

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

June 2, 2000

MEMORANDUM

TO: Debra Webb
Dockets

FROM: Pat Murphy *PM*
Energy and Water Division

SUBJECT: United Cities Gas Company
Request for Docket Number

00-00459

Our division is currently auditing United Cities Gas Company's Incentive Plan Account (IPA) for the period of April 1, 1999, through March 31, 2000. Accordingly, a copy of the Company's IPA filing is attached. We, therefore, respectfully request that a docket number for this audit be assigned.

Upon assigning a docket number, please advise Betty Patton so that appropriate files may be set up in our division. We appreciate your assistance in this matter.

Attachment

c: Mike Horne
Betty Patton

Pm00-39



RECEIVED
TN REG. AUTHORITY

MAY 30 2000

ENERGY & WATER DIVISION

May 30, 2000

Mr. Michael Horne
Chief, Energy and Water Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket 97-01364

Dear Mr. Horne:

Enclosed is United Cities' Annual Report in the above referenced Docket setting forth the shared savings with interest calculation. The factor to be effective October 1, 2000 is also included.

If you have any questions, please do not hesitate to contact me at 615-771-8332.

Very truly yours,

A handwritten signature in cursive script that reads "Patricia J. Childers".

Patricia J. Childers
Manager - Rates & Regulatory Affairs

Enclosures

Cc: Pat Murphy
Alicia Rye

CALCULATION OF PBR RATE INCREMENT OR DECREMENT
FOR THE PERIOD APRIL 1, 1999 TO MARCH 31, 2000

GAS PROCUREMENT SAVINGS DUE COMPANY	\$181,884.54
CAPACITY MANAGEMENT SAVINGS DUE COMPANY	\$110,010.91
INTEREST ON MONTHLY BALANCES	\$11,909.43

TOTAL SAVINGS DUE COMPANY	\$303,804.89
SALES FOR ALL TENNESSEE TOWNS (APRIL 1999 - MARCH 2000)	158,705,444 ccf
RATE INCREMENT EFFECTIVE OCTOBER 1, 2000	\$ 0.00191 /ccf

UNITED CITIES GAS COMPANY
CALCULATION OF **PBR** INTEREST
ALL TENNESSEE TOWNS

BEGINNING BALANCE \$0.00

PRE-April 1999 ADJUSTMENTS \$0.00

ADJUSTED BEGINNING BALANCE \$0.00

	BEGINNING BALANCE	GAS PROCUREMENT SAVINGS OR COSTS	CAPACITY MANAGEMENT SAVINGS OR COSTS	ENDING BALANCE	INTEREST
APRIL 1999	\$0.00	\$16,018.28	\$10,493.00	\$26,511.28	\$85.61
MAY	\$26,596.89	\$16,396.36	\$9,250.56	\$52,243.80	\$254.59
JUNE	\$52,498.39	\$16,301.77	\$10,028.52	\$78,828.67	\$424.08
JULY	\$79,252.75	\$7,964.53	\$10,996.90	\$98,214.17	\$573.07
AUGUST	\$98,787.24	\$13,366.10	\$8,714.56	\$120,867.90	\$709.30
SEPTEMBER	\$121,577.20	\$10,914.64	\$7,693.79	\$140,185.62	\$845.28
OCTOBER	\$141,030.90	\$19,367.06	\$8,044.35	\$168,442.30	\$1,023.84
NOVEMBER	\$169,466.14	\$8,656.97	\$10,690.92	\$188,814.03	\$1,185.31
DECEMBER	\$189,999.34	\$19,636.07	\$8,120.74	\$217,756.15	\$1,348.99
JANUARY 2000	\$219,105.14	\$20,715.23	\$8,500.60	\$248,320.97	\$1,614.57
FEBRUARY	\$249,935.54	\$20,864.48	\$8,967.33	\$279,767.35	\$1,829.68
MARCH	\$281,597.03	\$11,683.08	\$8,509.66	\$301,789.77	\$2,015.12
TOTAL		\$181,884.54	\$110,010.91		\$11,909.43

United Cities Gas Company

State of Tennessee

1999/2000 Summary

Performance Based Ratemaking
Gas Procurement - Work Papers

<u>Gas Procurement</u>	<u>Net Incentive</u>			<u>Benefits</u>	<u>Capacity Rel.</u>
	<u>Below</u>	<u>Above</u>	<u>Net for</u>		
	<u>Band</u>	<u>Band</u>	<u>Month</u>	<u>Purchased</u>	
April, 1999	32,036.56	0.00	32,036.56	768,391	104,929.98
May	32,792.71	0.00	32,792.71	1,136,056	92,505.55
June	32,603.53	0.00	32,603.53	1,064,665	100,285.22
July	15,929.05	0.00	15,929.05	1,127,864	109,968.95
August	26,732.20	0.00	26,732.20	1,000,137	87,145.55
September	21,829.28	0.00	21,829.28	1,346,308	76,937.85
October	39,849.06	1,114.95	38,734.11	1,443,244	80,443.46
November	17,313.94	0.00	17,313.94	1,351,629	106,909.20
December	39,272.13	0.00	39,272.13	1,304,817	81,207.44
January, 2000	41,430.45	0.00	41,430.45	1,826,784	85,006.01
February	41,728.96	0.00	41,728.96	1,914,750	89,673.34
March	23,366.16	0.00	23,366.16	1,097,773	85,096.59
Total	\$364,884.03	\$1,114.95	\$363,769.08	15,382,417	\$1,100,109.14
			(2)		(1)

<u>Determinants</u>	
Upper Band:	102.00%
Lower Band:	97.70%
File Name:	

TO DATE:	To	To
Under PBR:	PGA	UCGC
(1) Capacity Release	\$990,098	\$110,011
(2) Gas Cost - All Pipelines	\$181,885	\$181,885
Total	\$1,171,983	\$291,895

(1) 90% 10%

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants

Upper Band: 102.00%
 Lower Band: 97.70%
 Company Split: 50.00%
 Rolling Avg Adjust Well Purch: \$0.0000

Date: 05/30/00
 Time: 12:19 PM
 File:
 Month: April, 1999
 Page: One

Average
Gas Daily
or
Average
Index

Row	Pipeline	Supplier	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1 *	554,871	\$ 1,7473	\$ 1,8400	\$ 1,8100	\$ 1,8520	\$ -	\$ -	\$ 1,8340	\$ 1,8707	\$ 1,7918	24,691.76	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	17,765	\$ 2,1100	\$ 2,0900	\$ 2,0800	\$ 2,1220	\$ -	\$ -	\$ 2,0973	\$ 2,1393	\$ 2,0491	0.00	0.00
3															
4	Total Tennessee			572,636										24,691.76	0.00
5															
6	Texas Eastern	Woodward Mktg	STX **	24,632	\$ 1,7407	\$ 1,8100	\$ 1,8000	\$ 1,8520	\$ -	\$ -	\$ 1,8207	\$ 1,8571	\$ 1,7788	938.48	0.00
7	Texas Eastern	Woodward Mktg	ETX **	14,059	\$ 1,7440	\$ 1,8100	\$ 1,8100	\$ 1,8520	\$ -	\$ -	\$ 1,8240	\$ 1,8605	\$ 1,7820	534.24	0.00
8	Texas Eastern	Woodward Mktg	WLA **	27,742	\$ 1,7607	\$ 1,8500	\$ 1,8200	\$ 1,8520	\$ -	\$ -	\$ 1,8407	\$ 1,8775	\$ 1,7983	1,043.10	0.00
9	Texas Eastern	Woodward Mktg	ELA **	103,791	\$ 1,7707	\$ 1,8600	\$ 1,8400	\$ 1,8520	\$ -	\$ -	\$ 1,8507	\$ 1,8877	\$ 1,8081	3,881.78	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	0	\$ -	\$ 1,8550	\$ 1,8300	\$ 1,8520	\$ -	\$ -	\$ 1,8457	\$ 1,8826	\$ 1,8032	0.00	0.00
11															
12	Total Texas Eastern			170,224										6,397.60	0.00
13															
14	Columbia Gulf	Woodward Mktg	Onshore	0	\$ -	\$ 1,8600	\$ 1,8600	\$ 1,8520	\$ -	\$ -	\$ 1,8573	\$ 1,8945	\$ 1,8146	0.00	0.00
15	Columbia Gulf	Woodward Mktg	Onshore	0	\$ -	\$ 1,8600	\$ 1,8600	\$ 1,8520	\$ -	\$ -	\$ 1,8573	\$ 1,8945	\$ 1,8146	0.00	0.00
16															
17	Total Columbia Gulf			0										0.00	0.00
18															
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 1,8700	\$ 1,8800	\$ 1,8520	\$ -	\$ -	\$ 1,8673	\$ 1,9047	\$ 1,8244	0.00	0.00
20															
21	Total Southern Natural			0										0.00	0.00
22															
23	Texas Gas	Woodward Mktg	Zone SL	25,531	\$ 1,7840	\$ 1,8700	\$ 1,8700	\$ 1,8520	\$ -	\$ -	\$ 1,8640	\$ 1,9013	\$ 1,8211	947.20	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	0	\$ -	\$ -	\$ -	\$ 1,8520	\$ -	\$ -	\$ 0.6173	\$ -	\$ 0.6297	0.00	0.00
25															
26	Total Texas Gas			25,531										947.20	0.00
27															
28															
29	Total All Pipelines			768,391										\$32,036.56	\$0.00
30															
31	Notes														
32															
33	(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.														
34	(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$ 27.														
35	(3) TGP/CNG supply index is the NGI CNG Appalachian.														
36	Tennessee Capacity for NORA is \$ 243 (FTA rate)														

* Volume adjustment per pipeline.

** AS INVOICED. Do not change.

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants

Upper Band: 102.00% Date: 05/30/00
Lower Band: 97.70% Time: 12:24 PM
Company Split: 50.00% File:
Rolling Avg Adjust Well Purch: \$0.0000 Month: May, 1999
Page: One

Average
Gas Daily
or
Average
Index

Row	Pipeline	Supplier	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgtd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	574,188	\$ 2,2237	\$ 2,3000	\$ 2,2900	\$ 2,3480	\$ -	\$ -	\$ 2,3127	\$ 2,3589	\$ 2,2595	\$ 20,555.92	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	17,770	\$ 2,5700	\$ 2,5100	\$ 2,5200	\$ 2,6180	\$ -	\$ -	\$ 2,5493	\$ 2,6003	\$ 2,4907	0.00	0.00
4	Total Tennessee			591,958										20,555.92	0.00
6	Texas Eastern	Woodward Mktg	STX	11,663	\$ 2,2394	\$ 2,2800	\$ 2,2700	\$ 2,3480	\$ -	\$ -	\$ 2,2993	\$ 2,3453	\$ 2,2464	81.64	0.00
7	Texas Eastern	Woodward Mktg	ETX	6,735	\$ 2,2394	\$ 2,2900	\$ 2,2800	\$ 2,3480	\$ -	\$ -	\$ 2,3060	\$ 2,3521	\$ 2,2530	91.59	0.00
8	Texas Eastern	Woodward Mktg	WLA	13,242	\$ 2,2394	\$ 2,3100	\$ 2,3000	\$ 2,3480	\$ -	\$ -	\$ 2,3193	\$ 2,3657	\$ 2,2660	352.25	0.00
9	Texas Eastern	Woodward Mktg	ELA	49,716	\$ 2,2394	\$ 2,3200	\$ 2,3100	\$ 2,3480	\$ -	\$ -	\$ 2,3260	\$ 2,3725	\$ 2,2725	1,645.59	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	75,112	\$ 2,3150	\$ 2,3150	\$ 2,3050	\$ 2,3480	\$ -	\$ -	\$ 2,3227	\$ 2,3691	\$ 2,2692	0.00	0.00
11															
12	Total Texas Eastern			156,468										2,089.43	0.00
14	Columbia Gulf	Woodward Mktg	Onshore	151,084	\$ 2,2560	\$ 2,3300	\$ 2,3300	\$ 2,3480	\$ -	\$ -	\$ 2,3360	\$ 2,3827	\$ 2,2823	3,973.51	0.00
15	Columbia Gulf	Woodward Mktg	Onshore	0	\$ 2,2560	\$ 2,3300	\$ 2,3300	\$ 2,3480	\$ -	\$ -	\$ 2,3360	\$ 2,3827	\$ 2,2823	0.00	0.00
16															
17	Total Columbia Gulf			151,084										3,973.51	0
18															
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 2,3500	\$ 2,3400	\$ 2,3480	\$ -	\$ -	\$ 2,3460	\$ 2,3929	\$ 2,2920	0.00	0.00
20	Matthews, J														
21	Total Southern Natural			0										0.00	0.00
22															
23	Texas Gas	Woodward Mktg	Zone SL	9,719	\$ 2,2627	\$ 2,3400	\$ 2,3400	\$ 2,3480	\$ -	\$ -	\$ 2,3427	\$ 2,3895	\$ 2,2888	253.67	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	226,827	\$ 2,2627	\$ 2,3400	\$ 2,3400	\$ 2,3480	\$ -	\$ -	\$ 2,3427	\$ 2,3895	\$ 2,2888	5,920.18	0.00
25															
26	Total Texas Gas			236,546										6,173.85	0.00
27															
28															
29	Total All Pipelines			1,136,056										\$32,792.71	\$0.00
30															
31															
32															
33															
34	Notes														
35															

- 36 (1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.
- 37 (2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$ 27.
- 38 (3) TGP/CNG supply index is the NGI CNG Appalachian.
- 39 Tennessee Capacity for NORA is \$ 235 (FTA rate)

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Date: 05/30/00
Time: 12:19 PM
File:
Month: June, 1999
Page: One

Determinants

Upper Band: 102.00%
Lower Band: 97.70%
Company Split: 50.00%
Rolling Avg Adjust Well Purch: \$0.0000

Average
Gas Daily
or
Average
Index

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	572,012	\$ 2,0920	\$ 2,1600	\$ 2,1500	\$ 2,2260	\$ -	\$ -	\$ 2,1787	\$ 2,2222	\$ 2,1286	20,935.64	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	18,332	\$ 2,4300	\$ 2,3500	\$ 2,3500	\$ 2,4960	\$ -	\$ -	\$ 2,3987	\$ 2,4466	\$ 2,3435	0.00	0.00
3															
4	Total Tennessee			590,345										20,935.64	0.00
5															
6	Texas Eastern	Woodward Mktg	STX	7,449	\$ 2,1077	\$ 2,1400	\$ 2,1400	\$ 2,2260	\$ -	\$ -	\$ 2,1687	\$ 2,2120	\$ 2,1188	82.68	0.00
7	Texas Eastern	Woodward Mktg	ETX	4,301	\$ 2,1077	\$ 2,1500	\$ 2,1500	\$ 2,2260	\$ -	\$ -	\$ 2,1753	\$ 2,2188	\$ 2,1253	75.70	0.00
8	Texas Eastern	Woodward Mktg	WLA	8,458	\$ 2,1077	\$ 2,1600	\$ 2,1600	\$ 2,2260	\$ -	\$ -	\$ 2,1820	\$ 2,2256	\$ 2,1318	203.84	0.00
9	Texas Eastern	Woodward Mktg	ELA	31,754	\$ 2,1077	\$ 2,1800	\$ 2,1800	\$ 2,2260	\$ -	\$ -	\$ 2,1953	\$ 2,2392	\$ 2,1448	1,178.07	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	72,691	\$ 2,1700	\$ 2,1700	\$ 2,1700	\$ 2,2260	\$ -	\$ -	\$ 2,1887	\$ 2,2324	\$ 2,1383	0.00	0.00
11															
12															
13	Total Texas Eastern			124,653										1,457.61	0.00
14															
15	Columbia Gulf	Woodward Mktg	Onshore	119,767	\$ 2,1287	\$ 2,2000	\$ 2,2000	\$ 2,2260	\$ -	\$ -	\$ 2,2087	\$ 2,2528	\$ 2,1579	3,497.20	0.00
16	Columbia Gulf	Woodward Mktg	Onshore	0	\$ 2,1287	\$ 2,2000	\$ 2,2000	\$ 2,2260	\$ -	\$ -	\$ 2,2087	\$ 2,2528	\$ 2,1579	0.00	0.00
17															
18	Total Columbia Gulf			119,767										3,497.20	0.00
19															
20	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 2,0100	\$ 2,0100	\$ 2,2260	\$ -	\$ -	\$ 2,0820	\$ 2,1236	\$ 2,0341	0.00	0.00
21															
22	Total Southern Natural			0										0.00	0.00
23															
24	Texas Gas	Woodward Mktg	Zone SL	10,390	\$ 2,1287	\$ 2,2000	\$ 2,2000	\$ 2,2260	\$ -	\$ -	\$ 2,2087	\$ 2,2528	\$ 2,1579	303.39	0.00
25	Texas Gas - Storage	Woodward Mktg	Zone SL	219,510	\$ 2,1287	\$ 2,2000	\$ 2,2000	\$ 2,2260	\$ -	\$ -	\$ 2,2087	\$ 2,2528	\$ 2,1579	6,409.69	0.00
26															
27	Total Texas Gas			229,900										6,713.08	0.00
28															
29															
30	Total All Pipelines			1,064,665										\$32,603.53	\$0.00
31															
32															
33															
34															
35	Notes														
36															

* Volume adjustment per pipeline.

- 37 (1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.
38 (2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$.27.
39 (3) TGP/CNG supply index is the NGI CNG Appalachian.
40 Tennessee Capacity for NORA is \$.243 (FTA rate)

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants
Upper Band: 102.00%
Lower Band: 97.70%
Company Split: 50.00%
Rolling Avg Adjust Well Purch: \$0.0000
Date: 05/30/00
Time: 12:19 PM
File:
Month: July, 1999
Page: One

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	582,344	\$ 2,1395	\$ 2,2100	\$ 2,1500	\$ 2,2620	\$ -	\$ -	\$ 2,2073	\$ 2,2515	\$ 2,1566	9,958.09	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	18,022	\$ 2,4800	\$ 2,4800	\$ 2,4200	\$ 2,5320	\$ -	\$ -	\$ 2,4773	\$ 2,5269	\$ 2,4204	0.00	0.00
3															
4	Total Tennessee			600,367										9,958.09	0.00
5															
6	Texas Eastern	Woodward Mktg	STX	6,998	\$ 2,1508	\$ 2,1800	\$ 2,1400	\$ 2,2620	\$ -	\$ -	\$ 2,1940	\$ 2,2379	\$ 2,1435	0.00	0.00
7	Texas Eastern	Woodward Mktg	ETX	4,041	\$ 2,1508	\$ 2,2000	\$ 2,1500	\$ 2,2620	\$ -	\$ -	\$ 2,2040	\$ 2,2481	\$ 2,1533	10.10	0.00
8	Texas Eastern	Woodward Mktg	WLA	7,945	\$ 2,1508	\$ 2,2200	\$ 2,1600	\$ 2,2620	\$ -	\$ -	\$ 2,2140	\$ 2,2583	\$ 2,1631	97.72	0.00
9	Texas Eastern	Woodward Mktg	ELA	29,830	\$ 2,1508	\$ 2,2300	\$ 2,1800	\$ 2,2620	\$ -	\$ -	\$ 2,2240	\$ 2,2685	\$ 2,1728	656.26	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	75,112	\$ 2,2250	\$ 2,2250	\$ 2,1700	\$ 2,2620	\$ -	\$ -	\$ 2,2190	\$ 2,2634	\$ 2,1680	0.00	0.00
11															
12	Total Texas Eastern			123,926										764.08	0.00
13															
14	Columbia Gulf	Woodward Mktg	Onshore	118,938	\$ 2,1673	\$ 2,2400	\$ 2,2000	\$ 2,2620	\$ -	\$ -	\$ 2,2340	\$ 2,2787	\$ 2,1826	1,819.75	0.00
15	Columbia Gulf	Woodward Mktg	Onshore	0	\$ -	\$ 2,2400	\$ 2,2000	\$ 2,2620	\$ -	\$ -	\$ 2,2340	\$ 2,2787	\$ 2,1826	0.00	0.00
16															
17	Total Columbia Gulf			118,938										1,819.75	0.00
18															
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 2,2600	\$ 2,2100	\$ 2,2620	\$ -	\$ -	\$ 2,2440	\$ 2,2889	\$ 2,1924	0.00	0.00
20															
21	Total Southern Natural			0										0.00	0.00
22															
23	Texas Gas	Woodward Mktg	Zone SL	57,806	\$ 2,1707	\$ 2,2400	\$ 2,2000	\$ 2,2620	\$ -	\$ -	\$ 2,2340	\$ 2,2787	\$ 2,1826	687.89	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	226,827	\$ 2,1707	\$ 2,2400	\$ 2,2000	\$ 2,2620	\$ -	\$ -	\$ 2,2340	\$ 2,2787	\$ 2,1826	2,699.24	0.00
25															
26	Total Texas Gas			284,633										3,387.13	0.00
27															
28															
29	Total All Pipelines			1,127,864										\$15,929.05	\$0.00
30															
31															
32															
33															
34	Notes														
35															
36	(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.														
37	(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$.27.														
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39	Tennessee Capacity for NORA is \$ 235 (FTA rate)														
40															
41															
42															
43															

* Volume correction due to omission of volume for one day.

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants
Upper Band: 102.00%
Lower Band: 97.70%
Company Split: 50.00%
Rolling Avg Adjust Well Purch: \$0.0000
Date: 05/30/00
Time: 12:19 PM
File:
Month: August, 1999
Page: One

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	590,425	\$ 2,4792	\$ 2,5400	\$ 2,5700	\$ 2,6010	\$ -	\$ -	\$ 2,5703	\$ 2,6217	\$ 2,5112	18,893.59	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	18,260	\$ 2,8100	\$ 2,8100	\$ 2,8400	\$ 2,8710	\$ -	\$ -	\$ 2,8403	\$ 2,8971	\$ 2,7750	0.00	0.00
3															
4	Total Tennessee			608,685										18,893.59	0.00
5															
6	Texas Eastern	Woodward Mktg	STX	7,464	\$ 2,4924	\$ 2,5200	\$ 2,5300	\$ 2,6010	\$ -	\$ -	\$ 2,5503	\$ 2,6013	\$ 2,4917	0.00	0.00
7	Texas Eastern	Woodward Mktg	ETX	4,310	\$ 2,4924	\$ 2,5300	\$ 2,5400	\$ 2,6010	\$ -	\$ -	\$ 2,5570	\$ 2,6081	\$ 2,4982	25.00	0.00
8	Texas Eastern	Woodward Mktg	WLA	8,475	\$ 2,4924	\$ 2,5500	\$ 2,5600	\$ 2,6010	\$ -	\$ -	\$ 2,5703	\$ 2,6217	\$ 2,5112	159.33	0.00
9	Texas Eastern	Woodward Mktg	ELA	31,818	\$ 2,4924	\$ 2,5700	\$ 2,5700	\$ 2,6010	\$ -	\$ -	\$ 2,5803	\$ 2,6319	\$ 2,5210	910.00	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	75,112	\$ 2,5600	\$ 2,5600	\$ 2,5650	\$ 2,6010	\$ -	\$ -	\$ 2,5753	\$ 2,6288	\$ 2,5161	0.00	0.00
11															
12	Total Texas Eastern			127,180										1,094.33	0.00
13															
14	Columbia Gulf	Woodward Mktg	Onshore	122,049	\$ 2,5137	\$ 2,5800	\$ 2,6000	\$ 2,6010	\$ -	\$ -	\$ 2,5937	\$ 2,6455	\$ 2,5340	2,477.59	0.00
15	Columbia Gulf	Woodward Mktg	Onshore	0	\$ -	\$ 2,5800	\$ 2,6000	\$ 2,6010	\$ -	\$ -	\$ 2,5937	\$ 2,6455	\$ 2,5340	0.00	0.00
16															
17	Total Columbia Gulf			122,049										2,477.59	0.00
18															
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 2,6000	\$ 2,6000	\$ 2,6010	\$ -	\$ -	\$ 2,6003	\$ 2,6523	\$ 2,5405	0.00	0.00
20															
21	Total Southern Natural			0										0.00	0.00
22															
23	Texas Gas	Woodward Mktg	Zone SL	3,200	\$ 2,5170	\$ 2,5900	\$ 2,6300	\$ 2,6010	\$ -	\$ -	\$ 2,6070	\$ 2,6591	\$ 2,5470	96.00	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	139,023	\$ 2,5170	\$ 2,5900	\$ 2,6300	\$ 2,6010	\$ -	\$ -	\$ 2,6070	\$ 2,6591	\$ 2,5470	4,170.69	0.00
25															
26	Total Texas Gas			142,223										4,266.69	0.00
27															
28															
29	Total All Pipelines			1,000,137										\$26,732.20	\$0.00
30															
31															
32															
33															
34	Notes														
35															
36	(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.														
37	(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$ 27.														
38	(3) TGP/CNG supply index is the NGI CNG Appalachian.														
39	Tennessee Capacity for NORA is \$ 235 (FTA rate)														
40															
41															
42															
43															

* Volume adjustment per pipeline.

United Cities Gas Company

For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants
Upper Band: 102.00%
Lower Band: 97.70%
Company Split: 50.00%
Rolling Avg Adjust Well Purch: \$0.0000
Date: 05/30/00
Time: 12:19 PM
File: Month: September, 1999
Page: One

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee (LA)	Woodward Mktg	Zone 1	718,701	\$ 2,7617	\$ 2,8300	\$ 2,8000	\$ 2,9120	\$ -	\$ 2,8473	\$ 2,9043	\$ 2,7818	14,445.90	0.00	0.00
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	18,040	\$ 3,1000	\$ 3,1000	\$ 3,0700	\$ 3,1820	\$ -	\$ 3,1173	\$ 3,1797	\$ 3,0456	0.00	0.00	0.00
3															
4	Total Tennessee			736,741									14,445.90	0.00	0.00
5															
6	Texas Eastern	Woodward Mktg	STX	6,998	\$ 2,7632	\$ 2,8000	\$ 2,7900	\$ 2,9120	\$ -	\$ 2,8340	\$ 2,8907	\$ 2,7688	39.19	0.00	0.00
7	Texas Eastern	Woodward Mktg	ETX	4,041	\$ 2,7632	\$ 2,7900	\$ 2,8000	\$ 2,9120	\$ -	\$ 2,8340	\$ 2,8907	\$ 2,7688	22.63	0.00	0.00
8	Texas Eastern	Woodward Mktg	WLA	7,945	\$ 2,7632	\$ 2,8100	\$ 2,8000	\$ 2,9120	\$ -	\$ 2,8407	\$ 2,8975	\$ 2,7753	96.14	0.00	0.00
9	Texas Eastern	Woodward Mktg	ELA	29,830	\$ 2,7632	\$ 2,8200	\$ 2,8100	\$ 2,9120	\$ -	\$ 2,8473	\$ 2,9043	\$ 2,7818	554.83	0.00	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	72,691	\$ 2,8150	\$ 2,8150	\$ 2,8050	\$ 2,9120	\$ -	\$ 2,8440	\$ 2,9009	\$ 2,7786	0.00	0.00	0.00
11															
12	Total Texas Eastern			121,505									673.60	0.00	0.00
13															
14	Columbia Gulf	Woodward Mktg	Onshore	116,657	\$ 2,7973	\$ 2,8600	\$ 2,8600	\$ 2,9120	\$ -	\$ 2,8773	\$ 2,9349	\$ 2,8112	1,621.53	0.00	0.00
15	Columbia Gulf	Woodward Mktg	Onshore	0	\$ 2,7973	\$ 2,8600	\$ 2,8600	\$ 2,9120	\$ -	\$ 2,8773	\$ 2,9349	\$ 2,8112	0.00	0.00	0.00
16															
17	Total Columbia Gulf			116,657									1,621.53	0.00	0.00
18															
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ -	\$ 2,8700	\$ 2,8800	\$ 2,9120	\$ -	\$ 2,8873	\$ 2,9451	\$ 2,8209	0.00	0.00	0.00
20															
21	Total Southern Natural			0									0.00	0.00	0.00
22															
23	Texas Gas	Woodward Mktg	Zone SL	107,945	\$ 2,8040	\$ 2,8700	\$ 2,8700	\$ 2,9120	\$ -	\$ 2,8840	\$ 2,9417	\$ 2,8177	1,478.85	0.00	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	263,460	\$ 2,8040	\$ 2,8700	\$ 2,8700	\$ 2,9120	\$ -	\$ 2,8840	\$ 2,9417	\$ 2,8177	3,609.40	0.00	0.00
25															
26	Total Texas Gas			371,405									5,088.25	0.00	0.00
27															
28															
29	Total All Pipelines			1,346,308									\$21,829.28	\$0.00	\$0.00

* Volume Adjustment due to omission of last three days of Barnsley volumes. Price is same.

Notes

- (1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.
- (2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$.27.
- (3) TGP/CNG supply index is the NGI CNG Appalachian.
- Tennessee Capacity for NORA is \$ 243 (FTA rate)

**For the Tennessee Regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism**

CONFIDENTIAL

Upper Band:	102.00%	Date:	05/30/00
Lower Band:	97.70%	Time:	12:19 PM
Company Split:	50.00%	File:	
Rolling Avg Adjust Well Purch:	\$0.0000	Month:	November, 1999
		Page:	One

Average Gas Daily

[illegible]

Notes

(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.

(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$.27.

(3) TGP/CNG supply index is the NGI CNG Appalachian.

Tennessee Capacity for NORA is \$ 235 (FTA rate)

39

41

42

37 (4) All requirements were taken from storage

(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$27.

United Cities Gas Company

For the Tennessee regulatory Authority
Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants

Upper Band: 102.00%
Lower Band: 97.70%
Company Split: 50.00%
Rolling Avg Adjust Well Purch: \$0.0000

Date: 05/30/00
Time: 12:19 PM
File: February, 2000
Page: One

Average
Gas Daily
or
Average
Index

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgt'd Avg Adjustment (1)	Avoided Costs	Average Index	Upper Band	Lower Band	Below Band	Above Band
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	157,418	\$ 2,4857	\$ 2,5800	\$ 2,5700	\$ 2,6100	\$ -	-	\$ 2,5867	\$ 2,6384	\$ 2,5272	6,532.84	\$ 30
2	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	0	\$ -	\$ 2,8500	\$ 2,8400	\$ 2,8800	\$ -	-	\$ 2,8567	\$ 2,9138	\$ 2,9138	0.00	\$ 30
3															
4	Total Tennessee			157,418										6,532.84	\$ 30
5															
6	Texas Eastern	Woodward Mktg	STX	70,346	\$ 2,5022	\$ 2,5200	\$ 2,5100	\$ 2,6100	\$ -	-	\$ 2,5467	\$ 2,5976	\$ 2,4881	0.00	\$ 30
7	Texas Eastern	Woodward Mktg	ETX	40,620	\$ 2,5022	\$ 2,5400	\$ 2,5300	\$ 2,6100	\$ -	-	\$ 2,5600	\$ 2,6112	\$ 2,5011	0.00	\$ 30
8	Texas Eastern	Woodward Mktg	WLA	79,870	\$ 2,5022	\$ 2,5700	\$ 2,5900	\$ 2,6100	\$ -	-	\$ 2,5900	\$ 2,6418	\$ 2,5304	2,252.34	\$ 30
9	Texas Eastern	Woodward Mktg	ELA	299,858	\$ 2,5022	\$ 2,5800	\$ 2,5900	\$ 2,6100	\$ -	-	\$ 2,5933	\$ 2,6452	\$ 2,5337	9,445.53	\$ 30
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	0	\$ -	\$ 2,5750	\$ 2,5900	\$ 2,6100	\$ -	-	\$ 2,5917	\$ 2,6435	\$ 2,5321	0.00	\$ 30
11															
12	Total Texas Eastern			490,694										11,697.87	\$ 30
13															
14	Columbia Gulf	Woodward Mktg	Onshore	105,250	\$ 2,5167	\$ 2,5900	\$ 2,5900	\$ 2,6100	\$ -	-	\$ 2,5967	\$ 2,6486	\$ 2,5369	2,126.05	\$ 30
15	Columbia Gulf/Tennessee	Woodward Mktg	Onshore	1,014,629	\$ 2,5167	\$ 2,5900	\$ 2,5900	\$ 2,6100	\$ -	-	\$ 2,5967	\$ 2,6486	\$ 2,5369	20,495.50	\$ 30
16															
17	Total Columbia Gulf			1,119,879										22,621.55	\$ 30
18															
19	Southern Natural	Woodward Mktg	Louisiana	103,359	\$ 2,7964	\$ 2,6200	\$ 2,6300	\$ 2,6100	\$ -	-	\$ 2,7964	\$ 2,8523	\$ 2,7321	0.00	\$ 30
20															
21	Total Southern Natural			103,359										0.00	\$ 30
22															
23	Texas Gas	Woodward Mktg	Zone SL	43,401	\$ 2,5200	\$ 2,5500	\$ 2,6000	\$ 2,6100	\$ -	-	\$ 2,6000	\$ 2,6520	\$ 2,5402	876.70	\$ 30
24	Texas Gas - Storage	Woodward Mktg	Zone SL	0	\$ -	\$ 2,5900	\$ 2,6000	\$ 2,6100	\$ -	-	\$ 2,6000	\$ 2,6520	\$ 2,5402	0.00	\$ 30
25															
26	Total Texas Gas			43,401										876.70	\$ 30
27															
28															
29	Total All Pipelines			1,914,750										\$41,728.96	\$ 30
30															
31															
32															
33															
34	Notes														
35															

(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.
 (2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$.27.
 (3) TGP/CNG supply index is the NGI CNG Appalachian.
 (4) All requirements were taken from storage

United Cities Gas Company

For the Tennessee Regulatory Authority

Monthly Report on Performance Based Rate-making Mechanism

CONFIDENTIAL

Determinants
 Upper Band: 102.00%
 Lower Band: 97.70%
 Company Split: 50.00%
 Rolling Avg Adjust Well Purch: \$0.0000
 Date: 05/30/00
 Time: 12:19 PM
 File: **March, 2000**
 Page: One

Average
Gas Daily
or
Average
Index

Row	Pipeline	Supplier Name	Purchase Point (2)	Invoice Volume (MMBTU)	Invoice Price	Inside FERC	NGI (3)	Close NYMEX	Wgtd Avg Adjustment (1)	Avoided Costs	Average Index (m)	Upper Band (n)	Lower Band (o)	Below Band (q)	Above Band (r)
(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(q)	(r)
Spot Calculation (monthly):															
1	Tennessee	Woodward Mktg	Zone 1	28,810	\$ 2,4823	\$ 2,5600	\$ 2,5600	\$ 2,6030	\$ -	\$ -	\$ 2,5743	\$ 2,6258	\$ 2,5151	944.96	0.00
2	Tennessee	Woodward Mktg	Zone 1	9,675	\$ 2,6900	\$ 2,5600	\$ 2,5600	\$ 2,6030	\$ -	\$ -	\$ 2,6900	\$ 2,7438	\$ 1,3450	0.00	0.00
3	Tennessee/CNG	Woodward Mktg	Zone 1 + Trans	0	\$ -	\$ 2,8300	\$ 2,8300	\$ 2,8730	\$ -	\$ -	\$ 2,8443	\$ 2,9012	\$ 2,9012	0.00	0.00
4	Total Tennessee			38,484										944.96	0.00
6	Texas Eastern	Woodward Mktg	STX	54,048	\$ 2,4870	\$ 2,5200	\$ 2,5100	\$ 2,6030	\$ -	\$ -	\$ 2,5443	\$ 2,5952	\$ 2,4858	0.00	0.00
7	Texas Eastern	Woodward Mktg	ETX	31,209	\$ 2,4870	\$ 2,5400	\$ 2,5300	\$ 2,6030	\$ -	\$ -	\$ 2,5577	\$ 2,6088	\$ 2,4988	368.26	0.00
8	Texas Eastern	Woodward Mktg	WLA	61,366	\$ 2,4870	\$ 2,5500	\$ 2,5600	\$ 2,6030	\$ -	\$ -	\$ 2,5710	\$ 2,6224	\$ 2,5119	1,528.01	0.00
9	Texas Eastern	Woodward Mktg	ELA	230,386	\$ 2,4870	\$ 2,5600	\$ 2,5600	\$ 2,6030	\$ -	\$ -	\$ 2,5743	\$ 2,6258	\$ 2,5151	6,473.86	0.00
10	Texas Eastern/CNG	Woodward Mktg	ELA / WLA	0	\$ 1,5750	\$ 2,5550	\$ 2,5600	\$ 2,6030	\$ -	\$ -	\$ 2,5727	\$ 2,6241	\$ 2,5135	0.00	0.00
12	Total Texas Eastern			377,009										8,370.13	0.00
14	Columbia Gulf	Woodward Mktg	Onshore	80,364	\$ 2,5043	\$ 2,5700	\$ 2,5800	\$ 2,6030	\$ -	\$ -	\$ 2,5843	\$ 2,6360	\$ 2,5249	1,655.50	0.00
15	Columbia Gulf/Tenness	Woodward Mktg	Onshore	582,459	\$ 2,5043	\$ 2,5700	\$ 2,5800	\$ 2,6030	\$ -	\$ -	\$ 2,5843	\$ 2,6360	\$ 2,5249	11,998.65	0.00
17	Total Columbia Gulf			662,823										13,654.15	0.00
19	Southern Natural	Woodward Mktg	Louisiana	0	\$ 2,5600	\$ 2,6100	\$ 2,6200	\$ 2,6030	\$ -	\$ -	\$ 2,6110	\$ 2,6632	\$ 2,5509	0.00	0.00
21	Total Southern Natural			0										0.00	0.00
23	Texas Gas	Woodward Mktg	Zone SL	19,457	\$ 2,5110	\$ 2,5800	\$ 2,5900	\$ 2,6030	\$ -	\$ -	\$ 2,5910	\$ 2,6428	\$ 2,5314	396.92	0.00
24	Texas Gas - Storage	Woodward Mktg	Zone SL	0	\$ -	\$ -	\$ -	\$ 2,6030	\$ -	\$ -	\$ 0.8677	\$ 0.8850	\$ 0.8477	0.00	0.00
26	Total Texas Gas			19,457										396.92	0.00
28	Total All Pipelines			1,097,773										\$23,366.16	\$0.00

*** Incremental Supply

Notes

(1) Average index includes the weighted average rolling average premium for terms of one month or greater. See attached page for details.

(2) CNG gas price equals TGP Zone 1 index plus transport to deliver to CNG of \$ 27.

(3) TGP/CNG supply index is the NGI CNG Appalachian.

(4) All requirements were taken from storage