	South Coast	\$0.15723	\$0.15736	(\$0.00013)
7	6/1/2020	RP18-1126-005	South Coast	\$0.13944	\$0.15723	(\$0.01779)
8	4/1/2020	RP20-575-000	Sunbell	\$0.19153	\$0.19166	(\$0.00013)
9	6/1/2020	RP18-1126-004	Sunbell	\$0.18116	\$0.19153	(\$0.01037)

Toccoa Natural Gas Company
Docket No. G-41, Sub 55
Demand and Storage Capacity Level Changes
For the Twelve Month Period Ended June 30, 2020

Schedule 6

Line No.	Description of Service	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
		No Demand or Storage capacity level changes occurred during the review period ending June 30, 2019.											

Notes:

No Demand or Storage capacity level changes occurred during the review period ending June 30, 2020.

Toccoa Natural Gas Company
Docket No. G-41, Sub 55
Demand and Storage Incurred Versus Collected
For the Twelve Month Period Ended June 30, 2020

Schedule 7

***** Does Not Apply to Toccoa Natural Gas *****

Toccoa Natural Gas Company
Docket No. G-41, Sub 55
Deferred Gas Cost Account Activity
For the Twelve Month Period Ended June 30, 2020
Debit (Credit)

Schedule 8

Line No.	Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
1	Beginning Balance	(\$22,850)	(\$20,571)	(\$18,153)	(\$15,787)	(\$15,161)	(\$18,483)	(\$23,310)	(\$28,077)	(\$31,805)	(\$30,886)	(\$29,566)	(\$28,484)	N/M
2	Commodity True-up	86	(2)	117	964	1,004	2,376	3,316	2,564	1,253	331	226	132	12,370
3	Demand True-Up	763	753	1,067	(3,901)	(9,031)	(14,420)	(15,850)	(12,798)	(4,157)	(1,428)	(1,018)	444	(59,575)
4	Firm Hedges	-	-	-	-	276	686	966	907	593	-	-	-	3,428
5	Increment (decrement)	1,537	1,762	1,589	3,639	4,511	6,634	6,927	5,733	3,385	2,560	2,017	1,561	41,854
6	Adjustment	-	-	(324)	-	-	-	-	-	-	-	-	-	-
7	Interest @ 5.83% per annum	(107)	(96)	(84)	(76)	(80)	(103)	(127)	(134)	(155)	(144)	(143)	(131)	(1,381)
8	Under (Over) Collection	(\$20,571)	(\$18,153)	(\$15,787)	(\$15,161)	(\$18,483)	(\$23,310)	(\$28,077)	(\$31,805)	(\$30,886)	(\$29,566)	(\$28,484)	(\$26,478)	

Toccoa Natural Gas Company
Docket No. G-41, Sub 55
Deferred Account Activity - All Customers Deferred Account
For the Twelve Month Period Ended June 30, 2020

Schedule 9

***** Does Not Apply to Toccoa Natural Gas *****

Toccoa Natural Gas Company
Docket No. G-41, Sub 55
Gas Supply (DTs)
For the Twelve Month Period Ended June 30, 2020

Schedule 10

Line No.	Item	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
	SOURCES OF SUPPLY AT CITY GATE													
1	Authority Gas Supply FT	79,022	76,637	72,092	87,866	138,971	159,272	175,306	158,857	116,208	94,069	84,406	73,123	1,315,829
2	Authority Pine Needle Supply							3,842	4,170	1,787				9,799
3	FT Released Capacity Supply					2,960	4,052	2,314	5,556	446				15,328
4	Industrial Sales Pass Through / GA Firm Market													0
	STORAGE/PEAKING SERVICES													
5	LNG Injections													0
6	LNG Withdrawal								1,180					1,180
7	save for future use													0
8	save for future use													0
9	Less: Interruptible Market	59,242	57,668	50,358	49,582	46,550	57,061	57,495	49,166	51,627	54,414	47,550	50,048	630,762
10	Total Company Firm Supply to City Gate	19,780	18,969	21,734	38,284	92,421	102,211	117,811	109,691	64,581	39,655	36,856	23,075	685,067
11	NC Firm Sales Allocation Factor	14.15%	15.99%	15.57%	16.06%	11.47%	13.61%	13.08%	12.13%	12.29%	13.90%	13.84%	13.99%	
12	Supply to the City Gate - NC Portion	2,798	3,032	3,384	6,147	10,599	13,913	15,411	13,308	7,934	5,511	5,102	3,228	90,368

Municipal Gas Authority of Georgia Winter Service Plan 2019-20

Toccoa

TABLE OF CONTENTS

In advance of the 2019-20 winter season, this plan has been prepared to communicate your design day needs. Please let us know if you have any questions.

ACTION ITEMS

Feedback Requested:

Please review the Forecast Design Day on page 1 for both firm and interruptible load. Let us know if we have identified the interruptible demand (if applicable) correctly.

SUMMARY

Design Day Summary	1
Top 20 Peak Days – Last 5 Years	2

ACTUAL HISTORY

Interruptible Customers (If Applicable)	3
Previous Season Graph	4

FORECAST

Load Forecast Chart	5
Load Duration Curve	6
Projected Daily Demand Chart	7

FIRM SERVICES & SYSTEM PLANNING ANALYSIS

Summary of Contracts	8
5 Year Demand and Capacity Analysis	9

CONTACT INFORMATION

PHOTO CONTEST

This year's cover photo was taken by Vice Mayor Terry Carter of Toccoa, GA.

Please be on the lookout for any great winter photo opportunities this season. Submit your photos to forecasting@gasauthority.com to be entered in the contest for the 2020-21 Winter Service Plan cover photo. Employees of Member cities as well as MGAG staff are encouraged to participate. We look forward to highlighting our member cities in future years!!!

Design Day Summary for 2019-20 Winter

Toccoa

Actual Peak Days (see page 2 for more details)

	<u>HDD</u>	<u>Date</u>	<u>Dth</u>
Historical 5-Year Peak:	38	02/18/15	10,941
Last Winter Peak Day:	31	01/30/19	9,955

Note: Actual Peak Days include firm and interruptible load in dekatherms.

Customers (see page 3 for more details)

		<u>Customer Count</u>
Active meters as of 12/31/2018	Firm:	6,609
	Interruptible:	8
	Total:	6,617

Forecasted Design Day (Dekatherms) (see page 5 for more details)

	<u>Design Day Forecast</u>
Firm Forecasted Load at 51 HDD	9,172
Interruptible Demand	1,532
Total Design Day Demand	10,704

Firm Services (see page 8 for more details)

	<u>2018-19 Capacity</u>	<u>Planned 2019-20</u>
Pipeline Capacity	6,993	6,993
Pine Needle/LGA/GSS Storage	3,907	3,909
AL Baseload Delivered	-	-
Winter Service Pool *	-	-
Seasonal Capacity	-	-
Propane Air Plant Capacity	-	-
TOTAL FIRM SERVICES	10,900	10,902
Firm Surplus / (Deficit)		1,730

* Transco delivered supply service. Pricing and terms will be sent separately

Top 20 Peak Days - Last 5 Years

Toccoa

Degree Day

Heating Degree Days (HDD) are defined as the number of degrees the average temperature for a day is below 65 degrees. If the average temperature is 65 degrees or warmer, there are zero heating degree days and no heating is expected for the typical home or business. As the average temperatures get colder, more and more energy is needed to maintain a comfortable interior temperature. As an example, a high temperature of 46 degrees with a low of 24 degrees will result in an average temperature of 35 degrees and 30 HDD.

Historic Peak Days - Last 5 Years

<u>Rank</u>	<u>Date</u>	<u>Day of Week</u>	<u>HDD</u>	<u>Dth</u>
1	02/18/15	Wed	38	10,941
2	01/04/18	Thu	41	10,698
3	01/02/18	Tue	36	10,492
4	01/17/18	Wed	46	10,463
5	01/08/15	Thu	39	10,353
6	01/01/18	Mon	45	10,241
7	01/05/18	Fri	37	10,199
8	01/07/15	Wed	42	10,161
9	02/19/15	Thu	44	10,131
10	01/30/19	Wed	31	9,955
11	02/09/16	Tue	36	9,824
12	02/10/16	Wed	32	9,698
13	01/03/18	Wed	35	9,446
14	01/18/16	Mon	37	9,381
15	03/15/17	Wed	31	9,059
16	02/15/16	Mon	20	9,008
17	01/29/19	Tue	33	8,964
18	01/18/18	Thu	34	8,903
19	01/21/19	Mon	30	8,854
20	11/18/14	Tue	37	8,829

Industrial Customer Demand

Toccoa

Interruptible Service

Customers who receive all or a portion of their gas service without a guarantee of constant supply in return for a lower rate are interruptible. An interruptible customer typically has an alternate fuel that can be utilized when natural gas is curtailed. Each Gas Authority member city determines the exact curtailment procedures that apply in their respective service area. If the member city does not curtail the load as a matter of policy, the load is considered firm.

When a customer's load is classified as interruptible and subject to curtailment, that demand is not included in the firm design day requirements and capacity will not be reserved to serve them. Service will be maintained whenever possible utilizing capacity not needed for firm demand which will occur on many days.

Interruptible Customers:

(Quantities in Dekatherms)

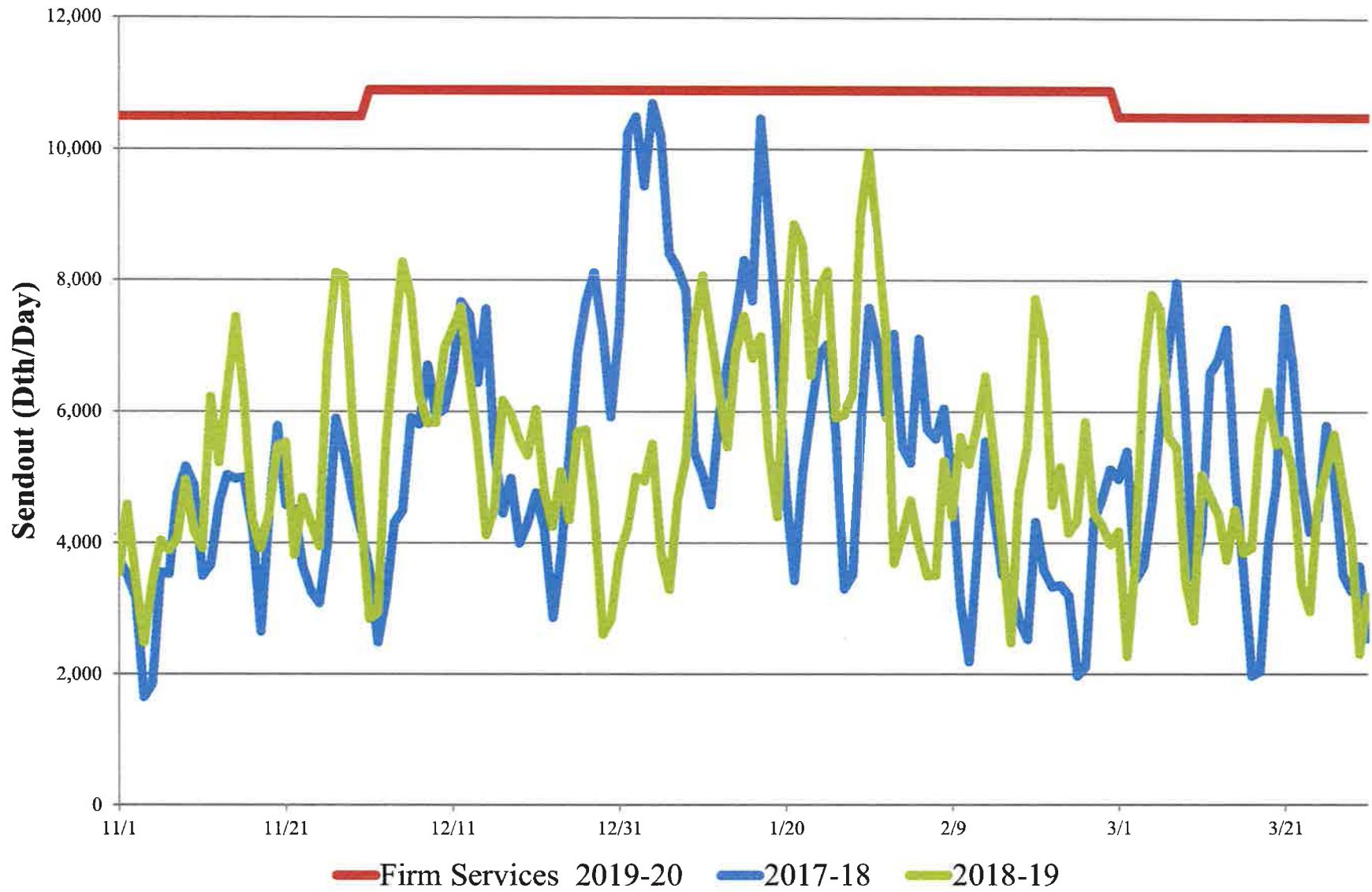
<u>Customer Name</u>	<u>2019-20 Design Day Forecast</u>
Columbia Farms	41
Fieldale Farms	983
Stephens Co. Hospital	143
Dewtex, Inc.	179
Catepillar, Inc.	-
Angel Medical	54
Shaw Ind.	103
C.W. Matthews - asphalt plant	29
Total	1,532

Firm Customers:

(Quantities in Dekatherms)

<u>Customer Name</u>	<u>2019-20 Design Day Forecast</u>
None Reported	-
Total	-

Toccoa - Total Load and Contract Levels Nov-Mar History



2019-20 Load Forecast Chart (Dth)

Toccoa

Dec - Feb Total Firm Services: 10,902

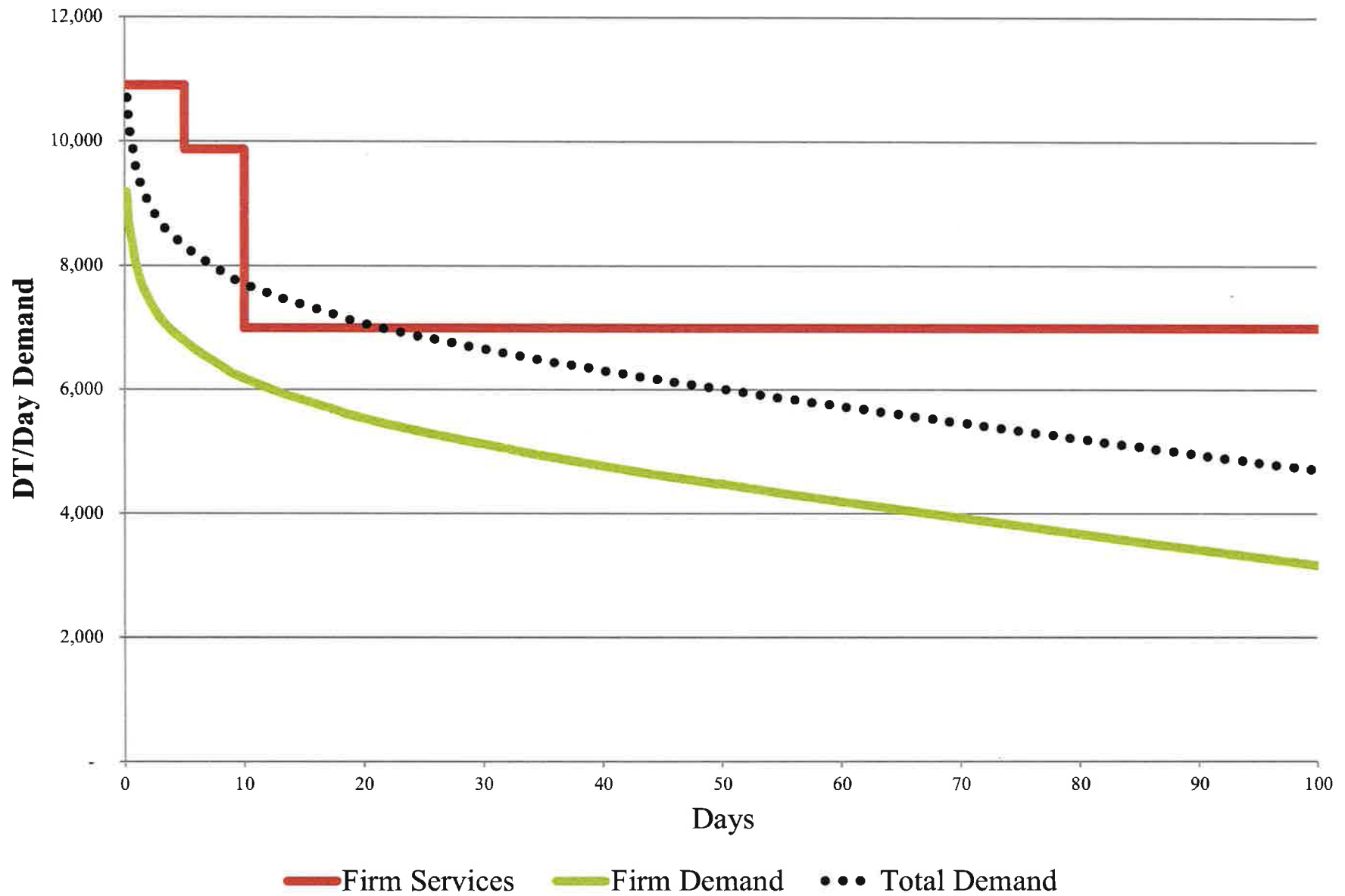
Heating Degree

Day	Average Temp.	Firm Load	Total Load
0	65	921	2,453
1	64	1,083	2,615
2	63	1,245	2,777
3	62	1,406	2,938
4	61	1,568	3,100
5	60	1,730	3,262
6	59	1,892	3,424
7	58	2,054	3,586
8	57	2,215	3,747
9	56	2,377	3,909
10	55	2,539	4,071
11	54	2,701	4,233
12	53	2,862	4,394
13	52	3,024	4,556
14	51	3,186	4,718
15	50	3,348	4,880
16	49	3,510	5,042
17	48	3,671	5,203
18	47	3,833	5,365
19	46	3,995	5,527
20	45	4,157	5,689
21	44	4,319	5,851
22	43	4,480	6,012
23	42	4,642	6,174
24	41	4,804	6,336
25	40	4,966	6,498

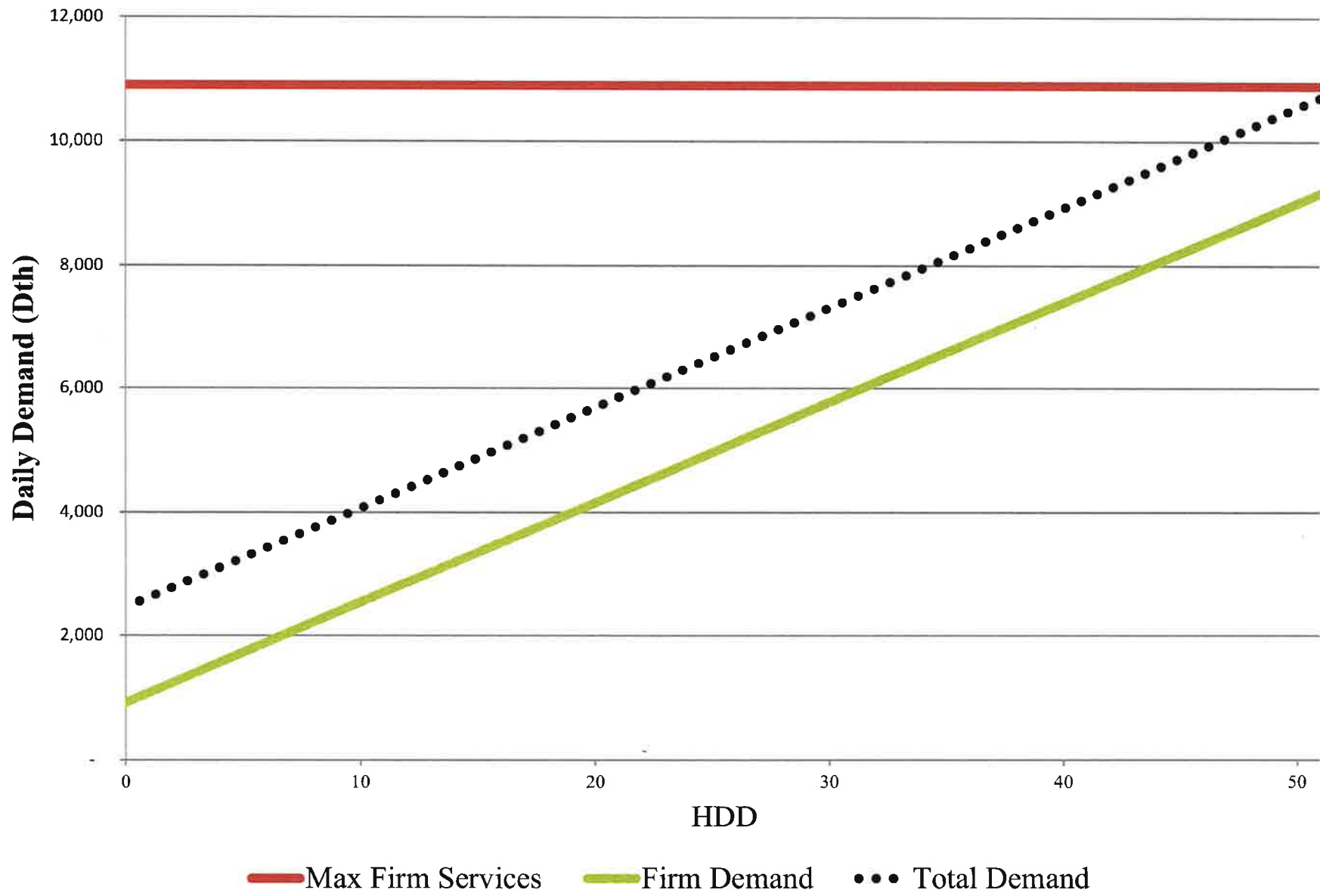
Heating Degree

Day	Average Temp.	Firm Load	Total Load
26	39	5,128	6,660
27	38	5,289	6,821
28	37	5,451	6,983
29	36	5,613	7,145
30	35	5,775	7,307
31	34	5,936	7,468
32	33	6,098	7,630
33	32	6,260	7,792
34	31	6,422	7,954
35	30	6,584	8,116
36	29	6,745	8,277
37	28	6,907	8,439
38	27	7,069	8,601
39	26	7,231	8,763
40	25	7,393	8,925
41	24	7,554	9,086
42	23	7,716	9,248
43	22	7,878	9,410
44	21	8,040	9,572
45	20	8,202	9,734
46	19	8,363	9,895
47	18	8,525	10,057
48	17	8,687	10,219
49	16	8,849	10,381
50	15	9,011	10,543
51	14	9,172	10,704

Toccoa 2019-20 Load Duration Curve



Toccoa 2019-20 Projected Daily Demand



Toccoa

11/1/2019

Transco Monthly Contract Quantities (Dth)

<u>Contract Type</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>
PSFT *	-	-	-	-	-	-	-	-	-	-	-	-
FTG * (One Part FT)	-	-	-	-	-	-	-	-	-	-	-	-
CFT *	1,381	1,898	2,300	2,300	2,300	1,898	1,381	346	346	294	290	346
IFT	-	-	-	-	-	-	-	-	-	-	-	-
SE94	-	-	-	-	-	-	-	-	-	-	-	-
SE95/96	-	-	-	-	-	-	-	-	-	-	-	-
SFT *	-	-	-	-	-	-	-	-	-	-	-	-
Sunbelt	518	518	518	518	518	518	518	518	518	518	518	518
BG&E	-	-	-	-	-	-	-	-	-	-	-	-
Cherokee	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
SouthCoast	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
Sundance	-	-	-	-	-	-	-	-	-	-	-	-
Momentum	-	-	-	-	-	-	-	-	-	-	-	-
Temp Release of BG&E	-	-	-	-	-	-	-	-	-	-	-	-
Total FT	6,074	6,591	6,993	6,993	6,993	6,591	6,074	5,039	5,039	4,987	4,983	5,039
GSS - 50d	-	-	-	-	-	-	-	-	-	-	-	-
ALBaseload Delivered	-	-	-	-	-	-	-	-	-	-	-	-
Winter Service Pool	-	-	-	-	-	-	-	-	-	-	-	-
Pine Needle - 10d	-	2,898	2,898	2,898	2,898	2,898	-	-	-	-	-	-
PN - Transco 5-4 Fuel**	-	(24)	(24)	(24)	(24)	(24)	-	-	-	-	-	-
LNG - 5d	-	1,035	1,035	1,035	1,035	1,035	-	-	-	-	-	-
Total Storage/Peaking	-	3,909	3,909	3,909	3,909	3,909	-	-	-	-	-	-
Seasonal Capacity	-	-	-	-	-	-	-	-	-	-	-	-
Total Capacity (Dth/Day)	6,074	10,500	10,902	10,902	10,902	10,500	6,074	5,039	5,039	4,987	4,983	5,039

* Capacity entitlement varies by month

**Pine Needle reduced for Transco 5-4 fuel of 0.89%

MGAG 5 Year Demand and Capacity Analysis - Toccoa

	2015-16	2016-17	2017-18	Prev Year 2018-19	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24
Customer Count	6,536	6,596	6,607	6,617	6,643	6,670	6,697	6,724	6,751
Growth Rate				0.2%	0.4%	0.4%	0.4%	0.4%	0.4%
Projected Design Day			HDD	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Firm Design Day Demand			51	9,649	9,167	9,204	9,242	9,279	9,316
NGV Demand				5	5	6	6	6	6
Interruptible Demand				1,719	1,532	1,532	1,532	1,532	1,532
Total Projected Design Day Demand				11,373	10,704	10,742	10,780	10,817	10,854
Firm Services									
FT				6,993	6,993	6,993	6,993	6,993	6,993
GSS				-	-	-	-	-	-
AL Baseload Delivered				-	-	-	-	-	-
Winter Service Pool				-	-	-	-	-	-
Pine Needle				2,872	2,874	2,874	2,874	2,874	2,874
LNG/LGA				1,035	1,035	1,035	1,035	1,035	1,035
Propane Plant				-	-	-	-	-	-
Seasonal Capacity / (Shared with Others)				-	-	-	-	-	-
Total Firm Services				10,900	10,902	10,902	10,902	10,902	10,902
Firm Long/(Short) Dth				1,246	1,730	1,692	1,654	1,617	1,580
				11%	16%	16%	15%	15%	14%

Long - There are firm services sufficient to meet the projected firm requirements on the design day

Short - The projected firm requirements on the design day are greater than the firm services available and more capacity is recommended if available