

MEMORANDUM

To: Users of ONG's Purchased Gas Adjustment Clause

January 25, 2023

PURCHASED GAS ADJUSTMENT RATE

The purchased gas adjustment rate filed Jan-25-2023 to be used in calculating bills on or after Feb-01-2023.

<u>Line</u>	<u>DTH</u>	<u>THERM</u>
<hr/> RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SCHEDULES <hr/>		
1 Current Base Rate	\$8.542	\$0.8542
2 Set Aside of Unrecovered Purchased Gas Cost	(\$0.383)	(\$0.0383)
3 Monthly Rolling Unrecovered Purchased Gas Cost Adjustment Rate	\$1.110	\$0.1110
4 Total Unrecovered Purchase Gas Cost Rate	<u>\$0.727</u>	<u>\$0.0727</u>
5 Total Adjusted PGA Billing Rate Line 1 + Line 4 for Bills Rendered on or After February-01-2023	\$9.269	\$0.9269
6 Gas Cost in PGA Reporting Month of Dec-2022 (Weighted Average Cost of Purchased Gas: Section 6 of Page 2)	\$8.395	\$0.8395

This procedure is pursuant to Oklahoma Corporation Commission Order No. 512287 dated October 4, 2005.

ATTESTATION

Thanh Truc (Amelia) Nguyen certifies that she is Manager, Rates and Regulatory Analysis of Oklahoma Natural Gas Company and has examined the foregoing report; that to the best of her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth for the period referred to in this report.

January 25, 2023
(Date)


(Signature)

OKLAHOMA NATURAL GAS COMPANY
GAS PURCHASED SUMMARY
December-22

		Average Rate (per MMBTU)				
		MMBTU	AMOUNT	December 2022	PREVIOUS MONTH	INCREASE (DECREASE)
<u>SECTION 2</u>						
<u>Determination of Mmbtu and Price Paid</u>						
1.	Purchases from Non-Affiliated Companies	10,554,688	\$78,161,608.38	\$7.40539	\$6.10411	\$1.30128
2.	Gas Processing Plant Purchases	0	0.00	\$0.00000	\$0.00000	\$0.00000
3.	Transportation Charges	0	4,573,875.86	\$0.00000	\$0.00000	\$0.00000
4.	Reservation Fees	0	1,183,476.00	\$0.00000	\$0.00000	\$0.00000
6.	Storage Fees	0	6,809,103.99	\$0.00000	\$0.00000	\$0.00000
8.	Call Option - Financial Hedging	0	0.00	\$0.00000	\$0.00000	\$0.00000
	Total:	10,554,688	90,728,064.23	\$8.59600	\$8.54558	\$0.05042
<u>SECTION 4</u>						
<u>Gas Storage Injections and Withdrawals</u>						
Injections:						
	Southern Star-NE Okla (8343)	9,531	81,922.47	\$8.59537	\$8.59147	\$0.00390
	Southern Star-NE Okla (8346)	1,465	12,592.22	\$8.59537	\$8.59147	\$0.00390
	OGS-44-FS-1002	264,597	2,274,309.12	\$8.59537	\$8.59147	\$0.00390
	OGS-44-FS-1001	770,960	6,626,686.46	\$8.59537	\$8.59147	\$0.00390
	Enable	63,257	543,717.32	\$8.59537	\$8.59147	\$0.00390
9.	Total Injections:	1,109,810	9,539,227.58	\$8.59537	\$8.59147	\$0.00390
Withdrawals:						
	Southern Star-NE Okla (8343)	142,547	1,249,671.36	\$8.76673	\$8.77306	(\$0.00633)
	Southern Star-NE Okla (8346)	75,153	665,916.65	\$8.86081	\$8.86599	(\$0.00518)
	OGS-44-FS-1002	883,354	6,648,660.90	\$7.52661	\$7.46141	\$0.06520
	OGS-44-FS-1001	2,983,640	23,254,422.43	\$7.79398	\$7.77088	\$0.02310
	Enable	638,921	5,878,327.74	\$9.20040	\$9.20557	(\$0.00517)
10.	Total Withdrawals:	4,723,615	37,696,999.09	\$7.98054	\$7.86857	\$0.11197
<u>SECTION 5</u>						
<u>Other Provisions</u>						
Operational Imbalances:						
11.	Imbalance Receipts (Add)	359,397	3,089,376.61	\$8.59600	\$10.76515	(\$2.16915)
12.	Imbalance Deliveries (Deduct)	28,992	256,027.05	\$8.83096	\$10.93201	(\$2.10106)
<u>SECTION 6</u>						
<u>Determination of the Weighted</u>						
13.	<u>Average Cost per MMBTU</u>	14,498,898	121,719,185.30	\$8.39506	\$8.20411	\$0.19095
14.	Weighted Average Cost of Purchased Gas	14,498,898	\$121,719,185.30	\$8.39506	\$8.20411	\$0.19095
15.	Gas Purchase O&M		\$127,902.00			
16.	Total Gas Purchases		<u>\$121,847,087.30</u>			
17.	OGT Retained Volumes	204,926				

SET ASIDE OF UNRECOVERED PURCHASED GAS COSTS
MARKET FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL
Based on the Cost of Gas for the Month of December 2022

	(1) Set Aside Rate	(2) Recovery
Transferred Set Aside Ending Balance: Feb 2022, Over/(Under)		\$3,428,477.62
Monthly UPGC Running Balance from Page 4, Feb 2022, Over/(Under)		(\$58,144,568.33)
New 8 Month Set Aside Ending Balance: Feb 2022, Over/(Under)	2.602	(\$54,716,090.71)
Billed to Customers in the month of Mar. 2022		(\$172,749.36)
Net Ending UPGC Balance: Mar. 2022, Over/(Under)	2.602	(\$54,888,840.07)
Billed to Customers in the month of Apr. 2022		\$16,869,209.65
Net Ending UPGC Balance: Apr. 2022, Over/(Under)	2.602	(\$38,019,630.42)
Billed to Customers in the month of May 2022		\$7,512,271.30
Net Ending UPGC Balance: May 2022, Over/(Under)	2.602	(\$30,507,359.12)
Billed to Customers in the month of Jun. 2022		\$5,156,591.10
Net Ending UPGC Balance: Jun. 2022, Over/(Under)	2.602	(\$25,350,768.02)
Billed to Customers in the month of Jul. 2022		\$3,756,115.02
Net Ending UPGC Balance: Jul. 2022, Over/(Under)	2.602	(\$21,594,653.00)
Billed to Customers in the month of Aug. 2022		\$3,325,650.84
Net Ending UPGC Balance: Aug. 2022, Over/(Under)	2.602	(\$18,269,002.16)
Billed to Customers in the month of Sep. 2022		\$3,652,247.98
Net Ending UPGC Balance: Sep. 2022, Over/(Under)	2.602	(\$14,616,754.18)
Billed to Customers in the month of Oct. 2022		\$4,197,193.03
Net Ending UPGC Balance: Oct. 2022, Over/(Under)	2.602	(\$10,419,561.15)
		\$10,419,561.15
		\$0.00
Transferred Set Aside Ending Balance: October 2022, Over/(Under)		(\$10,419,561.15)
Monthly UPGC Running Balance from Page 4, October 2022, Over/(Under)		\$29,890,195.15
New 4 Month Set Aside Ending Balance: October 2022, Over/(Under)	(0.383)	\$19,470,633.99
Billed to Customers in the month of Nov. 2022		\$8,907,638.78
Net Ending UPGC Balance: Nov. 2022, Over/(Under)	(0.383)	\$28,378,272.77
Billed to Customers in the month of Dec. 2022		(\$4,129,858.68)
Net Ending UPGC Balance: Dec. 2022, Over/(Under)	(0.383)	\$24,248,414.09

In November 22, 2022 filed PGA, the monthly UPGC balance from line 10 on Page 4 was transferred to Page 3 and offset against the 8 month set aside UPGC recovery balance. A new 4 month UPGC set aside rate was then calculated by dividing the ending UPGC balance by the total budgeted volumes from Dec-22 through Mar-23. $\$19,470,633.99 / 50,774,623 = \0.383 . The set aside rate is reflected as a negative number to allow customer credit of the over recovery.

Set Aside UPGC: To help reduce volatile billing rate swings, the Company "sets aside" the UPGC monthly running balance amount to calculate a separate UPGC rate two times per year in the March and November PGA filings. This "set aside" rate is then carried forward to line 2 of Page 1 and remains in effect until the next set aside date.

General Market for Residential and Commercial
Unrecovered Purchased Gas Cost Rate
Based on the Cost of Gas for the Month of December 2022

1	Current PGA Rolling Balance - Prev. Month (Under)/Over		(\$48,784,726.87)
2	Total Gas Purchased	(\$121,847,087.30)	
3	Base Rate Billed to Customers	\$90,826,089.56	
4	Net Over (Under) for Month of Dec-2022		(\$31,020,997.74)
5	UPGC Billed in Dec-2022		\$0.00
6	Over/(Under) Charges from Transport Customers		\$4,400.00
7	Gas Cost Portion of Bad Debt for Dec-2022		(\$81,211.30)
8	Lost Gas Recovery for Dec-2022		\$230,377.30
9	Take or Pay Recovery Cause PUD 201400366 Order no. 652315		(\$2.28)
10	Total Monthly UPGC Balance : Line 1 + Lines 4 through 9		(\$79,652,160.90)
11	Volumes		71,759,804
12	Monthly UPGC Amortization Rate		\$1.110

UPGC Allocation	
Page 3	(\$4,129,858.68)
Page 4	\$0.00
	(\$4,129,858.68)

In November 22, 2022 filed PGA, the total monthly UPGC balance from line 10 above was transferred to Page 3 and offset against the remaining 8 month set aside UPGC recovery balance.

Monthly Rolling UPGC: The monthly UPGC rate is an adjustment to the base rate designed to recover the difference between actual gas cost to the Company and the amount billed to the Customers. A running total is kept which sums the prior month's (under)/over collection balance with the difference for the current month, and divides the total by the annual budgeted volumes for an entire year. This rate is then carried forward to line 3 of Page 1.

PURCHASED GAS ADJUSTMENT RATE						
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL RATE SCHEDULES						
	Based on	(1)	(2)	(3)	(4)	(5)
Date	Cost of Gas	Cost	Base	UPGC &	Total PGA	TOP
Effective	Purchased in -	of Gas	Cost	Other Adj.	Adj. Rate	Surcharge
Feb-01-2023	Dec-22	8.395	8.542	0.727	9.269	0.000
Jan-04-2023	Nov-22	8.204	8.115	0.297	8.412	0.000
Dec-01-2022	Oct-22	7.188	8.115	(0.383)	7.732	0.000
Oct-31-2022	Sep-22	11.181	8.115	2.085	10.200	0.000
Sep-30-2022	Aug-22	10.775	9.164	2.099	11.263	0.000
Aug-30-2022	Jul-22	8.653	9.164	1.990	11.154	0.000
Aug-01-2022	Jun-22	10.232	9.164	1.941	11.105	0.000
Jun-30-2022	May-22	9.498	7.828	1.888	9.716	0.000
Jun-01-2022	Apr-22	6.836	7.828	1.827	9.655	0.000
May-02-2022	Mar-22	6.860	7.828	2.098	9.926	0.000
Apr-01-2022	Feb-22	7.431	7.221	2.602	9.823	0.000
Mar-02-2022	Jan-22	7.083	7.221	0.834	8.055	0.000
Feb-02-2022	Dec-21	7.341	7.221	0.368	7.589	0.000
Jan-04-2022	Nov-21	6.848	7.042	0.288	7.330	0.000
Dec-02-2021	Oct-21	5.875	7.042	(0.014)	7.028	0.000
Nov-01-2021	Sep-21	7.729	7.042	0.751	7.793	0.000
Oct-01-2021	Aug-21	6.046	5.301	0.676	5.977	0.000
Aug-31-2021	Jul-21	5.387	5.301	0.631	5.932	0.000
Aug-02-2021	Jun-21	4.831	5.301	0.587	5.888	0.000
Jul-01-2021	May-21	4.806	4.131	0.574	4.705	0.000
Jun-02-2021	Apr-21	3.586	4.131	0.596	4.727	0.000
May-03-2021	Mar-21	3.886	4.131	0.604	4.735	0.000
Apr-02-2021	Feb-21	3.586	3.334	0.883	4.217	0.000
Mar-04-2021	Jan-21	3.243	3.334	0.038	3.372	0.000
Feb-02-2021	Dec-20	3.373	3.334	0.151	3.485	0.000
Jan-05-2021	Nov-20	3.644	3.811	0.008	3.819	0.000
Dec-02-2020	Oct-20	3.298	3.811	(0.041)	3.770	0.000
Nov-02-2020	Sep-20	4.669	3.811	(0.594)	3.217	0.000
Oct-02-2020	Aug-20	3.918	3.597	(0.640)	2.957	0.000
Sep-02-2020	Jul-20	3.596	3.597	(0.672)	2.925	0.000
Aug-03-2020	Jun-20	3.578	3.597	(0.682)	2.915	0.000
Jul-02-2020	May-20	3.058	3.292	(0.671)	2.621	0.000
Jun-03-2020	Apr-20	2.810	3.292	(0.629)	2.663	0.000
May-01-2020	Mar-20	3.163	3.292	(0.580)	2.712	0.000
Apr-02-2020	Feb-20	2.762	3.017	(0.406)	2.611	0.000
Mar-03-2020	Jan-20	3.050	3.017	0.034	3.051	0.000
Feb-03-2020	Dec-19	2.975	3.017	0.039	3.056	0.000
Jan-03-2020	Nov-19	3.107	3.164	0.008	3.172	0.000
Dec-03-2019	Oct-19	3.408	3.164	(0.144)	3.020	0.000
Nov-01-2019	Sep-19	3.862	3.164	1.201	4.365	0.000
Oct-02-2019	Aug-19	3.512	3.739	1.186	4.925	0.000
Sep-03-2019	Jul-19	3.518	3.739	1.173	4.912	0.000
Aug-02-2019	Jun-19	4.322	3.739	1.164	4.903	0.000
Jul-02-2019	May-19	3.887	3.902	1.137	5.039	0.000
Jun-03-2019	Apr-19	3.539	3.902	1.151	5.053	0.000
May-02-2019	Mar-19	3.807	3.902	1.279	5.181	0.000
Apr-02-2019	Feb-19	3.473	3.731	1.570	5.301	0.000
Mar-04-2019	Jan-19	3.769	3.731	0.443	4.174	0.000
Feb-04-2019	Dec-18	4.258	3.731	0.308	4.039	0.000
Jan-04-2019	Nov-18	3.425	3.177	0.036	3.213	0.000
Dec-03-2018	Oct-18	3.747	3.177	(0.244)	2.933	0.000
Nov-01-2018	Sep-18	3.880	3.177	0.009	3.186	0.000
Oct-03-2018	Aug-18	4.033	4.049	0.005	4.054	0.000
Sep-04-2018	Jul-18	4.541	4.049	(0.025)	4.024	0.000
Aug-02-2018	Jun-18	4.057	4.049	(0.060)	3.989	0.000
Jul-02-2018	May-18	3.313	3.473	(0.081)	3.392	0.000
Jun-01-2018	Apr-18	3.206	3.473	0.008	3.481	0.000
May-02-2018	Mar-18	3.410	3.473	0.065	3.538	0.000
Apr-03-2018	Feb-18	3.500	3.676	0.277	3.953	0.000
Mar-05-2018	Jan-18	3.430	3.676	0.243	3.919	0.000