

October 11, 2017

Ms. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

***RE: Revised Schedules 1 through 10 and Exhibit 2 of the
Testimony of Rai Trippe filed on September 1, 2017
In the Annual Gas Cost Review for Toccoa Natural Gas
For the Period July 1, 2016 through June 30, 2017
Docket G-41, Sub 50***

Dear Ms. Jarvis:

Please find attached the Revised Schedules 1 through 10 and Exhibit 2 supporting the Testimony of Rai Trippe that was filed in the above-referenced docket on September 1, 2017.

Mr. Trippe and Public Staff have discussed the minor changes that have been made to the schedules and are in agreement with the revisions.

If you have any questions or comments regarding this filing, please do not hesitate to call me. Thank you in advance for your assistance in this matter.

Sincerely,



Karen M. Kemerait

pbb

Enclosures

cc: Christopher J. Ayers, Esq.
Beth Culpepper, Esq.
Mr. Jan Larsen
Ms. Julie Perry

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 T

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>														
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	\$657,308
Commodity Costs	Sch 3	214,887	205,755	216,826	256,732	357,578	594,425	673,010	441,813	387,858	300,015	290,690	242,349	4,181,938
Other Cost of Gas Charges	Sch 4	72	539	342	40	8,596	(13,309)	(54,787)	(5,243)	5,419	(1,012)	(3,478)	(10,037)	(72,897)
Total Company Cost of Gas	Sum L1 thru L3	\$261,060	\$251,933	\$262,260	\$314,121	\$427,460	\$650,702	\$687,592	\$498,208	\$453,994	\$351,716	\$332,205	\$275,139	\$4,766,388
<u>NC Cost of Gas</u>														
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	\$94,971
Commodity Costs Expensed	Sch 3	10,875	11,120	12,114	15,780	29,587	52,584	48,267	33,945	24,599	17,190	14,972	15,265	286,299
Other Charges (Credits)	Sch 4	-	-	-	-	371	21	(901)	(156)	238	-	-	-	(427)
Total NC Cost of Gas	Sum L5 thru L7	\$18,931	\$18,174	\$19,661	\$24,413	\$38,064	\$61,834	\$55,732	\$42,160	\$32,460	\$24,780	\$21,913	\$22,725	\$380,846

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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

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
DEMAND COSTS													
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
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	133,350
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
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
Capacity Release Credits (save for future use)	(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)
STORAGE/PEAKING SERVICES													
LNG Capacity	645	645	624	645	624	645	645	583	645	624	645	624	7,595
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
Pine Needle Capacity (save for future use)	9,397	9,397	9,094	9,397	9,094	9,397	7,456	6,734	7,456	7,215	7,403	7,164	99,205
SUPPLY RESERVATION FEES													
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
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
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%	
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

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													
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
Supply Charge Based on Meters					7,843	12,549	15,830	12,664	8,707	3,958	3,166	2,375	67,092
Supply Charge Based on Throughput					2,935	4,256	3,950	3,002	3,412	2,242	2,213	1,787	23,798
Poultry Grower Program	72	539	342	40	2,191	(3,866)	(15,818)	(4,095)	\$3,527	(1,012)	(478)	(437)	(18,993)
Poultry Grower Program													-
Fieldale Farms - Industry hedge					3,600	(9,600)	(31,500)				(3,000)	(9,600)	(50,100)
MGAG Directed - Hedge Option 2					2,805	157	(7,470)	(1,148)	1,892				(3,764)
Authority Pine Needle Supply						1,533	2,881		15,434				19,848
FT Released Capacity Supply						13,908	13,177		2,627				29,712
													-
STORAGE/PEAKING SERVICES													
LNG Injections													-
LNG Withdrawal													-
GENERAL & ADMINISTRATIVE CHARGES													
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
G&A Based on Total Throughput	3,945	4,145	4,088	4,633	13,148	9,534	8,849	6,724	7,643	5,022	4,958	4,004	76,691
Production Area Supply Savings (save for future use)													-
Total System Commodity Costs Incurred	\$214,959	\$206,294	\$217,169	\$256,772	\$366,174	\$581,116	\$618,223	\$436,570	\$393,278	\$299,002	\$287,212	\$232,311	\$4,109,080
Less: Poultry & Industrial Hedging Costs - Assigned to GA Firm Market	(72)	(539)	(342)	(40)	(5,791)	13,466	47,318	4,095	(3,527)	1,012	3,478	10,037	69,093
Less: Industrial Sales Pass Through Costs - Assigned to GA Firm Market													-
Less: Firm Hedge Costs - Assigned to NC & GA Firm Market	-	-	-	-	(2,805)	(157)	7,470	1,148	(1,892)	-	-	-	3,764
Commodity Costs for Allocation to Interruptible	214,887	205,755	216,826	256,732	357,578	594,425	673,010	441,813	387,858	300,015	290,690	242,349	4,181,938
Less: Cost of Gas Allocated to Interruptible Market	(151,292)	(140,515)	(144,900)	(153,970)	(154,815)	(195,907)	(255,681)	(187,312)	(173,310)	(179,036)	(194,998)	(159,428)	(2,091,165)
Total Firm Market Commodity Cost of Gas	63,595	65,239	71,926	102,762	202,763	398,518	417,329	254,501	214,548	120,978	95,691	82,920	\$2,090,772
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	
Total Commodity Costs Allocable to North Carolina	62,233	71,944	72,384	104,823	223,700	396,472	400,236	249,939	195,881	119,385	97,061	87,631	2,081,698
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%	
Total Commodity Costs - NC Portion	\$10,875	\$11,120	\$12,114	\$15,780	\$29,587	\$52,584	\$48,267	\$33,945	\$24,599	\$17,190	\$14,972	\$15,265	\$286,297

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	\$2,805	\$157	(\$7,470)	(\$1,148)	\$1,892	\$0	\$0	\$0	(\$3,764)
2	Poultry Hedging Costs - Assigned to GA Firm Market	72	539	342	40	2,191	(3,866)	(15,818)	(4,095)	3,527	(1,012)	(478)	(437)	(\$18,993)
3	Industrial Hedging Costs - Assigned to GA Firm Market	0	0	0	0	3,600	(9,600)	(31,500)	0	0	0	(3,000)	(9,600)	(\$50,100)
4	Total Company Other Cost of Gas Charges (Credits)	\$72	\$539	\$342	\$40	\$8,596	(\$13,309)	(\$54,787)	(\$5,243)	\$5,419	(\$1,012)	(\$3,478)	(\$10,037)	(\$72,858)
5	Less: Poultry & Industrial Hedging Costs - GA Firm Market	(72)	(539)	(342)	(40)	(5,791)	13,466	47,318	4,095	(3,527)	1,012	3,478	10,037	\$69,093
6	Total Other Gas Costs Allocable to North Carolina	\$0	\$0	\$0	\$0	\$2,805	\$157	(\$7,470)	(\$1,148)	\$1,892	\$0	\$0	\$0	(\$3,764)
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	\$371	\$21	(\$901)	(\$156)	\$238	\$0	\$0	\$0	(\$427)

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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	<i>save for future use</i>							-	-	-	-	-	-
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	<i>save for future use</i>							-	-	-	-	-	-
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.

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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	5,029
3	Demand True-Up	2,423	733	1,103	599	(7,242)	(14,569)	(9,540)	(6,205)	(6,053)	(529)	(265)	345	(39,201)
4	Firm Hedges	-	-	-	-	371	21	(901)	(156)	238	-	-	-	(427)
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	109,884
6	Interest @ 5.83% per annum	-	-	-	(442)	(396)	(377)	(348)	(287)	(286)	(248)	(228)	(193)	(2,806)
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)	

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

REVISED
Schedule 15

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	1,238,600
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													0
	STORAGE/PEAKING SERVICES													
5	LNG Injections													0
6	LNG Withdrawal													0
7	save for future use													0
8	save for future use													0
9	Less: Interruptible Market	48,531	55,745	49,090	50,609	56,072	55,823	57,571	49,990	55,681	52,812	60,244	49,705	641,853
10	Total Company Firm Supply to City Gate	21,908	18,273	23,901	32,118	61,320	110,036	96,532	70,079	75,670	36,867	28,292	21,792	596,747
11	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%	
12	Supply to the City Gate - NC Portion	3,828	2,824	4,000	4,835	8,110	14,594	11,641	9,518	9,502	5,308	4,364	3,796	82,322

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Toccoa Natural Company
Docket No. G-41, Sub 50

Exhibit 2

Natural Gas Hedge Transactions

For the Twelve Month Period Ended June 30, 2017

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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