01-00774

TENNESSEE REGULATORY AUTHORITY

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

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 6, 2001

MEMORANDUM

To: Sharla Dillon
Dockets

From: Pat Murphy PM
Energy and Water Division

Subject: Request for Docket Number
United Cities Gas Company

Our division is currently auditing United Cities Gas Company's Actual Cost Adjustment filing for the year ended June 30, 2001. We, therefore, respectfully request that a docket number be assigned for this audit.

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.

cc: Dan McCormac

PM01-61

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015
www.state.tn.us/tra

United Cities Gas Company

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ENERGY & WATER DIVISION

August 31, 2001

Dan McCormac, Chief
Utility Rate Division - Energy & Water
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Dear Mr. McCormac:

United Cities Gas Company herewith submits for filing and approval 22nd Revised Sheet No. 47 and 22nd Revised Sheets No. 47.1 - 47.3 applicable to Tennessee service areas other than Union City.

These revised tariff sheets reflect a Purchased Gas Adjustment resulting from a decrease in the spot market rate, a decrease in the ACA, and an increase in the PBR factor. The commodity price in the PGA is $3.25, which is slightly above NYMEX projections. This is an effort by the Company to stabilize prices for the winter season. Statements setting forth details of these proposed adjustments are attached.

Your review and approval of these adjustments to become effective October 1, 2001 are respectfully requested.

Sincerely,

Alicia Rye

Alicia Rye
Senior Analyst
Rate Administration

Enclosures

pc: Consumer Advocate Division

UNITED CITIES GAS COMPANY
CALCULATION OF ACA FACTOR
ALL TOWNS OTHER THAN UNION CITY

1. Previous Year's Demand Cost Balance	($119,488.50)
2. Current Year's Demand Cost (Exhibit II-A)	$20,550,675.88
3. Demand Cost Recovered (Exhibits II-B through II-D)	$25,333,537.09
4. Demand Under/(Over)-Recovery	($4,902,349.71)
5. Previous Year's Commodity Cost Balance	($167,005.18)
6. Current Year's Commodity Cost (Exhibit II-A)	$111,790,544.96
7. Interest on Account Balance	$278,628.06
8. Commodity Cost Recovered (Exhibits II-B through II-D)	$114,204,068.26
9. Commodity Under/(Over)-Recovery	($2,301,900.42)
10. Firm Sales	135,439,573
11. Demand ACA	($0.0362)
12. Total Sales	166,161,053
13. Commodity ACA	($0.0139)
14. Total ACA Applicable to Firm Customers	($0.0501)
15. Total ACA Applicable to Optional Customers	($0.0139)

UNITED CITIES GAS COMPANY
ACTUAL GAS COST
ALL TOWNS OTHER THAN UNION CITY
JULY, 2000 THRU JUNE, 2001

	ETN, TGP, COL GULF & SOUTHERN DEMAND	ETN, TGP, COL GULF & SOUTHERN COMMODITY	TX EASTERN DEMAND	TX EASTERN COMMODITY	SUBTOTAL	ETN AND TETCO SPOT MARKET INVOICED COST	NORA AND COL GULF DEMAND
ADJUSTMENTS		$ 292.95			$ 292.95	$ 5,669.18	
JULY, 2000	$ 1,134,058.85	$ 40,590.63	$ 244,148.76	$ 41,685.74	$ 1,460,483.98	$ 4,019,166.41	$ 180,473.50
AUGUST	$ 1,134,058.85	$ (145,095.59)	$ 244,473.01	$ 6,212.30	$ 1,239,648.57	$ 3,667,726.06	$ 180,473.50
SEPTEMBER	$ 1,134,058.85	$ 41,662.74	$ 244,467.81	$ 8,926.61	$ 1,429,116.01	$ 3,322,930.75	$ 180,473.50
OCTOBER	$ 1,134,058.85	$ 55,927.03	$ 244,445.30	$ 22,465.35	$ 1,456,896.53	$ 5,654,063.40	$ 180,473.50
NOVEMBER	$ 1,592,585.04	$ 86,694.60	$ 244,858.79	$ 33,141.92	$ 1,957,280.35	$ 6,706,960.89	$ 140,104.68
DECEMBER	$ 1,592,585.04	$ 133,696.08	$ 220,716.32	$ 43,861.65	$ 1,990,859.09	$ 12,328,311.32	$ 205,712.50
JANUARY, 2001	$ 1,443,378.97	$ 144,328.69	$ 218,580.38	$ 52,862.89	$ 1,859,150.93	$ 28,242,424.01	$ 280,406.32
FEBRUARY	$ 1,543,458.00	$ 20,960.29	$ 218,952.63	$ 47,535.39	$ 1,830,906.31	$ 11,953,660.56	$ 214,404.50
MARCH	$ 1,419,975.61	$ 49,918.10	$ 218,978.06	$ 25,947.94	$ 1,714,819.71	$ 6,306,973.41	$ 216,801.50
APRIL	$ 1,222,074.95	$ 47,055.00	$ 218,913.69	$ 8,973.21	$ 1,497,016.85	$ 6,588,475.20	$ 191,217.50
MAY	$ 1,222,074.95	$ 5,885.86	$ 218,992.01	$ 13,645.15	$ 1,460,597.97	$ 2,399,694.81	$ 191,217.50
JUNE	$ 1,222,074.95	$ 25,504.23	$ 218,996.72	$ 14,294.71	$ 1,480,870.61	$ 3,425,598.15	$ 191,217.50
TOTAL	$ 15,794,442.91	$ 507,420.61	$ 2,756,523.48	$ 319,552.86	$ 19,377,939.86	$ 94,621,654.15	$ 2,352,976.00

	BARNSLEY GAS SALES	BARNSLEY TRANSPORT CHARGES	COL GULF GAS SALES	COL GULF TRANSPORT CHARGES	SUBTOTAL	STORAGE INJECTIONS	STORAGE WITHDRAWALS
ADJUSTMENTS					$ 5,669.18		
JULY, 2000	$ 823,553.75	$ 9,113.85	$ 527,555.60	$ 64.07	$ 5,559,927.18	$ (2,551,446.42)	$ 5,912.31
AUGUST	$ 720,665.03	$ 13,782.78	$ 472,422.59	$ 11,225.13	$ 5,066,295.09	$ (2,427,727.87)	$ (1,840.25)
SEPTEMBER	$ 844,250.43	$ (2,609.62)	$ 547,000.50	$ 11,448.75	$ 4,903,494.31	$ (1,513,878.87)	$ 21,457.68
OCTOBER	$ (144,984.76)	$ 3,217.60	$ 725,108.37	$ 5,964.96	$ 6,423,843.07	$ (1,410,587.80)	$ 457,373.39
NOVEMBER	$ -	$ 46,371.00	$ 56,221.37	$ 24,368.13	$ 6,974,026.07	$ (638,345.00)	$ 2,652,218.51
DECEMBER		$ 70,386.92	$ 2,629,116.70	$ 57,085.81	$ 15,290,613.25	$ (465,746.13)	$ 5,683,816.87
JANUARY, 2001		$ 30,853.17	$ 5,872,574.46	$ 41,392.88	$ 34,467,650.84	$ (3,203,065.24)	$ 2,327,359.72
FEBRUARY		$ 24,461.98	$ 3,458,124.25	$ 9,988.52	$ 15,660,639.81	$ (4,896,963.20)	$ 1,494,521.20
MARCH		$ 31,535.97	$ 78,306.86	$ 17,330.91	$ 6,650,948.65	$ (95,115.28)	$ 6,229,793.77
APRIL	$ 493,220.61	$ 13,267.33	$ 1,102,542.71	$ 8,112.94	$ 8,396,836.29	$ (2,626,992.60)	$ 877,709.47
MAY	$ 924,068.12	$ 18,905.30	$ 725,493.34	$ 4,908.81	$ 4,264,287.88	$ (3,977,904.46)	
JUNE	$ 454,337.85	$ 5,300.97	$ 511,037.03	$ 10,093.96	$ 4,597,585.46	$ (2,063,724.84)	$ -
TOTAL	$4,115,111.03	$ 264,587.25	$ 16,705,503.78	$ 201,984.87	$ 118,261,817.08	$ (25,871,497.71)	$ 19,748,322.67

	CAPACITY RELEASE	GAS USED BY COMPANY	PROPANE	MARGIN LOSS	CASHOUTS	Nashville Gas	MISC ADJUSTS	GRAND TOTAL COST
ADJUSTMENTS			$ (194.25)				$ 273.76	$ 6,041.64
JULY, 2000	$ (84,468.33)		$ 6,761.30	$ 58,810.24	$ 12,617.48	$ 1,896.23	$ -	$ 4,470,493.97
AUGUST	$ (78,170.69)		$ 3,574.04	$ 58,810.24	$ 2,791.63	$ 2,077.57		$ 3,865,458.33
SEPTEMBER	$ (53,602.73)		$ 6,209.71	$ 58,810.24	$ 36,253.75	$ 2,264.05		$ 4,890,124.15
OCTOBER	$ (51,324.53)		$ -	$ 58,810.24	$ (3,358.97)	$ 3,517.14	$ (1,753.08)	$ 6,933,415.99
NOVEMBER	$ (3,508.80)			$ 74,097.46	$ 11,746.06	$ 11,758.38		$ 11,039,273.03
DECEMBER	$ (11,912.05)		$ 52,301.50	$ 61,779.70	$ 56,027.75	$ 27,217.73		$ 22,684,957.71
JANUARY, 2001	$ (4,460.36)		$ 28,710.11	$ 61,779.70	$ 16,548.56	$ 29,852.51	$ (170.11)	$ 35,583,356.66
FEBRUARY	$ (5,169.43)		$ 44,534.90	$ 63,997.05	$ (1,391.34)	$ 19,536.40		$ 14,210,611.70
MARCH	$ (5,528.75)	$ (6,700.36)	$ 15,994.53	$ 63,423.29	$ 11,462.17	$ 18,166.37		$ 14,597,264.10
APRIL	$ (512.91)	$ (3,007.43)	$ 4,953.71	$ 63,354.73	$ (8,650.44)	$ 6,405.15	$ 29,128.00	$ 8,236,240.82
MAY	$ (25,068.94)	$ (840.11)		$ 63,910.07	$ 14,679.23	$ 5,069.94		$ 1,804,731.58
JUNE	$ (29,538.99)	$ (41,820.64)	$ 3,168.03	$ 53,861.30	$ 14,287.82	$ 4,562.41	$ -	$ 4,019,251.16
TOTAL	$ (353,266.51)	$ (52,368.54)	$ 166,013.58	$ 741,444.26	$ 163,013.70	$ 132,323.88	$ 27,478.57	$ 132,341,220.84

EXHIBIT III-B

UNITED CITIES GAS COMPANY
GAS COST RECOVERIES
ALL TOWNS OTHER THAN UNION CITY
JULY, 2000 THRU JUNE, 2001

MONTH	FIRM SALES	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	TOTAL SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	TOTAL RECOVERIES	Adjustment per Recoveries Report	GRAND TOTAL RECOVERIES
JULY, 2000	3,495,425	$0.1834	$641,060.95	5,768,849	$0.4236	$2,443,684.44	$3,084,745.39	$33,048.81	$3,199,286.[illegible]
AUGUST	3,043,516	$0.1834	$558,180.83	4,976,526	$0.4236	$2,108,056.20	$2,666,237.03	$2,922.78	$2,750,304.90
SEPTEMBER	3,737,191	$0.1834	$685,400.83	5,987,526	$0.4236	$2,536,316.01	$3,221,716.84	$10,016.39	$3,318,780.36
OCTOBER	5,371,941	$0.1724	$926,122.63	7,965,825	$0.4927	$3,924,761.98	$4,850,884.61	($2,644.23)	$4,966,473.72
NOVEMBER	9,496,805	$0.1873	$1,778,751.58	12,577,456	$0.5410	$6,804,403.70	$8,583,155.28	($23,457.20)	$8,737,912.52
DECEMBER	21,881,303	$0.1873	$4,098,368.05	24,485,964	$0.5410	$13,246,906.52	$17,345,274.57	($4,006.86)	$17,573,825.41
JANUARY, 2001	29,809,982	$0.1877	$5,595,333.62	32,806,103	$0.8754	$28,718,462.57	$34,313,796.19	$12,368.80	$34,666,940.05
FEBRUARY	21,452,021	$0.1866	$4,002,947.12	24,040,181	$1.0365	$24,917,647.61	$28,920,594.73	($169,430.31)	$29,053,544.18
MARCH	14,960,117	$0.1858	$2,779,589.74	15,910,427	$0.6255	$9,951,972.09	$12,731,561.83	(112,614.86)	$12,808,522.97
APRIL	13,188,081	$0.1858	$2,450,345.45	16,762,575	$0.6254	$10,483,314.41	$12,933,659.86	($15,924.82)	$13,090,660.49
MAY	4,659,303	$0.1858	$865,698.50	6,328,419	$0.6254	$3,957,793.24	$4,823,491.74	($1,119.91)	$4,965,318.96
JUNE	3,985,233	$0.1858	$740,456.29	5,663,617	$0.6254	$3,542,026.07	$4,282,482.36	$11,005.75	$4,406,034.80
TOTAL	135,080,918		$25,122,255.59	163,273,468		$112,635,344.84	$137,757,600.43	($259,835.66)	$139,537,605.35

UNITED CITIES GAS COMPANY
240 GAS COST RECOVERIES
ALL TOWNS OTHER THAN UNION CITY
JULY, 2000 THRU JUNE, 2001

MONTH	DEMAND VOLUME	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	240 SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	TOTAL RECOVERIES
JULY, 2000	8,555	$1.9656	$ 16,815.71	140,812	$0.4216	$ 59,366.34	$ 76,182.05
AUGUST	8,555	$1.9656	$ 16,815.71	142,780	$0.4216	$ 60,196.05	$ 77,011.76
SEPTEMBER	8,555	$1.9656	$ 16,815.71	155,060	$0.4216	$ 65,373.30	$ 82,189.01
OCTOBER	8,555	$1.8551	$ 15,870.38	200,934	$0.4926	$ 98,980.09	$ 114,850.47
NOVEMBER	9,328	$1.8759	$ 17,498.40	286,323	$0.5409	$ 154,872.11	$ 172,370.51
DECEMBER	9,328	$1.8759	$ 17,498.40	363,911	$0.5409	$ 196,839.46	$ 214,337.86
JANUARY, 2001	9,328	$1.8759	$ 17,498.40	315,631	$0.8753	$ 276,271.81	$ 293,770.21
FEBRUARY	9,328	$1.8789	$ 17,526.38	232,735	$1.0365	$ 241,229.83	$ 258,756.21
MARCH	9,328	$1.8789	$ 17,526.38	247,452	$0.6255	$ 154,781.23	$ 172,307.61
APRIL	9,328	$1.8789	$ 17,526.38	220,604	$0.6254	$ 137,965.74	$ 155,492.12
MAY	9,328	$1.8789	$ 17,526.38	188,591	$0.6254	$ 117,944.81	$ 135,471.19
JUNE	9,328	$1.8789	$ 17,526.38	142,941	$0.6254	$ 89,395.30	$ 106,921.68
TOTAL	108,844		$ 206,444.61	2,637,774		$ 1,653,216.07	$ 1,859,660.68

EXHIBIT III-D

UNITED CITIES GAS COMPANY
RATE 211 GAS COST RECOVERIES
ALL TOWNS OTHER THAN UNION CITY
JULY, 2000 THRU JUNE, 2001

MONTH	Rate 211 SALES	DEMAND RECOVERY FACTOR	Rate 211 DEMAND RECOVERIES	Rate 211 SALES	COMMODITY RECOVERY FACTOR	Rate 211 COMMODITY RECOVERIES	Rate 211 TOTAL RECOVERIES
JULY, 2000	11,980	$0.0197	$ 236.01	11,980	$0.4236	$ 5,074.73	$ 5,310.74
AUGUST	9,324	$0.0197	$ 183.68	9,324	$0.4236	$ 3,949.65	$ 4,133.33
SEPTEMBER	10,959	$0.0197	$ 215.89	10,959	$0.4236	$ 4,642.23	$ 4,858.12
OCTOBER	6,602	$0.0197	$ 130.06	6,602	$0.4927	$ 3,252.81	$ 3,382.87
NOVEMBER	10,430	$0.0193	$ 201.30	10,430	$0.5410	$ 5,642.63	$ 5,843.93
DECEMBER	32,518	$0.0193	$ 627.60	32,518	$0.5410	$ 17,592.24	$ 18,219.84
JANUARY, 2001	52,537	$0.0193	$ 1,013.96	52,537	$0.8754	$ 45,990.89	$ 47,004.85
FEBRUARY	41,318	$0.0193	$ 797.44	41,318	$1.0365	$ 42,826.11	$ 43,623.55
MARCH	26,781	$0.0193	$ 516.87	26,781	$0.6255	$ 16,751.52	$ 17,268.39
APRIL	27,041	$0.0193	$ 521.89	27,041	$0.6254	$ 16,911.44	$ 17,433.33
MAY	11,596	$0.0193	$ 223.80	11,596	$0.6254	$ 7,252.14	$ 7,475.94
JUNE	8,725	$0.0193	$ 168.39	8,725	$0.6254	$ 5,456.62	$ 5,625.01
TOTAL	249,811		$ 4,836.89	249,811		$ 175,343.01	$ 180,179.90

UNITED CITIES GAS COMPANY
CALCULATION OF ACA INTEREST
ALL TOWNS OTHER THAN UNION CITY

BEGINNING BALANCE	($286,493.67)
PRE-JULY, 2000 ADJUSTMENTS	$6,041.64
ADJUSTED BEGINNING BALANCE	($280,452.03)

	BEGINNING BALANCE	COST	RECOVERIES	ENDING BALANCE	INTEREST
JULY, 2000	($280,452.03)	$4,470,493.97	$3,199,286.99	$990,754.95	$2,669.56
AUGUST	$993,424.50	$3,865,458.33	$2,750,304.90	$2,108,577.93	$11,658.36
SEPTEMBER	$2,120,236.29	$4,890,124.15	$3,318,780.36	$3,691,580.08	$21,842.74
OCTOBER	$3,713,422.82	$6,933,415.99	$4,966,473.72	$5,680,365.09	$37,183.74
NOVEMBER	$5,717,548.84	$11,039,273.03	$8,737,912.52	$8,018,909.35	$54,373.48
DECEMBER	$8,073,282.83	$22,684,957.71	$17,573,825.41	$13,184,415.13	$84,145.05
JANUARY, 2001	$13,268,560.18	$35,583,356.66	$34,666,940.05	$14,184,976.79	$108,670.25
FEBRUARY	$14,293,647.04	$14,210,611.70	$29,053,544.18	($549,285.44)	$54,404.76
MARCH	($494,880.67)	$14,597,264.10	$12,808,522.97	$1,293,860.46	$3,162.63
APRIL	$1,297,023.09	$8,236,240.82	$13,090,660.49	($3,557,396.58)	($8,495.24)
MAY	($3,565,891.82)	$1,804,731.58	$4,965,318.96	($6,726,479.20)	($38,682.16)
JUNE	($6,765,161.36)	$4,019,251.16	$4,406,034.80	($7,151,945.00)	($52,305.12)
TOTAL		$132,335,179.20	$139,537,605.35		$278,628.06

United Cities Gas Company

RECEIVED
TN REG. AUTHORITY
AUG 3 1 2001
ENERGY & WATER DIVISION

August 31, 2001

Dan McCormac, Chief
Utility Rate Division - Energy & Water
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Dear Mr. McCormac:

United Cities Gas Company herewith submits for filing and approval 23rd Revised Sheet No. 46 and 23rd Revised Sheets No. 46.1 - 46.3 applicable to the Union City, Tennessee service area.

These revised tariff sheets reflect a Purchased Gas Adjustment resulting from a decrease in the spot market rate, and increase in the ACA, and an increase in the PBR factor. The commodity price in the PGA is $3.25, which is slightly above NYMEX projections. This is an effort by the Company to stabilize prices for the winter season. Statements setting forth details of these proposed adjustments are attached.

Your review and approval of these adjustments to become effective October 1, 2001 are respectfully requested.

Sincerely,

Alicia Rye

Alicia Rye
Senior Analyst
Rate Administration

Enclosures

pc: Consumer Advocate Division

UNITED CITIES GAS COMPANY
CALCULATION OF ACA FACTOR
UNION CITY, TENNESSEE

1. Previous Year's Demand Cost Balance	($2,163.61)
2. Current Year's Demand Cost	$133,393.10
3. Demand Cost Recovered	$129,096.17
4. Demand Under/(Over)-Recovery	$2,133.32
5. Previous Year's Commodity Cost Balance	($481,069.80)
6. Current Year's Commodity Cost	$4,463,401.17
7. Interest on Account Balance	$14,670.24
8. Commodity Cost Recovered	$3,489,878.04
9. Commodity Under/(Over)-Recovery	$507,123.57
10. Firm Sales	5,975,351
11. Demand ACA	$0.0004
12. Total Sales	5,987,494
13. Commodity ACA	$0.0847
14. Total ACA Applicable to Firm Customers	$0.0851
15. Total ACA Applicable to Optional Customers	$0.0847

EXHIBIT II-A

UNITED CITIES GAS COMPANY
INVOICE COST OF GAS
UNION CITY, TENNESSEE
JULY, 2000 TO JUNE, 2001

		SPOT MARKET					
	RESERVATION CHARGES	VOLUME	RATE	COST	TRANSPORT COST	SUBTOTAL	MARGIN LOSS
ADJUSTMENTS							
JULY, 2000	$6,674.30	18,784	$4.2663	$80,138.17	$8,123.96	$94,936.43	$16,205.85
AUGUST	$6,705.30	59,130	$3.7333	$220,750.04	$7,135.20	$234,590.54	$16,982.52
SEPTEMBER	$6,489.00	64,904	$4.5193	$293,320.65	$8,518.08	$308,327.73	$13,628.57
OCTOBER	$6,705.30	60,736	$5.1873	$315,055.85	$9,101.39	$330,862.54	$14,267.99
NOVEMBER	$17,424.00	41,043	$4.4203	$181,422.38	$41,127.77	$239,974.15	$16,641.29
DECEMBER	$18,004.80	96,587	$5.9287	$572,635.34	$97,743.30	$688,383.44	$13,508.56
JANUARY, 2001	$17,670.00	139,585	$9.8600	$1,376,308.10	$69,082.83	$1,463,060.93	$3,379.08
FEBRUARY	$15,960.00	103,722	$6.1810	$641,105.69	$31,826.62	$688,892.31	$2,581.22
MARCH	$15,301.60	45,185	$4.9293	$222,730.43	$46,785.34	$284,817.37	$3,624.38
APRIL	$7,404.00	90,849	$5.3274	$483,986.49	$9,652.79	$501,043.28	$2,779.70
MAY	$7,650.80	25,266	$4.7870	$120,948.34	$5,882.83	$134,481.97	$4,277.48
JUNE	$7,404.00	11,288	$3.6493	$41,193.29	$648.20	$49,245.49	$4,195.49
TOTAL	$133,393.10	757,079		$4,549,594.77	$335,628.31	$5,018,616.18	$112,072.13

	GAS USED BY COMPANY	SGT STORAGE	MISC ADJUSTMENT	CASHOUTS	GRAND TOTAL
ADJUSTMENTS		($15,893.28)	(958.13)		($16,851.41)
JULY, 2000	$0.00	($73,917.47)	$0.00	$5,801.26	$43,026.07
AUGUST	$0.00	($236,994.55)	$0.00	($10,199.19)	$4,379.32
SEPTEMBER	$0.00	($162,785.75)	$0.00	($8,582.42)	$150,588.13
OCTOBER	$0.00	($146,463.37)	$0.00	($8,170.13)	$190,497.03
NOVEMBER	$0.00	$161,869.60	$0.00	($49,421.84)	$369,063.20
DECEMBER	$0.00	$543,421.64	$0.00	($52,860.84)	$1,192,452.80
JANUARY, 2001	$0.00	$21,441.89	$0.00	$479.93	$1,488,361.83
FEBRUARY	$0.00	($228,246.83)	$0.00	$6,159.01	$469,385.71
MARCH	($816.23)	$155,170.00	$0.00	($320.27)	$442,475.25
APRIL	($1,112.91)	($343,920.00)	$0.00	($7,433.88)	$151,356.19
MAY	($346.97)	($63,850.00)	$0.00	$19.87	$74,582.35
JUNE	(6,725.98)	($24,020.00)	$0.00	$14,782.80	$37,477.80
TOTAL	($9,002.09)	($414,188.12)	($958.13)	($109,745.70)	$4,596,794.27

EXHIBIT II-B

UNITED CITIES GAS COMPANY
GAS COST RECOVERIES
UNION CITY, TENNESSEE
JULY, 1999 TO JUNE, 2000

	FIRM SALES	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	TOTAL SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	Adjustment per Recoveries Report	TOTAL RECOVERIES
JULY, 2000	122,106	$0.0226	$2,759.60	122,120	$0.4149	$50,667.59	$284.83	$53,712.02
AUGUST	128,137	$0.0226	$2,895.90	128,137	$0.4149	$53,164.04	($280.00)	$55,779.94
SEPTEMBER	156,585	$0.0226	$3,538.82	163,955	$0.4149	$68,024.93	($259.50)	$71,304.25
OCTOBER	198,737	$0.0214	$4,252.97	203,486	$0.3945	$80,275.23	$2,361.35	$86,889.55
NOVEMBER	391,260	$0.0215	$8,412.09	391,270	$0.4186	$163,785.62	$2.23	$172,199.94
DECEMBER	994,500	$0.0215	$21,381.75	994,500	$0.4186	$416,297.70	$9.14	$437,688.59
JANUARY, 2001	1,422,057	$0.0215	$30,574.23	1,422,057	$0.7094	$1,008,807.24	$243.78	$1,039,625.25
FEBRUARY	992,361	$0.0217	$21,534.23	992,361	$0.8276	$821,277.96	$93.13	$842,905.32
MARCH	717,255	$0.0215	$15,420.98	717,255	$0.5253	$376,774.05	$1.66	$392,196.69
APRIL	513,424	$0.0215	$11,038.62	513,424	$0.5252	$269,650.28	$663.25	$281,352.15
MAY	183,738	$0.0215	$3,950.37	183,738	$0.5252	$96,499.20	$106.40	$100,555.97
JUNE	155,191	$0.0215	$3,336.61	155,191	$0.5252	$81,506.31	($78.38)	$84,764.54
TOTAL	5,975,351		$129,096.17	5,987,494		$3,486,730.15	$3,147.89	$3,618,974.2[illegible]

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UNITED CITIES GAS COMPANY
CALCULATION OF ACA INTEREST
UNION CITY, TENNESSEE

BEGINNING BALANCE	($483,233.41)
PRE-JULY, 1999 ADJUSTMENTS	($16,851.41)
ADJUSTED BEGINNING BALANCE	($500,084.82)

	BEGINNING BALANCE	COST	RECOVERIES	ENDING BALANCE	INTEREST
JULY, 1999	($500,084.82)	$43,026.07	$53,712.02	($510,770.77)	($3,799.13)
AUGUST	($514,569.90)	$4,379.32	$55,779.94	($565,970.52)	($4,061.03)
SEPTEMBER	($570,031.56)	$150,588.13	$71,304.25	($490,747.68)	($3,986.76)
OCTOBER	($494,734.44)	$190,497.03	$86,889.55	($391,126.96)	($3,506.53)
NOVEMBER	($394,633.49)	$369,063.20	$172,199.94	($197,770.23)	($2,344.93)
DECEMBER	($200,115.16)	$1,192,452.80	$437,688.59	$554,649.05	$1,403.36
JANUARY, 2000	$556,052.41	$1,488,361.83	$1,039,625.25	$1,004,788.99	$6,178.33
FEBRUARY	$1,010,967.32	$469,385.71	$842,905.32	$637,447.71	$6,524.98
MARCH	$643,972.69	$442,475.25	$392,196.69	$694,251.25	$5,297.14
APRIL	$699,548.38	$151,356.19	$281,352.15	$569,552.42	$4,769.70
MAY	$574,322.13	$74,582.35	$100,555.97	$548,348.51	$4,219.37
JUNE	$552,567.88	$37,477.80	$84,764.54	$505,281.14	$3,975.75
TOTAL		$4,613,645.68	$3,618,974.21		$14,670.24