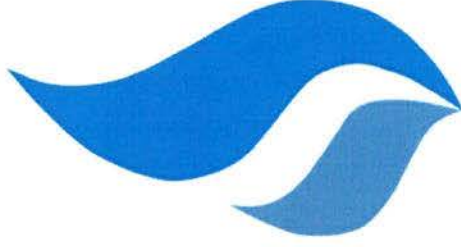




Kansas Municipal Gas Agency “KMGA”



**KCC Seminar Presentation
October 28, 2014**



Overview of KMGGA

- KMGGA was formed in 1990 to assist Kansas municipal utilities with changes in the natural gas industry and to create a natural gas pool for municipal cities
- KMGGA currently has 46 member cities
- We purchase, schedule and manage gas supply on seven upstream pipelines throughout the state of Kansas
- **KMGGA Gas Management**
 - Monitor and manage daily & monthly flow volumes;
 - Imbalance & storage management;
 - Protection during pipeline critical periods;
 - Comprehensive assistance with natural gas issues

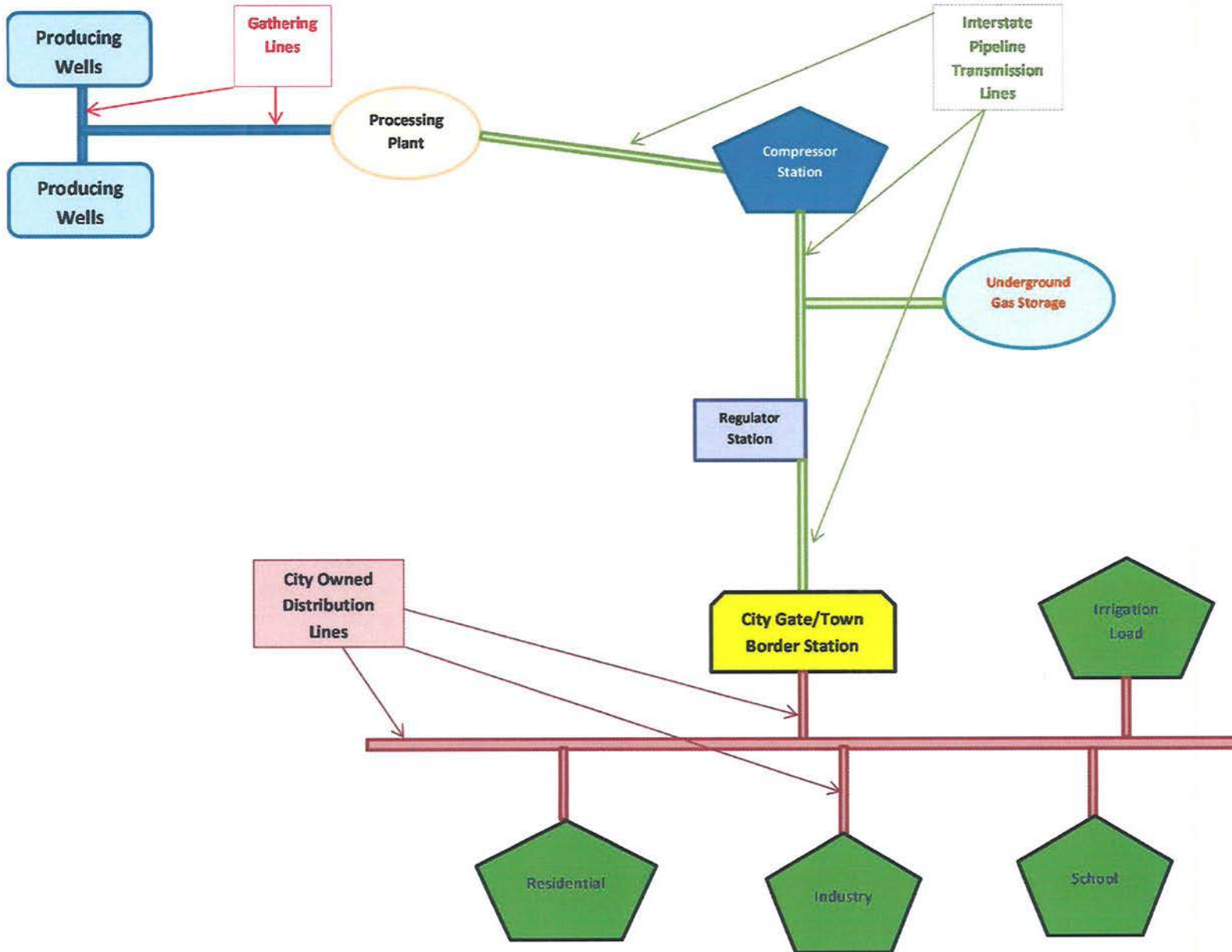
Natural Gas Supply

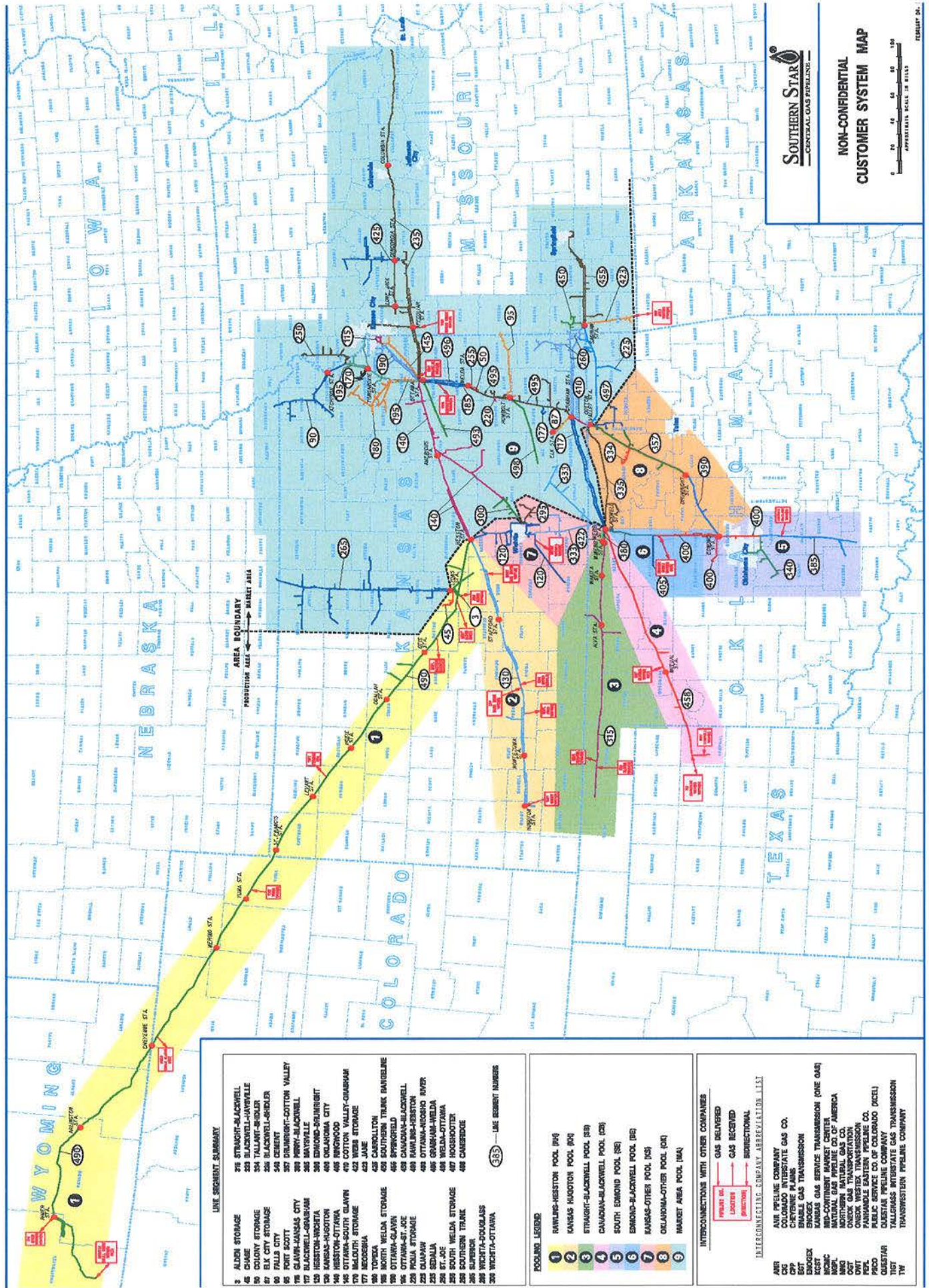
- Where does natural gas come from?
- How does it get to your City distribution system?

Natural Gas Supply (cont'd)

- Procuring Gas Supply
 - City personnel purchases supply
 - Third Party (City's agent) purchases supply
 - KMGGA has supply purchase contracts in place with 6 suppliers
 - Currently working with 3 more suppliers to get contracts in place

- Transporting Gas Supply
 - Transporting supply through interstate/intrastate pipelines
 - Such as: ANR, NNG, Southern Star, Panhandle, NGPL, CIG, Tallgrass, KGS, Enable
 - From interstate/intrastate pipelines to distribution systems
 - Such as: Atmos, Black Hills, KGS
 - From distribution systems to City owned system
 - City owned system to end-use customer





SOUTHERN STAR
CENTRAL GAS PIPELINE

NON-CONFIDENTIAL
CUSTOMER SYSTEM MAP



FIGURE 04

LINE SEGMENT SUMMARY

3	ALDEN STORAGE
4	CH-HE
5	COLONY STORAGE
6	ELK CITY STORAGE
7	FALLS CITY
8	PORT SCOTT
9	WIKI-BUCKINGHAM
10	BLACKWELL-CITY
11	BLACKWELL-OTTAWA
12	HESTON-VICTORIA
13	KANSAS-HUSTON
14	HESTON-OTTAWA
15	OTTAWA-SOUTH GLAVIN
16	WELDA STORAGE
17	NEOBERIA
18	TOPKOA
19	NORTH WELDA STORAGE
20	OTTAWA-GLAVIN
21	OTTAWA-DOUGLASS
22	OTTAWA-TORRANCE
23	GLAVIN
24	SEDALIA
25	254 ST. JOE
26	SOUTH WELDA STORAGE
27	SOUTHERN TRANK
28	SOUTHERN TRANK
29	SUPERIOR
30	VICTORIA-DOUGLASS
31	VICTORIA-OTTAWA
32	STRAIGHT-BLACKWELL
33	BLACKWELL-HAYSVILLE
34	TALLANT-ROULER
35	BLACKWELL-ROULER
36	CEMENT
37	DUNSMITH-COTTON VALLEY
38	FRANKLIN-BLACKWELL
39	FRANKLIN-ROULER
40	EDWARDS-ROULER
41	EDWARDS-CITY
42	OKLAHOMA CITY
43	BRINKWOOD
44	COTTON VALLEY-GRAHAM
45	WESB STORAGE
46	JANE
47	CARROLLTON
48	SOUTHERN TRANK BANGORLINE
49	SPRINGFIELD
50	WYANDOTT
51	WYANDOTT-DOUGLASS
52	WYANDOTT
53	GLAVIN
54	SEDALIA
55	254 ST. JOE
56	SOUTH WELDA STORAGE
57	SOUTHERN TRANK
58	SUPERIOR
59	VICTORIA-DOUGLASS
60	VICTORIA-OTTAWA

POOLING LEGEND

1	HAWKINS-HESTON POOL (H4)
2	KANSAS HUSTON POOL (K4)
3	STRAIGHT-BLACKWELL POOL (S4)
4	CANADIAN-BLACKWELL POOL (C4)
5	SOUTH EDMOND POOL (S2)
6	EDMOND-BLACKWELL POOL (E2)
7	KANSAS-OTHER POOL (K2)
8	OKLAHOMA-OTHER POOL (O4)
9	MARKET AREA POOL (M4)

INTERCONNECTIONS WITH OTHER COMPANIES

INTERCONNECTING COMPANY ABBREVIATION LIST

AKS	AKS PIPELINE COMPANY
CK	COLORADO INTERSTATE GAS CO.
CPP	CHRYSENE PLAINS
EGT	EMERALD GAS TRANSMISSION
MOG	MOGAS
MOGK	MID-CONTINENT MARKET CENTER
MOPL	NATURAL GAS PIPELINE CO. OF AMERICA
MOPL	SOUTHERN NATURAL GAS CO.
MOPL	OKLAHOMA NATURAL GAS CO.
OWT	OKLAHOMA WESTERN TRANSMISSION
OWT	OKLAHOMA-OTHER POOL (O4)
PCPL	PANHANDLE EASTERN PIPELINE CO.
PRCO	PUBLIC SERVICE CO. OF COLORADO (P4)
USSTAR	UTAH STAR PIPELINE COMPANY
USST	UTAH STAR PIPELINE COMPANY
TW	TRANSWESTERN PIPELINE COMPANY

Natural Gas Supply (cont'd)

- Units of Measure
 - CF – cubic feet
 - CCF – 100 cubic feet
 - MCF – 1,000 cubic feet
 - MMBtu – 1 million British thermal units
 - Therm – 100,000 Btu = 100 CF = 0.1 MCF
 - Dekatherm – 10 Therms = 1 MMBtu
- KMGAs invoices volumes in MMBtu.
- Majority of City end-use customer meters measure in cubic feet.
- Reporting volumes to state/federal entities, unit of measure must be converted to like measurement.

Purchase Gas Adjustment (PGA)

It is through the PGA that the City recovers their cost for gas supply.

There are several different ways to calculate PGA's.

The PGA should include:

- Total dollars paid for gas supply
- Total dollars paid for transporting supply on pipeline
- Total dollars paid for transporting supply through distribution systems.
 - ✓ All of these cost could be included on the invoice from your gas supplier; or
 - ✓ You may receive an invoice from each entity



“Sample Invoice”

KANSAS MUNICIPAL GAS AGENCY
INVOICE AND STATEMENT OF ACCOUNT

City ABC
123 Main Street
Anytown, KS 11111

Invoice Number: ABC 2014-08
Invoice Date: July 16, 2014

DUE DATE: August 15, 2014

Aug-14 Estimated Charges			MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES					
Estimated Gas	Pipeline 123	11,000	\$4.0000	\$	44,000.00
Estimated Fuel Loss	Pipeline 123	143	\$4.0000	\$	572.00
Other - Fees & Misc				\$	334.29
TRANSPORTATION CHARGES					
Estimated Transportation	Pipeline 123	11,000	0.1000	\$	1,100.00
Estimated Transportation	Distribution Co. 456	11,000	0.8000	\$	8,800.00
Meter/Customer Charge	Distribution Co. 456				550.00
Total Estimates for : Aug-14					\$ 55,356.29

Reversal of Estimated Charges for the Month of: Jun-14

\$ (59,400.00)

Jun-14 Actual Charges			MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES					
Actual Gas	Pipeline 123	10,966	\$4.1000	\$	44,960.60
Actual Fuel Loss	Pipeline 123	140	\$4.1000	\$	574.00
Other - Fees & Misc				\$	333.18
TRANSPORTATION CHARGES					
Actual Transportation	Pipeline 123	0	0.0000	\$	-
Actual Transportation	Pipeline 123	10,028	0.0500	\$	501.84
Actual Transportation	Distribution Co. 456	10,028	0.8601	\$	8,625.08
Customer Charge	Distribution Co. 456				550.00
OTHER CHARGES					
Project Participation Fee Surcharge		% Rate	0.00%		0.00
Annual Membership Dues					
Other					
Total Actual Charges for : Jun-14					\$55,544.70

CURRENT AMOUNT DUE : \$ 51,500.99



Monthly PGA Calculation	
City Billing Date	September 1, 2014
Meter Read Dates	8/01/14 to 8/29/14
Metered Volume (CF)	10,500,000
City Internal Usage	2,500
Net Customer Volume (CF)	10,497,500
Net Customer Volume (CCF)	104,975
Net Customer Volume (MCF)	10,498

Cost of Gas - <i>August Estimated</i>			
Supplier/Pipe	Description	Volume	Total \$'s
KMGA Invoice	Gas Supply, Transport, Fees	11,000	\$55,356.29

Price per Unit (CF)	\$0.00527
Price per Unit (CCF)	\$0.5273
Price per Unit (MCF)	\$5.2733



"Sample Invoice"

KANSAS MUNICIPAL GAS AGENCY
INVOICE AND STATEMENT OF ACCOUNT

City ABC
123 Main Street
Anytown, KS 65432

Invoice Number: ABC 2014-09
Invoice Date: August 18, 2014

DUE DATE: September 15, 2014

Sep-14	Estimated Charges	MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES				
	Estimated Gas Pipeline 123	10,000	\$3.6260	\$ 36,260.00
	Estimated Fuel Loss Pipeline 123	130	\$3.6260	\$ 471.38
	Other - Fees & Misc			\$ 303.90
TRANSPORTATION CHARGES				
	Estimated Transportation Pipeline 123	10,000	0.0500	\$ 500.00
	Estimated Transportation Distribution Co. 456	10,000	0.7983	\$ 7,983.00
	Meter/Customer Charge Distribution Co. 456			550.00
Total Estimates for : Sep-14				\$ 46,068.28

Reversal of Estimated Charges for the Month of: Jul-14

\$ (61,096.05)

Jul-14	Actual Charges	MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES				
	Actual Gas Pipeline 123	10,921	\$4.1678	\$ 45,516.74
	Actual Fuel Loss Pipeline 123	144	\$4.1678	\$ 600.17
	Other - Fees & Misc			\$ 331.95
TRANSPORTATION CHARGES				
	Actual Transportation Pipeline 123	0	0.0000	\$ -
	Actual Transportation Pipeline 123	10,921	0.0498	\$ 543.61
	Actual Transportation Distribution Co. 456	10,921	0.8601	\$ 9,393.15
	Customer Charge Distribution Co. 456			550.00
OTHER CHARGES				
	Project Participation Fee Surcharge	% Rate	0.00%	0.00
	Annual Membership Dues			
	Other			
Total Actual Charges for : Jul-14				\$56,935.62

CURRENT AMOUNT DUE : \$ 41,907.85





"Sample Invoice"

KANSAS MUNICIPAL GAS AGENCY
INVOICE AND STATEMENT OF ACCOUNT

City ABC
123 Main Street
Anytown, KS 11111

Invoice Number: ABC 2014-10
Invoice Date: September 18, 2014

DUE DATE: October 15, 2014

Oct-14 Estimated Charges		MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES				
Estimated Gas	Pipeline 123	12,300	\$3.8000	\$ 46,740.00
Estimated Fuel Loss	Pipeline 123	160	\$3.8000	\$ 608.00
Other - Fees & Misc				\$ 373.80
TRANSPORTATION CHARGES				
Estimated Transportation	Pipeline 123	12,300	0.1000	\$ 1,230.00
Estimated Transportation	Distribution Co. 456	12,300	0.8000	\$ 9,840.00
Meter/Customer Charge	Distribution Co. 456			550.00
Total Estimates for : Oct-14				\$ 59,341.80
Reversal of Estimated Charges for the Month of: Aug-14				\$ (55,356.29)

Aug-14 Actual Charges		MMBTU	PRICE	AMOUNT
NATURAL GAS CHARGES				
Actual Gas	Pipeline 123	10,028	\$3.6800	\$ 36,903.04
Actual Fuel Loss	Pipeline 123	132	\$3.6800	\$ 485.76
Other - Fees & Misc				\$ 304.80
TRANSPORTATION CHARGES				
Actual Transportation	Pipeline 123	0	0.0000	\$ -
Actual Transportation	Pipeline 123	10,028	0.0500	\$ 501.84
Actual Transportation	Distribution Co. 456	10,028	0.8601	\$ 8,625.08
Customer Charge	Distribution Co. 456			550.00
OTHER CHARGES				
Project Participation Fee				
Surcharge		% Rate	0.00%	0.00
Annual Membership Dues				
Other				
Total Actual Charges for : Aug-14				\$47,370.52
CURRENT AMOUNT DUE :				\$ 51,356.03



Monthly PGA Calculation	
City Billing Date	October 1, 2014
Meter Read Dates	8/30/14 to 9/25/14
Metered Volume (CF)	12,250,000
City Internal Usage	3,000
Net Customer Volume (CF)	12,247,000
Net Customer Volume (CCF)	122,470
Net Customer Volume (MCF)	12,247

Cost of Gas - <i>September Estimated</i>			
Supplier/Pipe	Description	Volume	Total \$'s
KMGA Invoice	Gas Supply, Transport, Fees	10,000	\$46,068.28
August True-up			
KMGA Invoice	Reverse Estimated \$'s		(\$55,356.29)
	Actual \$'s		\$47,370.52
	Difference		(\$7,985.77)
	Net (Sept Estimate & Aug Actual)		\$38,082.51

Price per Unit (CF)	\$0.00311
Price per Unit (CCF)	\$0.3110
Price per Unit (MCF)	\$3.1095

PGA (cont'd)

Other factors to consider when calculating PGA's:

- City Ordinance for billing end-use customers
- End-use customer meters are read mid-month.
- Not all invoices for supply, transport, or delivery charge are available at the time of billing end-use customers.

CONTACT INFORMATION

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