TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 4, 2002

MEMORANDUM

To: Sharla Dillon
Dockets

From: Pat Murphy PM
Energy and Water Division

Subject: Request for Docket Number
Gasco Distribution Systems, Inc.

DOCKET NO.
02-00930

Our division is currently auditing Gasco Distribution Systems, Inc.'s Actual Cost Adjustment filing for the year ended June 30, 2002. 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

PM02-32gascoaca

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

GASCO
DISTRIBUTION SYSTEMS, INC.
4445 EAST PIKE ZANESVILLE, OH 43701 OFFICE 740 454-6198
FAX 740 454-7780

August 28, 2002

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SEP 3 2002
ENERGY & WATER DIVISION

Pat Murphy
Senior Financial Analyst
Energy & Water Division
Tennessee Regulatory Authority
400 James Robertson Parkway
Nashville, TN 37243-0505

Dear Ms. Murphy:

We have enclosed the a copy of the ACA filing for Gasco Distribution Systems, Inc. for the Jellico Division, and the Byrdstown/Pickett/Fentress Divisions for the period of July 1, 2001 through and including June 30, 2002.

We would welcome your questions or concerns.

Sincerely,

Ken Magyar, Vice President

GASCO Distribution Systems
ACA Filing
Covering period 7/1/01 - 6/30/02

Byrdstown Division:

Month	Beginning Balance	Sales Volumes (MCF)	PGA Factor H/	PGA Recoveries	ACA Factor E/	ACA Surcharge (Refund)	Purchases (MCF)	Invoiced Gas Costs	Gas Costs Minus Recoveries	Ending Balance	Average Balance	Interest	Ending Balance With Interest	Interest Rate I/
				-									(782.86)	
Jul-01	(782.86)	13	10.0001	130.00	(0.5017)	(6.52)	13	51.30	(72.18)	(855.04)	(818.95)	(5.32)	(860.36)	7.79%
Aug-01	(860.36)	15	10.0001	150.00	(0.5017)	(7.52)	15	59.40	(83.08)	(943.44)	(901.90)	(5.85)	(949.29)	7.79%
Sep-01	(949.29)	11	10.0001	110.00	(0.5017)	(5.51)	11	39.54	(64.95)	(1,014.25)	(981.77)	(6.37)	(1,020.62)	7.79%
Oct-01	(1,020.62)	53	10.0001	530.01	(0.5017)	(26.61)	53	166.93	(336.47)	(1,357.08)	(1,188.85)	(6.74)	(1,363.82)	6.80%
Nov-01	(1,363.82)	117	10.0001	1,170.01	(0.5017)	(58.71)	117	515.45	(595.85)	(1,959.67)	(1,661.75)	(9.42)	(1,969.09)	6.80%
Dec-01	(1,969.09)	154	10.0001	1,540.02	(0.5017)	(77.28)	154	594.52	(868.22)	(2,837.30)	(2,403.20)	(13.62)	(2,850.92)	6.80%
Jan-02	(2,850.92)	419	4.9500	2,074.05	(0.5017)	(123.45)	419	1,729.07	(221.53)	(3,072.45)	(2,961.69)	(13.92)	(3,086.37)	5.64%
Feb-02	(3,086.37)	278	4.9500	1,376.10	(0.2966)	(35.29)	278	973.20	(367.61)	(3,453.98)	(3,270.18)	(15.37)	(3,469.35)	5.64%
Mar-02	(3,469.35)	261	4.9500	1,291.95	(0.2966)	(34.71)	261	1,019.73	(237.51)	(3,706.86)	(3,588.11)	(16.86)	(3,723.73)	5.64%
Apr-02	(3,723.73)	84	4.9500	415.80	(0.2966)	(12.45)	84	387.71	(15.64)	(3,739.37)	(3,731.55)	(14.86)	(3,754.23)	4.78%
May-02	(3,754.23)	84	4.9500	415.80	(0.2966)	(11.00)	84	378.00	(26.80)	(3,781.03)	(3,767.63)	(15.01)	(3,796.04)	4.78%
Jun-02	(3,796.04)	22	4.9500	108.90	(0.2966)	(6.53)	164	751.99	649.62	(3,146.42)	(3,471.23)	(13.83)	(3,160.25)	4.78%
		1,511		9,312.64		(405.58)	1,653	6,666.84			Total	(137.17)		
											Company reported	-		
											Difference	(137.17)		

Cost of Gas Purchased	6,666.84	
Cost of Gas Recovered Through Rates	9,312.64	
Under/(Over) Recovery	(2,645.80)	
Interest on Average Monthly Balance	(137.17)	
ACA Refunds (7/01 to 6/02)	(405.58)	
Beginning Balance @ 6/30/01	(782.86)	
Balance @ 6/30/02	(3,160.25)	Over-recovery
Sales volumes (Projected sales 12 months ending 6/30/03)	1,581	MCF
ACA Factor (Balance divided by volumes)	(1.9989)	Per MCF

GASCO Distribution Systems
ACA Filing
Covering period 7/1/01 - 6/30/02

Fentress Division:

Month	Beginning Balance	Sales Volumes (MCF)	PGA Factor H/	PGA Recoveries	ACA Factor E/	ACA Surcharge (Refund)	Purchases (MCF)	Invoiced Gas Costs	Gas Costs Minus Recoveries	Ending Balance	Average Balance	Interest	Ending Balance With Interest	Interest Rate K/
													(668.79)	
Jul-01	(668.79)	2.5	10.0001	25.00	(0.5017)	(1.25)	8	33.63	9.88	(658.91)	(663.85)	(4.31)	(663.22)	7.79%
Aug-01	(663.22)	2.9	10.0001	29.00	(0.5017)	(1.45)	3	8.33	(19.22)	(682.43)	(672.82)	(4.37)	(686.80)	7.79%
Sep-01	(686.80)	4.4	10.0001	44.00	(0.5017)	(2.21)	5	15.40	(28.39)	(713.19)	(700.00)	(4.54)	(717.74)	7.79%
Oct-01	(717.74)	11.4	10.0001	114.00	(0.5017)	(5.72)	14	66.20	(42.08)	(759.82)	(738.78)	(4.19)	(764.00)	6.80%
Nov-01	(764.00)	22.7	10.0001	227.00	(0.5017)	(11.39)	20	130.32	(85.29)	(849.30)	(806.65)	(4.57)	(853.87)	6.80%
Dec-01	(853.87)	-16.1	10.0001	(161.00)	(0.5017)	8.08	30	145.84	298.76	(555.10)	(704.49)	(3.99)	(559.10)	6.80%
Jan-02	(559.10)	36.0	4.9500	178.20	(0.5017)	(18.06)	44	235.18	75.04	(484.06)	(521.58)	(2.45)	(486.51)	5.64%
Feb-02	(486.51)	-31.8	4.9500	(157.41)	(0.2966)	9.43	38	174.34	322.32	(164.19)	(325.35)	(1.53)	(165.72)	5.64%
Mar-02	(165.72)	13.5	4.9500	66.83	(0.2966)	(4.00)	30	149.21	86.39	(79.33)	(122.52)	(0.58)	(79.90)	5.64%
Apr-02	(79.90)	19.3	4.9500	95.54	(0.2966)	(5.72)	14	87.70	(2.11)	(82.01)	(80.96)	(0.32)	(82.34)	4.78%
May-02	(82.34)	27.7	4.9500	137.12	(0.2966)	(8.22)	13	82.16	(46.74)	(129.08)	(105.71)	(0.42)	(129.50)	4.78%
Jun-02	(129.50)	8.7	4.9500	43.07	(0.2966)	(2.58)	6	37.82	(2.66)	(132.16)	(130.83)	(0.52)	(132.68)	4.78%
		101.2		641.33		(43.10)	225	1,166.13			Total	(31.79)		
											Company reported	-		
											Difference	(31.79)	Over-recovery	

Cost of Gas Purchased	1,166.13	
Cost of Gas Recovered Through Rates	641.33	
Under/(Over) Recovery	524.80	
Interest on Average Monthly Balance	(31.79)	
ACA Refunds (7/01 to 6/02)	(43.10)	
Beginning Balance @ 6/30/01	(668.79)	
Balance @ 6/30/01	**(132.68)**	**Over-recovery**
Sales volumes (Projected sales 12 months ending 6/30/03)	208	MCF
ACA Factor (Balance divided by volumes)	(0.6379)	Per MCF

STAFF SPREADSHEET
(CORRECTS ALL FINDINGS)

GASCO Distribution Systems
ACA Filing
Covering period 7/1/01 - 6/30/02
Doc

Byrdstown/Fentress Divisions:

Month	Beginning Balance	Sales Volumes (MCF)	PGA Factor H/	PGA Recoveries	ACA Factor E/	ACA Surcharge (Refund)	Purchases (MCF)	Invoiced Gas Costs	Gas Costs Minus Recoveries	Ending Balance	Average Balance	Interest	Ending Balance With Interest	Interest Rate I/
				-									(1,451.65)	
Jul-01	(1,451.65)	15.5	10.0001	155	(0.5017)	(8)	21	85	(62.30)	155.00	(648.32)	(4.21)	150.79	7.79%
Aug-01	150.79	17.9	10.0001	179	(0.5017)	(9)	18	68	(102.30)	179.00	164.90	1.07	180.07	7.79%
Sep-01	180.07	15.4	10.0001	154	(0.5017)	(8)	16	55	(91.34)	154.00	167.04	1.08	155.09	7.79%
Oct-01	155.09	64.4	10.0001	644	(0.5017)	(32)	67	233	(378.55)	644.01	399.55	2.26	646.27	6.80%
Nov-01	646.27	139.7	10.0001	1,397	(0.5017)	(70)	137	646	(681.15)	1,397.01	1,021.64	5.79	1,402.80	6.80%
Dec-01	1,402.80	137.9	10.0001	1,379	(0.5017)	(69)	184	740	(569.45)	1,379.01	1,390.91	7.88	1,386.90	6.80%
Jan-02	1,386.90	455.0	4.9500	2,252	(0.5017)	(142)	463	1,964	(146.49)	2,252.25	1,819.57	8.55	2,260.80	5.64%
Feb-02	2,260.80	246.2	4.9500	1,219	(0.2966)	(26)	316	1,148	(45.29)	1,218.69	1,739.75	8.18	1,226.87	5.64%
Mar-02	1,226.87	274.5	4.9500	1,359	(0.2966)	(39)	291	1,169	(151.12)	1,358.78	1,292.82	6.08	1,364.85	5.64%
Apr-02	1,364.85	103.3	4.9500	511	(0.2966)	(18)	98	475	(17.75)	511.34	938.09	3.74	515.07	4.78%
May-02	515.07	111.7	4.9500	553	(0.2966)	(19)	97	460	(73.54)	552.92	533.99	2.13	555.04	4.78%
Jun-02	555.04	30.7	4.9500	152	(0.2966)	(9)	170	790	646.95	151.97	353.50	1.41	153.37	4.78%
		1,612.2		9,953.97		(448.68)	1,878	7,832.97			Total	43.96		
											Company reported	-		
											Difference	43.96	Under-recovery	

L1	Cost of Gas Purchased	7,832.97	
L2	Cost of Gas Recovered Through Rates	9,953.97	
L3	Under/(Over) Recovery	(2,121.00)	
L4	Interest on Average Monthly Balance	43.96	
L5	ACA Refunds (7/01 to 6/02)	(448.68)	
L6	Beginning Balance @ 6/30/01	(1,451.65)	
L7	Balance @ 6/30/01 (L3+L4-L5+L6)	(3,080.01)	Over-recovery
L8	Sales volumes		
L9	(Projected sales 12 months ending 6/30/03)	1,789	MCF
L10	ACA Factor (L7/L8)	(1.7216)	Per MCF

gasco aca 2002 emailed to pat

8/28/02

STAFF SPREADSHEET
(CORRECTS ALL FINDINGS)

GASCO Distribution Systems
ACA Filing
Covering period 7/1/01 - 6/30/02

Jellico Division:

Month	Beginning Balance	Sales Volumes (MCF)	PGA Factor	Total Recoveries	ACA Factor	ACA Surcharge (Refund)	Purchases (MCF)	Invoiced Gas Costs	Gas Costs Minus Recoveries	Ending Balance	Average Balance	Interest	Ending Balance With Interest	Interest Rate
				-									15,130.16	
Jul-01	15,130.16	1,093.5	10.0001	10,935.11	(0.5017)	(548.47)	1,618	8,296.23	(2,090.41)	13,039.75	14,084.96	91.43	13,131.19	7.79%
Aug-01	13,131.19	1,089.4	10.0001	10,894.11	(0.5017)	(546.39)	1,609	8,274.00	(2,073.72)	11,057.47	12,094.33	78.51	11,135.98	7.79%
Sep-01	11,135.98	1,077.1	10.0001	10,771.11	(0.5017)	(540.23)	1,788	7,060.75	(3,170.13)	7,965.85	9,550.92	62.00	8,027.85	7.79%
Oct-01	8,027.85	2,555.1	10.0001	25,551.26	(0.5017)	(1,280.49)	3,719	12,753.84	(11,516.93)	(3,489.07)	2,269.39	12.86	(3,476.21)	6.80%
Nov-01	(3,476.21)	5,272.1	10.0001	52,721.53	(0.5017)	(2,639.82)	4,421	22,742.28	(27,339.43)	(30,815.64)	(17,145.93)	(97.16)	(30,912.80)	6.80%
Dec-01	(30,912.80)	5,200.2	10.0001	52,002.52	(0.5017)	(2,603.24)	6,792	26,557.23	(22,842.05)	(53,754.85)	(42,333.83)	(239.89)	(53,994.74)	6.80%
Jan-02	(53,994.74)	9,460.5	4.4900	42,477.65	(0.5017)	(4,734.10)	8,014	34,176.70	(3,566.85)	(57,561.59)	(55,778.16)	(262.16)	(57,823.74)	5.64%
Feb-02	(57,823.74)	6,279.2	4.4900	28,193.61	0.2702	1,692.19	7,353	25,552.80	(4,333.00)	(62,156.74)	(59,990.24)	(281.95)	(62,438.70)	5.64%
Mar-02	(62,438.70)	6,333.3	4.4900	28,436.52	0.2702	1,707.36	6,104	24,242.40	(5,901.48)	(68,340.17)	(65,389.44)	(307.33)	(68,647.50)	5.64%
Apr-02	(68,647.50)	3,687.0	4.4900	16,554.63	0.2702	994.80	3,269	17,226.54	(322.89)	(68,970.39)	(68,808.95)	(274.09)	(69,244.48)	4.78%
May-02	(69,244.48)	2,538.2	4.4900	11,396.52	0.2702	685.35	2,634	13,780.83	1,698.96	(67,545.52)	(68,395.00)	(272.44)	(67,817.96)	4.78%
Jun-02	(67,817.96)	1,758	4.4900	7,894.32	0.2702	475.07	2,045	10,750.39	2,381.01	(65,436.95)	(66,627.46)	(265.40)	(65,702.35)	4.78%
		46,343.8		297,828.86		(7,337.97)	49,366	211,413.99			Total	(1,755.61)		
											Company reported	-		
											Difference	(1,755.61)	Over-recovery	

L1	Cost of Gas Purchased	211,413.99	
L2	Cost of Gas Recovered Through Rates	297,828.86	
L3	Under/(Over) Recovery	(86,414.87)	
L4	Interest on Average Monthly Balance	(1,755.61)	
L5	ACA Refunds (7/01 to 6/02)	(7,337.97)	
L6	Beginning Balance @ 6/30/01	15,130.16	
L7	Balance @ 6/30/02 (L3+L4-L5+L6)	(65,702.35)	
L8	Sales volumes		
L9	(Projected sales 12 months ending 6/30/03)	54,753	MCF
L10	ACA Factor (L7/L8)	(1.2000)	Per MCF