

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
TOCCOA NATURAL GAS
DOCKET NO. G-41, SUB 50**

DIRECT TESTIMONY

OF

Rai Trippe

September 1, 2017

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

2 A. My name is Rai Trippe. I am employed by 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 Toccoa?

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

11

12 Q. Please summarize your professional background.

13 A. Please see Exhibit 1, 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
17 or before September 1, 2017, Toccoa’s actual gas costs and volumes of purchased
18 gas for the twelve-month period ended June 30, 2017, and certain other
19 information as directed by the Commission. This information is contained in this
20 direct testimony and the accompanying exhibits. The Rule provides for a hearing
21 on the first Wednesday of November “in order to compare each LDC’s prudently
22 incurred gas costs with gas costs recovered from all its customers that it served

1 during the test period.” Toccoa is providing my testimony and schedules in
2 compliance with this Rule. My testimony demonstrates that all of 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 sixteenth
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
9 largest non-profit joint action natural gas agency in the nation. As a member of
10 the Gas Authority, Toccoa receives all of its gas supply at very competitive rates.
11 The Gas Authority uses a portfolio approach to supply its 79 member cities’
12 needs, relying on a combination of long-term firm supply arrangements, short-
13 term spot market purchases, seasonal peaking, and contract storage services.
14 Specifically, the Gas Authority bills its Williams Transco supplied members at the
15 first-of-the-month spot market index price for gas delivered into Transco at 50%
16 of Transco Zone 3 index + 50% of Transco Zone 4 index. In addition, Toccoa
17 participates in the Gas Authority’s “Winter Hedge Program” under the
18 Authority’s *Option 2*; that is, Toccoa relies on the Gas Authority’s advisement in
19 locking-in future prices for a portion of their firm load (*Option 3* members make
20 their own decisions, and *Option 1* members do not hedge prices). The Gas
21 Authority’s objective in hedging prices is to achieve price stability at a reasonable
22 level for its members’ retail customers. This was accomplished by locking in

1 futures prices on approximately 26% of their forecasted firm Georgia residential
2 gas sales and all firm North Carolina gas sales for November 2016 – March 2017.
3 Please see Exhibit 2 for monthly hedge volumes during the current review period.
4 At the time that these hedge volume decisions were made, Toccoa chose to adopt
5 more conservative hedge volumes for their participation in the Winter Hedge
6 Program because market and future pricing was significantly less than it had been
7 at the time the previous Winter Hedge Program volumes were put in place. Large
8 industrial customers may make their own hedging decisions if they choose to do
9 so. Because of its participation in Gas Authority, Toccoa’s “gas supply policy” is
10 the same as that of the Gas 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
19 can create its own challenges. Some customers have unrealistic expectations of
20 the benefits of hedging, because a common benchmark for evaluating hedged
21 prices is the actual spot market price. This can be an unfair measure because it is
22 only available after the fact and assumes the goal of hedging is “to beat the

1 market.” In reality, the principal goal of hedging is to achieve price stability, at a
2 reasonable level, for the consuming public. The Gas Authority’s “Winter Hedge
3 Program” helps 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. In addition, Toccoa has storage service
13 agreements with Pine Needle LNG Company, LLC. Further, through participation
14 in the Gas Authority, Toccoa has access to other members’ available pipeline
15 capacity.
16

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

19 A. Absolutely.
20

21 Q. How does Toccoa participate in and communicate with the Gas Authority
22 regarding 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 2016 – June 2017 totaled \$23,029. 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-
14 17(k) for the year ended June 30, 2017?

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 on a
19 monthly basis. 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 2 and Schedules 1 – 10 that include the Deferred Account Summary.

2
3 Q. What activity occurred in the deferred account during the twelve months ended
4 June 30, 2017?

5 A. Toccoa began the review period with a balance of (\$109,739) owed to firm
6 customers. On August 1, 2016 the Commission issued its Order Allowing Rate
7 Changes Effective August 1, 2016 in Docket No. G-41, Sub 46, authorizing
8 Toccoa to increase its temporary decrement from (\$0.7649) per dth to (\$1.3172)
9 per dth for its North Carolina firm service customers. Following the Annual
10 Review, the Commission issued its Order on Annual Review of Gas Costs on
11 December 13, 2016 in Docket No. G-41, Sub 47, keeping the existing (\$1.3172)
12 per dth decrement issued in G-41 Sub 46 in effect until further order by the
13 Commission. Toccoa desired to rely on the Deferred Account process and
14 tracking method such that the forecasted Deferred Account balance at the end of
15 the current review period would be as close to zero as practical. Therefore, there
16 was a significant reduction in the Deferred Account balance. The ending
17 Deferred Account balance ending June 30, 2016 was (\$37,260). Please refer to
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, 2016 through June 30, 2017. 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, 2017 balances and
6 find that Toccoa's gas purchases were prudent during the relevant twelve-month
7 period.

8

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

11 A. Toccoa filed an application on July 19, 2016 requesting authority to increase the
12 review period temporary rate decrement of (\$0.7649) per dth to (\$1.3172) per dth
13 in order to accelerate the reduction of the Deferred Account balance owed to the
14 NC firm service customers. The Commission approved the request and issued an
15 Order in G-41 Sub 46, for the new temporary decrement with an effective date of
16 August 1, 2016.

17

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

19

20 A. Yes. Per Order Requiring Reporting Issued in Docket G-100 Sub 91, Toccoa
21 submits the following responses.

22

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

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

- 14
15 2. Please identify the rate schedules and special contracts that the Company uses to
16 determine peak day demand requirements for planning purposes.

17
18 **Response 1-2:** The Gas Authority evaluates all firm customer classes that are
19 part of Toccoa's total firm load in planning for peak day demand requirements.
20 The Gas Authority's planning is based on the number of customers within each
21 firm rate schedule, and we consider all customer requirements with the exception
22 of alternate fuel customers.

- 1
- 2 3. Please provide the base load demand requirements of the firm market estimated
- 3 for the review period and forecasted for each of the next five (5) years.
- 4

5 **Response 1-3:** Response 1-3: Please refer to Docket No. G-41, Sub 50, Annual

6 Review Schedule 6 submitted in conjunction with Mr. Trippe's testimony. This

7 Schedule details monthly demand and storage contract volumes. We expect that

8 Toccoa's base load demand requirements for the next five years will be

9 sufficiently served under the demand contract, LNG contract, and Pine Needle

10 contract volumes shown in this summary.

11

- 12 4. Please provide the one-day design peak demand requirements used by the
- 13 Company for planning purposes for the review period and forecasted for each of
- 14 the next five (5) winter seasons. The peak demand requirement amounts should
- 15 set forth the estimated demand for each rate schedule or priority with peak day
- 16 demand. All assumptions, such as heating degree-days, dekatherms per heating
- 17 degree-day, customer growth rates, and supporting calculations used to determine
- 18 the peak day requirement amounts should be provided.
- 19

20 **Response 1-4:** Toccoa's peak day and peak demand requirements are evaluated

21 annually by the Municipal Gas Authority of GA staff, and an updated Winter

22 Service Plan is produced and submitted to Toccoa each year prior to the winter

1 season. Please see Exhibit A, "Municipal Gas Authority of Georgia Winter
2 Service Plan 2016 - 2017". Gas Authority analysis uses 51 HDD's to forecast
3 design day usage.
4

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

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

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

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

- 9
- 10 7. Please describe each new capacity and storage opportunity that the Company is
11 contemplating entering into during the next five (5) year period beginning with
12 the 2017 - 2018 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 for the
18 review period and forecasted for each of the next five (5) winter seasons.

19

20 **Response 1-8:** Please see Exhibit A, "Municipal Gas Authority of Georgia
21 Winter Service Plan 2016 - 2017".

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

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

5

6 Q. Does that conclude your testimony?

7 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 of these areas for nineteen Member cities which 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 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 31 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 50
Natural Gas Hedge Transactions
For the Twelve Month Period Ended June 30, 2017

Exhibit 2

Member Hedge Program

Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
Hedged Price (\$)					\$3.1190	\$3.2445	\$3.2631	\$3.2559	\$2.9909				\$3.1747
Index Price (\$)					\$2.7640	\$3.2320	\$3.9300	\$3.3910	\$2.6270				\$3.1888
Net Hedged Price					\$0.3550	\$0.0125	-\$0.6669	-\$0.1351	\$0.3639				-\$0.0141
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)					\$2,805	\$157	(\$7,470)	(\$1,148)	\$1,892				-\$3,764
NC Sales Allocation Factor	17.47%	15.46%	16.74%	15.05%	13.23%	13.26%	12.06%	13.58%	12.56%	14.40%	15.43%	17.42%	
Firm Hedges - NC Portion	\$0	\$0	\$0	\$0	\$371	\$21	-\$901	-\$156	\$238	\$0	\$0	\$0	-\$427

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Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Summary of Cost of Gas
For the Twelve Month Period Ended June 30, 2017

Schedule

Line No.	Item	Source	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
	<u>Toccoa Cost of Gas</u>														
1	Demand and Storage Costs	Sch 2	\$46,100	\$45,639	\$45,091	\$57,349	\$61,287	\$69,586	\$69,369	\$61,637	\$60,716	\$52,714	\$44,992	\$42,827	\$657,301
2	Commodity Costs	Sch 3	214,887	205,755	216,826	256,732	353,205	568,176	614,260	424,999	377,632	293,815	282,310	228,587	4,037,181
3	Other Cost of Gas Charges	Sch 4	72	539	342	40	12,969	12,940	3,963	12,550	15,646	5,187	4,902	3,725	72,621
4	Total Company Cost of Gas	Sum L1 thru L3	\$261,060	\$251,933	\$262,260	\$314,121	\$427,460	\$650,702	\$687,592	\$499,186	\$453,994	\$351,716	\$332,205	\$275,139	\$4,767,103
	<u>NC Cost of Gas</u>														
5	Demand and Storage Costs	Sch 2	\$8,056	\$7,054	\$7,546	\$8,633	\$8,106	\$9,229	\$8,366	\$8,371	\$7,624	\$7,590	\$6,940	\$7,460	\$94,911
6	Commodity Costs Expensed	Sch 3	10,875	11,120	12,114	15,780	29,225	50,262	44,053	32,653	23,950	16,835	14,541	14,398	275,811
7	Other Charges (Credits)	Sch 4	-	-	-	-	1,037	1,664	1,909	1,347	1,093	570	488	414	8,521
8	Total NC Cost of Gas	Sum L5 thru L7	\$18,931	\$18,174	\$19,661	\$24,413	\$38,369	\$61,155	\$54,328	\$42,371	\$32,668	\$24,995	\$21,969	\$22,272	\$379,303

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Toccoa Natural Gas Company

Docket No. G-41, Sub 50

Demand and Storage Costs

For the Twelve Month Period Ended June 30, 2017

Schedule

Line No.	Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
	<u>DEMAND COSTS</u>													
1	Cherokee - FT	\$18,388	\$18,388	\$17,795	\$18,388	\$17,795	\$18,388	\$18,388	\$16,608	\$18,388	\$17,499	\$18,082	\$17,499	\$215,600
2	Converted Firm Trans. - CFT	2,662	2,626	3,032	12,505	16,632	20,827	20,827	18,811	17,187	12,085	3,129	3,028	133,356
3	SouthCoast - FT Mainline	\$10,607	10607	10,265	10,607	10,265	\$10,607	10,607	\$9,580.70	\$10,607	\$10,245	\$10,587	\$10,245	124,832
4	Sunbelt 1997 - FT	3,357	3,357	3,248	3,357	3,248	3,357	3,357	3,032	3,357	3,244	3,352	3,244	39,509
5	Capacity Release Credits	(1,466)	(1,426)	(1,441)	(1,918)	(2,097)	(2,184)	(2,536)	(2,328)	(3,270)	(1,656)	(1,223)	(1,483)	(23,029)
6	(save for future use)													-
	<u>STORAGE/PEAKING SERVICES</u>													
7	LNG Capacity	645	645	624	645	624	645	645	583	645	624	645	624	7,599
8	LNG Daily Demand	1,116	1,116	1,080	1,116	1,080	1,116	1,116	1,008	1,116	1,080	1,116	1,080	13,143
9	Pine Needle Capacity	9,397	9,397	9,094	9,397	9,094	9,397	7,456	6,734	7,456	7,215	7,403	7,164	99,207
10	(save for future use)													-
	<u>SUPPLY RESERVATION FEES</u>													
11	Swing Supply Charge-Seasonalized Contract Volume	1,394	929	1,394	3,252	4,645	7,433	9,510	7,608	5,231	2,378	1,902	1,427	47,103
12	Total Demand and Storage Costs Expensed	\$46,100	\$45,639	\$45,091	\$57,349	\$61,287	\$69,586	\$69,369	\$61,637	\$60,716	\$52,714	\$44,992	\$42,827	\$657,308
13	NC Firm Sales Allocation Factor	17.47%	15.46%	16.74%	15.05%	13.23%	13.26%	12.06%	13.58%	12.56%	14.40%	15.43%	17.42%	
14	Total Demand and Storage Costs - NC Portion	\$8,056	\$7,054	\$7,546	\$8,633	\$8,106	\$9,229	\$8,366	\$8,371	\$7,624	\$7,590	\$6,940	\$7,460	\$94,977

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Line No.	Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
COMMODITY COSTS INCURRED														
1	Authority Gas Supply FT	\$209,178	\$200,433	\$210,974	\$247,982	\$327,770	\$543,234	\$615,922	\$409,503	\$343,216	\$285,693	\$277,872	\$232,323	3,904,099
2	Supply Charge Based on Meters					7,843	12,549	15,830	9,920	8,707	3,958	3,166	2,375	64,346
3	Supply Charge Based on Throughput					2,935	4,256	3,950	6,724	3,412	2,242	2,213	1,787	27,520
4	Poultry Grower Program	72	539	342	40	2,191	(3,866)	(15,818)	(4,095)	\$3,527	(1,012)	(478)	(437)	(18,993)
5	Poultry Grower Program													-
6	Fieldale Farms - Industry hedge					3,600	(9,600)	(31,500)				(3,000)	(9,600)	(50,100)
7	MGAG Directed - Hedge Option 2					2,805	157	(7,470)	(1,148)	1,892				(3,764)
8	Authority Pine Needle Supply						1,533	2,881		15,434				-
9	FT Released Capacity Supply						13,908	13,177		2,627				-
STORAGE/PEAKING SERVICES														
10	LNG Injections													-
11	LNG Withdrawal													-
GENERAL & ADMINISTRATIVE CHARGES														
12	G&A Based on Meters	1,765	1,176	1,765	4,118	5,882	9,412	12,400	9,920	6,820	3,100	2,480	1,860	60,699
13	G&A Based on Total Throughput	3,945	4,145	4,088	4,633	13,148	9,534	8,849	5,724	7,643	5,022	4,958	4,004	76,691
14	Production Area Supply Savings													-
15	(save for future use)													-
16	Total System Commodity Costs Incurred	\$214,959	\$206,294	\$217,169	\$256,772	\$366,174	\$581,116	\$618,223	\$437,549	\$393,278	\$299,002	\$287,212	\$232,311	\$4,110,059
17	Less: Poultry & Industrial Hedging Costs - Assigned to GA Firm Market	(72)	(539)	(342)	(40)	(5,126)	(391)	11,867	(2,629)	(6,939)	(1,230)	(1,736)	(1,350)	(8,521)
18	Less: Industrial Sales Pass Through Costs - Assigned to GA Firm Market													-
19	Less: Firm Hedge Costs - Assigned to NC & GA Firm Market	-	-	-	-	(7,843)	(12,549)	(15,830)	(9,920)	(8,707)	(3,958)	(3,166)	(2,375)	(64,346)
20	Commodity Costs for Allocation to Interruptible	214,887	205,755	216,826	256,732	353,205	568,176	614,260	424,999	377,632	293,815	282,310	228,587	4,037,184
21	Less: Cost of Gas Allocated to Interruptible Market	(151,292)	(140,515)	(144,900)	(153,970)	(152,922)	(187,256)	(233,361)	(180,184)	(168,741)	(175,337)	(189,377)	(150,375)	(2,028,229)
22	Total Firm Market Commodity Cost of Gas	63,595	65,239	71,926	102,762	200,283	380,921	380,899	244,815	208,891	118,478	92,933	78,212	\$2,008,955
23	Sales to Purchases Conversion Factor	0.9786	1.1028	1.0064	1.0201	1.1033	0.9949	0.9590	0.9821	0.9130	0.9868	1.0143	1.0568	
24	Total Commodity Costs Allocable to North Carolina	62,233	71,944	72,384	104,823	220,965	378,965	365,297	240,427	190,726	116,918	94,263	82,655	2,001,598
25	NC Firm Sales Allocation Factor	17.47%	15.46%	16.74%	15.05%	13.23%	13.26%	12.06%	13.58%	12.56%	14.40%	15.43%	17.42%	
26	Total Commodity Costs - NC Portion	\$10,875	\$11,120	\$12,114	\$15,780	\$29,225	\$50,262	\$44,053	\$32,653	\$23,950	\$16,835	\$14,541	\$14,398	\$275,806

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Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Other Cost of Gas Charges (Credits)
For the Twelve Month Period Ended June 30, 2017

Schedule 4

Line No.	Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
1	Firm Hedge Costs - Assigned to NC & GA Firm Market	\$0	\$0	\$0	\$0	\$7,843	\$12,549	\$15,830	\$9,920	\$8,707	\$3,958	\$3,166	\$2,375	\$64,348
2	Poultry Hedging Costs - Assigned to GA Firm Market	72	539	342	40	5,126	391	(11,867)	2,629	6,939	1,230	1,736	1,350	8,527
3	Industrial Hedging Costs - Assigned to GA Firm Market	0	0	0	0	0	0	0	0	0	0	0	0	-
4	Total Company Other Cost of Gas Charges (Credits)	\$72	\$539	\$342	\$40	\$12,969	\$12,940	\$3,963	\$12,550	\$15,646	\$5,187	\$4,902	\$3,725	\$72,875
5	Less: Poultry & Industrial Hedging Costs - GA Firm Market	(72)	(539)	(342)	(40)	(5,126)	(391)	11,867	(2,629)	(6,939)	(1,230)	(1,736)	(1,350)	(8,527)
6	Total Other Gas Costs Allocable to North Carolina	\$0	\$0	\$0	\$0	\$7,843	\$12,549	\$15,830	\$9,920	\$8,707	\$3,958	\$3,166	\$2,375	64,348
7	NC Firm Sales Allocation Factor	17.47%	15.46%	16.74%	15.05%	13.23%	13.26%	12.06%	13.58%	12.56%	14.40%	15.43%	17.42%	
8	TOTAL OTHER COST OF GAS CHARGES - NC PORTION	\$0	\$0	\$0	\$0	\$1,037	\$1,664	\$1,909	\$1,347	\$1,093	\$570	\$488	\$414	\$8,523

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Toccoa Natural Gas
Docket No. G-41, Sub 50
DEMAND AND STORAGE RATE CHANGES
For the Twelve Month Period Ended June 30, 2017

Schedule 5

Line No.	Effective Date of Change	FERC Docket No.	Description of Service	New Rate	Old Rate	Increase (Decrease)
1	1/1/2017	RP17-331-000	Pine Needle Capacity	\$0.08299	\$0.10460	(\$0.02161)
2	4/1/2017	RP17-452-000	Cherokee	\$0.28178	\$0.28655	(\$0.00477)
3	4/1/2017	RP17-452-000	FT	\$0.29169	\$0.29210	(\$0.00041)
4	4/1/2017	RP17-452-000	South Coast	\$0.16224	\$0.16255	(\$0.00031)
5	4/1/2017	RP17-452-000	Sunbelt	\$0.20873	\$0.20904	(\$0.00031)
6	5/1/2017	RP17-576-000	Pine Needle Capacity	\$0.08240	\$0.08299	(\$0.00059)
7						
8						
9						

Line:

Notes:

- 1) Pine Needle LNG Company, LLC, FERC Gas Tariff, First Revised Volume No. 1
Section 1.1 - Rate Schedule LNG-1
Part II - Statement of Rates and Fuel
Pine Needle LNG Company, LLC
Version 4.0.0
Filed: January 9, 2017
Effective: January 1, 2017
- 2) Transcontinental Gas Pipeline, LLC, FERC Gas Tariff, Fifth Revised Volume No. 1
Part II - Statement of Rates and Fuel
Section 1.1.5 - FT - Cherokee Expansion Rates
Version 16.0.0
Filed: February 28, 2017
Effective: April 1, 2017
- 3) Transcontinental Gas Pipeline, LLC, FERC Gas Tariff, Fifth Revised Volume No. 1
Part II - Statement of Rates and Fuel
Section 1.1.1 - FT
Version 16.0.0
Filed: February 28, 2017
Effective: April 1, 2017
- 4) Transcontinental Gas Pipeline, LLC, FERC Gas Tariff, Fifth Revised Volume No. 1
Part II - Statement of Rates and Fuel
Section 1.1.6 - FT - SouthCoast Expansion Rates
Version 16.0.0
Filed: February 28, 2017
Effective: April 1, 2017
- 5) Transcontinental Gas Pipeline, LLC, FERC Gas Tariff, Fifth Revised Volume No. 1
Part II - Statement of Rates and Fuel
Section 1.1.2 - FT - Sunbelt Expansion Rates
Version 16.0.0
Filed: February 28, 2017
Effective: April 1, 2017
- 6) Pine Needle LNG Company, LLC, FERC Gas Tariff, First Revised Volume No. 1
Section 1.1 - Rate Schedule LNG-1
Part II - Statement of Rates and Fuel
Pine Needle LNG Company, LLC
Version 11.0.0
Filed: March 30, 2017
Effective: May 1, 2017

All rates are daily rates in \$/Dth

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Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Demand and Storage Capacity Level Changes
For the Twelve Month Period Ended June 30, 2017

Schedule 6

Line No.	Description of Service	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
1	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
2	Sunbelt 1997 - FT	518	518	518	518	518	518	518	518	518	518	518	518
3	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
4	Converted Firm Trans. - CFT	294	290	346	1,381	1,898	2,300	2,300	2,300	1,898	1,381	346	346
5	save for future use	-	-	-	-	-	-	-	-	-	-	-	-
6	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
7	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
8	save for future use	-	-	-	-	-	-	-	-	-	-	-	-
9	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

Notes:

- 1) All units are Dth per day.
- 2) Converted Firm Trans. - CFT; volumes are tiered.

2017 complete

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Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Demand and Storage Incurred Versus Collected
For the Twelve Month Period Ended June 30, 2017

Schedule 7

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

Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Deferred Gas Cost Account Activity
For the Twelve Month Period Ended June 30, 2017
Debit (Credit)

Schedule 8

Line No.	Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
1	Beginning Balance	(\$109,739)	(\$104,784)	(\$99,048)	(\$92,814)	(\$86,125)	(\$79,497)	(\$73,437)	(\$67,734)	(\$61,056)	(\$55,003)	(\$48,927)	(\$43,367)	N/M
2	Commodity True-up	(195)	(267)	(239)	(166)	1,100	1,148	1,566	1,175	753	85	46	24	(\$2,100)
3	Demand True-Up	2,423	733	1,103	599	(7,242)	(14,569)	(9,540)	(6,205)	(6,053)	(529)	(265)	345	(44,162)
4	Firm Hedges	-	-	-	-	371	21	(901)	(156)	238	-	-	-	8,355
5	Increment (decrement)	2,727	5,269	5,372	6,698	12,794	19,838	14,927	12,150	11,401	6,768	6,007	5,932	65,554
6	Interest @ 10% per annum	-	-	-	(442)	(396)	(377)	(348)	(287)	(286)	(248)	(228)	(193)	-
7	Under (Over) Collection	(\$104,784)	(\$99,048)	(\$92,814)	(\$86,125)	(\$79,497)	(\$73,437)	(\$67,734)	(\$61,056)	(\$55,003)	(\$48,927)	(\$43,367)	(\$37,260)	

2017 complete

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Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Deferred Account Activity - All Customers Deferred Account
For the Twelve Month Period Ended June 30, 2017

Schedule 9

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

Toccoa Natural Gas Company
Docket No. G-41, Sub 50
Gas Supply (DTs)
For the Twelve Month Period Ended June 30, 2017

Schedule 10

Line No.	Item	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
SOURCES OF SUPPLY AT CITY GATE														
1	Authority Gas Supply FT	70,439	74,018	72,991	82,727	117,392	165,859	154,103	120,069	131,351	89,679	88,536	71,497	1,238,661
2	Authority Pine Needle Supply						422	789		4,205				5,416
3	FT Released Capacity Supply						3,968	3,118		924				8,010
4	Industrial Sales Pass Through / GA Firm Market													
STORAGE/PEAKING SERVICES														
5	LNG Injections													0
6	LNG Withdrawal													0
7	save for future use													0
8	save for future use													0
9	Total Company Supply to City Gate	70,439	74,018	72,991	82,727	117,392	170,249	158,010	120,069	136,480	89,679	88,536	71,497	1,252,087

2017 complete