

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of <b>MICHIGAN</b> )	
<b>GAS UTILITIES CORPORATION</b> for reconciliation )	
of its gas cost recovery plan for the 12-month )	Case No. U-20212
period of April 1, 2018 through March 31, 2019. )	
_____ )	

At the February 6, 2020 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Daniel C. Scripps, Commissioner  
Hon. Tremaine L. Phillips, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 28, 2019, Michigan Gas Utilities Corporation (MGUC) filed an application, with supporting testimony and exhibits, under 1982 PA 304, MCL 460.6h *et seq.*, requesting authority to reconcile its gas cost recovery (GCR) revenues and expenses for the 12-month period ended March 31, 2019, and also requesting authority to reconcile costs and revenues from the implementation of a reservation charge to GCR and gas customer choice customers.

A prehearing conference was held on August 12, 2019, before Administrative Law Judge Sally L. Wallace, at which, the Michigan Department of the Attorney General was granted intervenor status. The Commission Staff also participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Michigan Gas Utilities Corporation's gas cost recovery reconciliation for the 12-month period ended March 31, 2019, is approved, as set forth in the settlement agreement.
- C. Michigan Gas Utilities Corporation shall reflect the underrecovery of \$3,570,945 as the beginning balance for its 2019-2020 gas cost recovery commodity charge reconciliation.
- D. Michigan Gas Utilities Corporation shall reflect the overrecovery of \$922,189 as the beginning balance for its 2019-2020 reservation charge reconciliation.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungp1@michigan.gov](mailto:pungp1@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Daniel C. Scripps, Commissioner

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Tremaine L. Phillips, Commissioner

By its action of February 6, 2020.

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Lisa Felice, Executive Secretary

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\* \* \* \* \*

In the matter of the application of	)	
<b>MICHIGAN GAS UTILITIES CORPORATION</b>	)	Case No. U-20212
for a gas cost recovery reconciliation proceeding	)	
<u>for the 12-month period ended March 31, 2019.</u>	)	

**SETTLEMENT AGREEMENT**

Pursuant to Section 78 of the Administrative Procedures Act of 1969 as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing Rules (R 792.10431), Michigan Gas Utilities Corporation (“MGUC” or the “Company”), Attorney General Dana Nessel (“Attorney General”), and the Michigan Public Service Commission Staff (“Staff”) agree as follows:

1. On June 28, 2019, MGUC filed its Application along with supporting testimony and exhibits with the Michigan Public Service Commission (“MPSC” or the “Commission”) requesting approval of the reconciliation of its revenues with amounts expensed and included in the cost of gas sold by the Company during the 12-month Gas Cost Recovery (“GCR”) plan year ending March 31, 2019, resulting in a GCR commodity charge under-recovery of (\$3,504,864), inclusive of interest. The Application and supporting testimony and exhibits also reconciled the costs and revenues associated with implementing the Reservation Charge to GCR and Gas Customer Choice (“GCC”) customers, which implementation was authorized by the Commission’s January 26, 2012 Order in Case Nos. U-16481 and U-16513, resulting in an over-recovery relative to its Reservation Charge costs of \$922,266 as of March 31, 2019, inclusive of interest.

2. On July 18, 2019, the Commission issued its Notice of Hearing scheduling a prehearing conference for August 12, 2019.

3. In accordance with the Commission's Notice of Hearing, MGUC provided notice throughout its service territory. MGUC's proof of mailing and affidavits of publication were electronically filed with the Commission on August 8, 2019.

4. On August 12, 2019, Administrative Law Judge ("ALJ") Sally Wallace presided over a prehearing conference in this matter. The Company and Staff participated, and the Attorney General was granted intervenor status.

5. The Commission Staff completed its audit of the Company's direct case and recommended changes to the respective under and over recoveries as discussed below.

a. Staff's first adjustment corrected the volumes for the Customer Choice Program. Staff adjusted the "Adjustment for Customer Choice" costs in the months of April, May, and June of 2018. This affected the GCR under-recovery and the Reservation over-recovery as shown in Attachment 1, page 1, line 33; and page 3, line 16, respectively.

b. Staff's second adjustment was due mostly to Residential General and Residential Heating Calendar Sales. Staff found differences between the General Ledger and Exhibits filed by the Company.

6. Following the completion of Staff's audit, the parties engaged in settlement discussions and reached the agreements incorporated herein, which reflect the results of Staff's audit recommendations.

7. By this Settlement Agreement MGUC, Staff, and the AG agree that:

a. Proceedings in this GCR reconciliation were conducted in accordance with Act 304.

b. The expenditures made by MGUC for the cost of gas supply during the 12-month period ending March 31, 2019, were reasonable and prudent and in compliance with Act 304 and should be approved by the Commission.

c. Pursuant to MGUC's Commission-approved standard refund procedures, a net total under-recovery of (\$3,570,945), inclusive of interest, should be reflected as the beginning balance for MGUC's 2019-2020 GCR Gas Commodity Charge reconciliation. This value is derived on page 2 of Attachment 1.

d. Pursuant to MGUC's Commission-approved standard refund procedures, a net total over-recovery of \$922,189, inclusive of interest, should be reflected as the beginning balance for MGUC's Reservation Charge reconciliation in the 2019-2020 GCR reconciliation proceeding. This value is derived on page 2 of Attachment 1.

8. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and prudent, in the public interest, and will aid in the expeditious conclusion of this case.

9. This Settlement Agreement has been made for the sole express purpose of reaching compromise among the positions of the parties. This Settlement Agreement is intended for a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval.

10. All offers of settlement and discussions relating to this Settlement Agreement are, and shall be considered, privileged under MRE 408 and shall not be used in any manner, or be admissible for any other purpose in connection with this proceeding or any other proceeding or matter. This Settlement Agreement does not constitute a precedent in any other case or proceeding except as necessary to carry out its terms.

11. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969, MCL 24.281, as it applies to this proceeding, if the Commission approves this Settlement Agreement without modification.

12. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of the Settlement Agreement. Failure to comply with any provision of the Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, the Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose. Each party agrees not to appeal or otherwise contest any Commission order accepting and approving this Settlement Agreement without modification.

Respectfully submitted,

MICHIGAN GAS UTILITIES CORPORATION

**Paul M. Collins**

Digitally signed by: Paul M. Collins  
DN: CN = Paul M. Collins email =  
collinsp@millercanfield.com C = US O =  
Miller Canfield  
Date: 2020.01.13 16:58:07 -05'00'

Dated: January 13, 2020

By: \_\_\_\_\_

One of Its Attorneys  
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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Michael J. Orris



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Dated: January 13, 2020

By: \_\_\_\_\_

Michael J. Orris (P51232)  
Assistant Attorney General  
7109 W. Saginaw Hwy., 3<sup>rd</sup> Floor  
Lansing, MI 48917

ATTORNEY GENERAL DANA NESSEL

Dated: January 13 , 2020

By: \_\_\_\_\_

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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: January 13, 2020

By: \_\_\_\_\_  
Michael J. Orris (P51232)  
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ATTORNEY GENERAL DANA NESSEL

Dated: January 13 , 2020

By: \_\_\_\_\_  
  
**Michael Moody** Digitally signed by Michael  
Moody  
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Line	DESCRIPTION														12 MONTHS
		APRIL 18	MAY 18	JUNE 18	JULY 18	AUG 18	SEPT 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MARCH 19	ENDED	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
Source of Gas Volumes (Mcf @ 14.65 psia Drv)															
1	Purchased and Produced	1,548,276	1,558,789	1,469,145	1,637,006	992,928	1,410,356	1,600,139	1,232,158	1,690,027	2,204,673	1,611,166	1,939,702	18,894,365	
2	To Storage	(303,687)	(1,128,576)	(1,120,155)	(1,212,209)	(824,269)	(1,016,105)	(411,836)	(29,162)	(83,614)	(70,648)	(44,784)	(109,881)	(6,354,926)	
3	From Storage	562,158	46,448	14,685	16,923	-	2,602	164,670	1,170,969	804,650	1,453,574	1,208,543	990,438	6,435,660	
4	Total Supply	1,806,747	476,661	363,675	441,720	168,659	396,853	1,352,973	2,373,965	2,411,063	3,587,599	2,774,926	2,820,258	18,975,099	
Less: Volumes For															
5	Company Use	5,104	6,767	3,014	1,173	1,002	441	1,127	2,843	4,866	6,304	6,861	7,865	47,366	
6	Plus GIK	2,200	2,962	2,656	2,528	2,415	2,614	3,225	3,569	3,873	4,627	3,991	4,129	38,789	
7	Lost & Unaccounted For Gas	(509,140)	(20,445)	(6,843)	17,182	(187,074)	30,711	234,044	(182,194)	(141,742)	61,290	(194,651)	203,137	(695,725)	
8	Total GCR Supply	2,312,984	493,301	370,161	425,893	357,146	368,315	1,121,027	2,556,885	2,551,813	3,524,631	2,966,707	2,613,385	19,662,248	
GCR Sales Volumes (Mcf @ 14.65 psia Drv)															
9	Rate Schedule Sales (Billed)	2,351,339	1,381,155	487,611	313,505	287,083	329,462	497,918	1,476,938	2,513,782	2,915,251	3,322,183	3,105,636	18,981,859	
10	Unbilled - Prior Month	(1,430,376)	(1,068,051)	(299,528)	(205,069)	(118,926)	(179,427)	(487,009)	(1,001,770)	(1,866,679)	(1,928,672)	(2,374,384)	(2,200,976)	(13,160,866)	
11	Unbilled - Current Month	1,068,051	299,528	205,069	118,926	179,427	487,009	1,001,770	1,866,679	1,928,672	2,374,384	2,200,976	1,743,937	13,474,427	
12	Rate Schedule Sales	1,989,013	612,632	393,152	227,362	347,584	637,043	1,012,679	2,341,846	2,575,775	3,360,963	3,148,775	2,648,597	19,295,420	
13	Less: Sales with no GCR Factor	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Total GCR Sales	1,989,013	612,632	393,152	227,362	347,584	637,043	1,012,679	2,341,846	2,575,775	3,360,963	3,148,775	2,648,597	19,295,420	
	LAUF Sales vs Supply Adj	323,970	(119,330)	(22,991)	198,531	9,562	(268,728)	108,348	215,039	(23,962)	3,360,963	(182,068)	(35,212)	366,828	
	Total GCR Sales with Sales vs Supply Adj	2,312,984	493,301	370,161	425,893	357,146	368,315	1,121,027	2,556,885	2,551,813	3,524,631	2,966,707	2,613,385	19,662,248	
Gas Choice Volumes (Billed)															
		454,242	270,708	95,369	176,285	45,755	(43,812)	96,207	297,867	492,451	653,059	513,351	586,463	3,637,944	
	Unbilled - Prior Month	(279,899)	(206,331)	(58,709)	(40,109)	(66,873)	(28,598)	64,762	(193,560)	(376,469)	(377,827)	(531,896)	(340,099)	(2,435,608)	
	Unbilled - Current Month	206,331	58,709	40,109	66,873	28,598	(64,762)	193,560	376,469	377,827	531,896	340,099	329,321	2,485,030	
	Total Choice Volumes	380,674	123,085	76,769	203,049	7,480	(137,172)	354,529	480,776	493,809	807,128	321,553	575,685	3,687,367	
GCR Cost of Gas Sold (\$)															
15	Purchased and Produced	\$ 5,258,803	\$ 5,118,621	\$ 4,738,860	\$ 4,962,876	\$ 4,038,960	\$ 5,258,837	\$ 4,114,684	\$ 5,918,328	\$ 9,236,999	\$ 8,844,013	\$ 8,411,277	\$ 7,033,060	\$ 72,935,317	
16	To Storage	(\$804,640)	(\$3,019,630)	(\$3,051,749)	(\$3,445,405)	(\$2,323,252)	(\$2,881,981)	(\$1,160,742)	(\$99,166)	(\$390,237)	(\$253,212)	(\$136,566)	(\$341,250)	(\$17,907,831)	
17	From Storage	\$1,663,360	\$128,010	\$40,531	\$47,507	\$0	\$7,358	\$465,956	\$3,355,335	\$2,340,799	\$4,245,454	\$3,529,960	\$2,904,142	\$18,728,236	
18	Total Cost of Gas Sold	\$6,117,529	\$2,227,000	\$1,727,461	\$1,564,978	\$1,715,708	\$2,384,214	\$3,419,898	\$9,174,497	\$11,187,561	\$12,836,254	\$11,804,670	\$9,595,951	\$73,755,722	
Less: Cost of Gas For															
19	Company Use	\$19,837	\$26,302	\$11,714	\$4,557	\$3,893	\$1,713	\$4,381	\$11,051	\$18,914	\$24,504	\$26,669	\$30,572	\$184,107	
20	Lost and Unaccounted For Gas	(\$1,979,015)	(\$79,469)	(\$26,600)	\$66,788	(\$727,152)	\$119,375	\$909,721	(\$708,183)	(\$550,949)	\$238,234	(\$756,605)	\$789,589	(\$2,704,267)	
21	GCR Booked Cost Of Gas Sold	\$8,076,707	\$2,280,167	\$1,742,347	\$1,493,633	\$2,438,967	\$2,263,126	\$2,505,796	\$9,871,629	\$11,719,596	\$12,573,516	\$12,534,606	\$8,775,790	\$76,275,882	
22	Less Reservation Costs	\$1,750,060	\$915,725	\$708,151	\$694,584	\$714,221	\$740,498	\$705,991	\$426,660	\$1,496,205	\$1,533,894	\$1,557,980	\$1,545,659	\$12,789,627	
23	GCR Booked Cost Of Gas Sold	\$6,326,647	\$1,364,442	\$1,034,196	\$799,049	\$1,724,746	\$1,522,628	\$1,799,805	\$9,444,969	\$10,223,391	\$11,039,622	\$10,976,626	\$7,230,131	\$63,486,254	
GCR Revenues (\$) - Cost Of Gas Only															
24	Maximum GCR Factor Permitted (\$/Mcf)	3.7181	3.7181	3.7181	3.7181	3.7181	3.7181	3.7181	3.7181	3.7181	4.0596	3.8157	3.7669	3.4859	
25	GCR Factor Billed To Customers (\$/Mcf)	3.0096	2.7500	2.6350	2.6350	2.7100	2.6550	2.6620	2.9070	2.8600	3.6096	2.9300	2.8700	2.8840	
26	Reservation Charge Billed (\$/Mcf)	0.7085	0.6250	0.6300	0.6500	0.6500	0.6500	0.6430	0.6430	0.6430	0.4500	0.4270	0.2800	0.6019	
27	Billed GCR Revenue	\$7,076,589	\$3,798,175	\$1,284,854	\$826,085	\$777,995	\$874,720	\$1,325,457	\$4,293,458	\$7,189,415	\$10,522,889	\$9,733,995	\$8,913,174	\$56,616,806	
28	Unbilled - Prior Month	(\$4,304,860)	(\$2,937,139)	(\$789,255)	(\$540,357)	(\$322,290)	(\$874,380)	(\$1,296,417)	(\$2,912,146)	(\$5,338,701)	(\$6,961,733)	(\$6,956,944)	(\$6,316,801)	(\$39,153,023)	
29	Unbilled - Current Month	\$2,937,139	\$789,255	\$540,357	\$322,290	\$476,380	\$1,296,417	\$2,912,146	\$5,338,701	\$6,961,733	\$6,956,944	\$6,316,801	\$5,029,514	\$39,877,677	
30	Total GCR Revenue	\$5,708,868	\$1,650,291	\$1,035,956	\$608,018	\$932,085	\$1,694,757	\$2,941,186	\$6,720,013	\$8,812,447	\$10,518,100	\$9,093,852	\$7,625,887	\$57,341,460	
	LAUF Sales vs Supply Adj	\$890,918	(\$314,435)	(\$60,582)	\$538,020	\$25,387	(\$715,354)	\$314,968	\$615,011	(\$86,494)	\$479,547	(\$522,534)	(\$101,551)	\$1,062,902	
	Total GCR Revenue with Sales vs Supply Adj	\$6,599,786	\$1,335,856	\$975,374	\$1,146,038	\$957,472	\$979,403	\$3,256,154	\$7,335,024	\$8,725,953	\$10,997,647	\$8,571,318	\$7,524,336	\$58,404,362	
31	Over/(Under)-Recovery	\$273,139	(\$28,586)	(\$58,822)	\$346,989	(\$767,274)	(\$543,224)	\$1,456,348	(\$2,109,945)	(\$1,497,438)	(\$41,975)	(\$2,405,308)	\$294,205	(\$5,081,892)	
32	Prior Year Under-Recovery/Beginning Balance	\$1,429,080												\$1,429,080	
														(\$3,652,812)	
33	Year-To-Date Over/(Under)-Recovery	\$1,702,219	\$1,673,633	\$1,614,810	\$1,961,799	\$1,194,526	\$651,301	\$2,107,650	(\$2,295)	(\$1,499,733)	(\$1,541,708)	(\$3,947,016)	(\$3,652,811)		
34	Year-To-Date Avg. Booked Cost of Gas Sold	\$3.8870												(\$3,590,437)	
														(\$62,375)	

Michigan Public Service Commission  
Michigan Gas Utilities Corporation  
Computation of Interest on Over/(Under)-Recovery

Case No.: U-20212  
Exhibit S-2  
Staff

Line	DESCRIPTION (a)	APRIL (b)	MAY (c)	JUNE (d)	JULY (e)	AUGUST (f)	SEPTEMBER (g)	OCTOBER (h)	NOVEMBER (i)	DECEMBER (j)	JANUARY (k)	FEBRUARY (l)	MARCH (m)	12 MONTHS ENDED (n)
<b><u>GCR CUSTOMER PORTION</u></b>														
<b><u>Gas commodity costs</u></b>														
1	Total GCR Revenue	\$6,599,786	\$1,335,856	\$975,374	\$1,146,038	\$957,472	\$979,403	\$3,256,154	\$7,335,024	\$8,725,953	\$10,997,647	\$8,571,318	\$7,524,336	\$58,404,362
2	GCR Booked Cost of Gas Sold	\$6,326,647	\$1,364,442	\$1,034,196	\$799,049	\$1,724,746	\$1,522,628	\$1,799,805	\$9,444,969	\$10,223,391	\$11,039,622	\$10,976,626	\$7,230,131	\$63,486,253
3	Over/(Under)-Recovery	\$273,139	(\$28,586)	(\$58,822)	\$346,989	(\$767,274)	(\$543,224)	\$1,456,348	(\$2,109,945)	(\$1,497,438)	(\$41,975)	(\$2,405,308)	\$294,205	(\$5,081,891)
4	2017-18 Over/(Under) Recovery/Beginning Balance	\$1,429,080												\$1,429,080
5	Year to Date GCR Over/(Under) Recovery Balance	\$1,702,219	\$1,673,633	\$1,614,810	\$1,961,799	\$1,194,526	\$651,301	\$2,107,650	(\$2,295)	(\$1,499,733)	(\$1,541,708)	(\$3,947,016)	(\$3,652,811)	<b>(\$3,652,811)</b>
Reservation Charge Portion														
6	Allocated GCR portion of Reservation Charge \$\$'s	(\$147,986)	(\$383,754)	(\$342,238)	(\$434,860)	(\$373,186)	(\$210,490)	\$58,940	\$1,147,908	\$28,914	\$171,132	(\$285,912)	\$6,421	(\$765,113)
7	Allocation of 2017/2018 net reservation over/under bal	\$1,477,330												\$1,477,330
8	YTD Reservation Charge Over/(Under) Recovery Balance	\$1,329,344	\$945,590	\$603,353	\$168,492	(\$204,694)	(\$415,184)	(\$356,244)	\$791,663	\$820,577	\$991,709	\$705,797	\$712,217	\$712,217
9	Total GCR Over/(Under) Recovery Balance	\$3,031,563	\$2,619,223	\$2,218,163	\$2,130,292	\$989,832	\$236,118	\$1,751,406	\$789,368	(\$679,156)	(\$550,000)	(\$3,241,220)	(\$2,940,594)	(\$2,940,594)
Interest Rates:														
10	Return on Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11	Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
12	Number of days in Month	\$30	\$31	\$30	\$31	\$31	\$30	\$31	\$30	\$31	\$31	\$28	\$31	\$365
<b><u>GCR Portion</u></b>														
13	Current Month net Over/(Under)-Recovery	\$125,153	(\$412,340)	(\$401,060)	(\$87,871)	(\$1,140,460)	(\$753,715)	\$1,515,288	(\$962,037)	(\$1,468,524)	\$129,156	(\$2,691,220)	\$300,626	
14	Cumulative net Over/(Under)-Recovery Balance	\$2,968,987	\$2,825,393	\$2,418,693	\$2,174,227	\$1,560,062	\$612,975	\$993,762	\$1,270,387	\$55,106	(\$614,578)	(\$1,895,610)	(\$3,090,907)	
15	Current Month Cumulative Balance Interest Rate (Interest Rate x No. of Days ÷ 365)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16	Current Month Interest Expense/(Revenue)	\$24,159	\$23,757	\$19,681	\$18,281	\$13,117	\$4,988	\$8,356	\$10,337	\$463	(\$1,551)	(\$4,181)	(\$7,437)	
17	Total Current Month Interest Expense/(Revenue)	\$24,159	\$23,757	\$19,681	\$18,281	\$13,117	\$4,988	\$8,356	\$10,337	\$463	(\$1,551)	(\$4,181)	(\$7,437)	\$109,970 <b>(\$2,830,625)</b>
<b><u>GAS CHOICE CUSTOMER PORTION</u></b>														
<b><u>Reservation Charge Portion</u></b>														
18	Current Month Over/(Under)-Recovery	(\$29,561)	(\$70,357)	(\$64,959)	\$20,043	(\$110,242)	(\$208,047)	\$114,185	\$240,378	\$3,470	\$103,771	(\$163,776)	\$18,101	(\$146,996)
19	2017/2018 net reservation over/(under) recovery balance	\$313,204	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$313,204
20	Total Gas Choice Reservation over/(under) recovery	\$283,643	\$213,286	\$148,327	\$168,369	\$58,127	(\$149,920)	(\$35,736)	\$204,642	\$208,112	\$311,883	\$148,107	\$166,208	<b>\$166,208</b>
<b><u>Interest Calculation</u></b>														
21	Current Month Over/(Under)-Recovery	(\$29,561)	(\$70,357)	(\$64,959)	\$20,043	(\$110,242)	(\$208,047)	\$114,185	\$240,378	\$3,470	\$103,771	(\$163,776)	\$18,101	
22	Cumulative net over/(under) recovered Balance	\$298,423	\$248,464	\$180,806	\$158,348	\$113,248	(\$45,897)	(\$92,828)	\$84,453	\$206,377	\$259,997	\$229,995	\$157,157	
23	Current Month Cumulative Balance Interest Rate (Interest Rate x No. of Days ÷ 365)	0.0081	0.0084	0.0081	0.0084	0.0084	0.0020	0.0021	0.0081	0.0084	0.0084	0.0076	0.0084	
24	Current Month Interest Expense (Revenue)	\$2,428	\$2,089	\$1,471	\$1,331	\$952	(\$90)	(\$198)	\$687	\$1,735	\$2,186	\$1,747	\$1,321	
25	Total Current Month Interest Expense/(Revenue)	<b>\$2,428</b>	<b>\$2,089</b>	<b>\$1,471</b>	<b>\$1,331</b>	<b>\$952</b>	<b>(\$90)</b>	<b>(\$198)</b>	<b>\$687</b>	<b>\$1,735</b>	<b>\$2,186</b>	<b>\$1,747</b>	<b>\$1,321</b>	<b>\$15,661</b>
26	Over/ (Under) Recovered Balance and Accrued Interest													<b>\$181,869</b>
<b>Interest Split</b>														
		<b>Interest Amounts Only</b>										<b>Balances Including Principal &amp; Interest</b>		
Gas Commodity Cost Portion		\$13,565	\$15,180	\$14,328	\$16,835	\$15,830	\$13,758	\$10,055	(\$30)	\$1,023	(\$4,348)	(\$5,091)	(\$9,238)	<b>\$81,867</b>
Reservation Charge Portion		\$13,022	\$10,666	\$6,825	\$2,777	(\$1,760)	(\$8,861)	(\$1,897)	\$11,054	\$1,176	\$4,983	\$2,657	\$3,122	<b>\$43,764</b>
Total		\$26,587	\$25,846	\$21,152	\$19,613	\$14,070	\$4,898	\$8,158	\$11,024	\$2,199	\$635	(\$2,434)	(\$6,116)	<b>\$125,631</b>
Total Interest (line 16 + 24)		\$26,587	\$25,846	\$21,152	\$19,613	\$14,070	\$4,898	\$8,158	\$11,024	\$2,199	\$635	(\$2,434)	(\$6,116)	<b>\$125,631</b>
Difference		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
												<b>Total Principal &amp; Interest (line 17 + 25)</b>		
												<b>\$0 Difference</b>		

Michigan Public Service Commission  
2018 - 2019 GCR Reconciliation Case U-20212  
Monthly Reservation Charge Over/(Under)-Recovery

Case No.: U-202  
Staff  
Exhibit S-3

Line	DESCRIPTION (a)	APRIL (b)	MAY (c)	JUNE (d)	JULY (e)	AUGUST (f)	SEPTEMBER (g)	OCTOBER (h)	NOVEMBER (i)	DECEMBER (j)	JANUARY (k)	FEBRUARY (l)	MARCH (m)	12 MONTHS ENDED (n)
Pipeline Demand / Supply / Reservation Costs (1)														
1	ANR Enhanced Transportation Service (ETS) 109422, 110024, 126355 & 12635	\$341,360	\$227,231	\$227,720	\$213,399	\$213,399	\$213,399	\$213,399	\$213,399	\$341,624	\$341,624	\$341,624	\$341,624	\$3,229,802
2	ANR No-Notice Service (NNS) 110025	\$103,125	\$68,750	\$68,750	\$68,750	\$68,750	\$68,750	\$68,750	\$68,750	\$103,125	\$103,125	\$103,125	\$103,125	\$996,875
3	ANR Firm Storage Service (FSS) 110023 & 126354	\$251,101	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$274,763	\$3,273,494
4	ANR ETS Between MGU & ANR FSS 110019, 110020, & 110022	\$409,196	\$216,111	\$0	\$0	\$0	\$0	\$0	\$0	\$409,192	\$409,195	\$409,193	\$409,195	\$2,262,083
5	PEPL Enhanced Firm Transportation (EFT) 17000 & 23344	\$631,210	\$188,020	\$188,020	\$188,020	\$188,020	\$188,020	\$188,020	\$188,020	\$631,210	\$631,210	\$631,210	\$631,210	\$4,472,190
6	Monthly Fixed Charges, Call & Swing contracts (various)	\$56,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,060	\$52,060	\$47,021	\$207,571
7	Capacity Release credits	(\$9,896)	(\$18,862)	(\$18,711)	(\$20,519)	\$0	\$0	\$0	(\$280,503)	(\$225,000)	(\$225,000)	(\$225,000)	(\$230,736)	(\$1,254,227)
8	Daily Balancing charges assessed	<u>(\$32,466)</u>	<u>(\$40,288)</u>	<u>(\$32,391)</u>	<u>(\$29,829)</u>	<u>(\$30,711)</u>	<u>(\$4,434)</u>	<u>(\$38,941)</u>	<u>(\$37,769)</u>	<u>(\$38,709)</u>	<u>(\$53,083)</u>	<u>(\$28,995)</u>	<u>(\$30,544)</u>	<u>(\$398,159)</u>
9	Total	<b>\$1,750,060</b>	<b>\$915,725</b>	<b>\$708,151</b>	<b>\$694,584</b>	<b>\$714,221</b>	<b>\$740,498</b>	<b>\$705,991</b>	<b>\$426,660</b>	<b>\$1,496,205</b>	<b>\$1,533,894</b>	<b>\$1,557,980</b>	<b>\$1,545,659</b>	<b>\$12,789,627</b>
10	Billed Reservation Charge Revenues	\$1,987,754	\$1,032,414	\$367,277	\$318,363	\$216,345	\$185,672	\$382,022	\$1,141,199	\$1,933,008	\$1,605,739	\$1,637,773	\$1,033,787	\$11,841,354
11	Unbilled Reservation Charge - Prior Month	(\$1,211,730)	(\$796,489)	(\$225,689)	(\$159,365)	(\$120,770)	(\$135,216)	(\$271,505)	(\$768,598)	(\$1,442,344)	(\$1,037,924)	(\$1,240,982)	(\$711,501)	(\$8,122,112)
12	Unbilled Reservation Charge - Current Month	\$796,489	\$225,689	\$159,365	\$120,770	\$135,216	\$271,505	\$768,598	\$1,442,344	\$1,037,924	\$1,240,982	\$711,501	\$1,247,894	\$8,158,276
13	Total	<b>\$1,572,513</b>	<b>\$461,614</b>	<b>\$300,954</b>	<b>\$279,766</b>	<b>\$230,793</b>	<b>\$321,960</b>	<b>\$879,115</b>	<b>\$1,814,946</b>	<b>\$1,528,588</b>	<b>\$1,808,796</b>	<b>\$1,108,292</b>	<b>\$1,570,181</b>	<b>\$11,877,519</b>
14	Over/(Under)-Recovery	(\$177,547)	(\$454,111)	(\$407,197)	(\$414,818)	(\$483,428)	(\$418,538)	\$173,124	\$1,388,286	\$32,383	\$274,902	(\$449,688)	\$24,522	(\$912,109)
15	Less: Prior Period Net Over/(Under)-Recovery Balance	<u>\$1,790,534</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,790,534</u>
16	Year-To-Date Over/(Under)-Recovery	<b>\$1,612,987</b>	<b>\$1,158,876</b>	<b>\$751,680</b>	<b>\$336,862</b>	<b>(\$146,567)</b>	<b>(\$565,104)</b>	<b>(\$391,980)</b>	<b>\$996,306</b>	<b>\$1,028,689</b>	<b>\$1,303,591</b>	<b>\$853,903</b>	<b>\$878,425</b>	<b>\$878,425</b>


# PROOF OF SERVICE

STATE OF MICHIGAN )

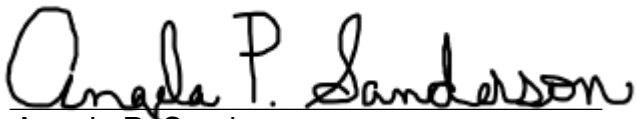
Case No. U-20212

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on February 6, 2020 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

  
Brianna Brown

Subscribed and sworn to before me  
this 6<sup>th</sup> day of February 2020.



Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
As acting in Eaton County  
My Commission Expires: May 21, 2024

**Service List for Case: U-20212**

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Name	Email Address
Michael E. Moody	moodym2@michigan.gov
Michael J. Orris	orrism@michigan.gov
Michigan Gas Utilities Corporation	mpbaker@michigangasutilities.com
Paul M. Collins	collinsp@millercanfield.com
Sally Wallace	wallaces2@michigan.gov