

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



November 24, 2003

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460 James Robertson Parkway
Nashville, Tennessee 37243-0505
T.R.A. DOCKET ROOM

MEMORANDUM

To: Sharla Dillon
Dockets

From: Pat Murphy *PM*
Energy and Water Division

Subject: Request for Docket Number
Counce Natural Gas Company

DOCKET NO.
03-00613

Our division is currently auditing Counce Natural Gas Company's Actual Cost Adjustment filing for the year ended September 30, 2003. 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: Hal Novak

PM03-445 couaca (docket no)

COUNCE NATURAL GAS COMPANY

Actual Cost Adjustment

10/1/02 - 9/30/03

Interest Calculation

Line No.	Month (a)	Beginning Balance (b)	Costs (c)	Recoveries (d)	Ending Balance (Before Int.) (e)	Average Monthly Balance (f)	Interest (g)	Ending Balance With Interest (h)
1	Oct-01	(16,445.50)	5,384.75	3,868.02	(14,928.77)	(15,687.14)	(62.09)	(14,990.86)
2	Nov-01	(14,990.86)	13,875.40	10,911.51	(12,026.97)	(13,508.92)	(53.47)	(12,080.45)
3	Dec-01	(12,080.45)	20,688.15	19,155.42	(10,547.72)	(11,314.08)	(44.78)	(10,592.50)
4	Jan-02	(10,592.50)	28,143.50	26,696.52	(9,145.52)	(9,869.01)	(38.00)	(9,183.52)
5	Feb-02	(9,183.52)	21,396.20	19,319.58	(7,106.90)	(8,145.21)	(31.36)	(7,138.26)
6	Mar-02	(7,138.26)	19,693.71	18,535.65	(5,980.20)	(6,559.23)	(25.25)	(6,005.45)
7	Apr-02	(6,005.45)	6,153.19	6,151.25	(6,003.51)	(6,004.48)	(21.27)	(6,024.78)
8	May-02	(6,024.78)	4,408.02	3,667.44	(5,284.20)	(5,654.49)	(20.03)	(5,304.22)
9	Jun-02	(5,304.22)	4,339.20	3,677.22	(4,642.24)	(4,973.23)	(17.61)	(4,659.86)
10	Jul-02	(4,659.86)	3,725.20	3,616.70	(4,551.36)	(4,605.61)	(16.31)	(4,567.67)
11	Aug-02	(4,567.67)	3,565.35	3,255.03	(4,257.35)	(4,412.51)	(15.63)	(4,272.98)
12	Sep-02	(4,272.98)	4,149.15	3,978.37	(4,102.20)	(4,187.59)	(14.83)	(4,117.03)
13			<u>135,521.82</u>	<u>122,832.71</u>			<u>(360.64)</u>	

A/ Interest rates for the audit period are as follows:

4th Quarter 2002	4 75%	Enter appropriate years on lines provided.
1st Quarter 2003	4 62%	Enter correct interest rates for the quarters in the shaded cells.
2nd Quarter 2003	4 25%	Interest rates are provided by the TRA in a letter each quarter.
3rd Quarter 2003	4 25%	

COUNCE NATURAL GAS COMPANY
Actual Cost Adjustment
10/1/02 - 9/30/03

Line No.	Month (a)	Beginning Balance (b)	Invoiced Gas Costs		Recoveries								Ending Balance (i)
			Dkt (c)	Costs (d)	Sales (Mcf) (e)	ACA Factor (f)	ACA Recoveries (g)	Sales (Mcf) (h)	PGA Factor (i)	PGA Recoveries (j)	Total Recoveries (k)		
1	Oct-01	(16,445 50)	905	5,384 75	754	(0 8200)	(618 28)	754	5 9500	4,486 30	3,868 02	(14,928 77)	
2	Nov-01	(14,928 77)	2,332	13,875 40	2,127	(0 8200)	(1,744 14)	2,127	5 9500	12,655 65	10,911 51	(11,964 88)	
3	Dec-01	(11,964 88)	3,477	20,688 15	3,734	(0 8200)	(3,061 88)	3,734	5 9500	22,217 30	19,155 42	(10,432 15)	
4	Jan-02	(10,432 15)	4,730	28,143 50	5,204	(0 8200)	(4,267 28)	5,204	5 9500	30,963 80	26,696 52	(8,985 17)	
5	Feb-02	(8,985 17)	3,596	21,396 20	3,766	(0 8200)	(3,088 12)	3,766	5 9500	22,407 70	19,319 58	(6,908 55)	
6	Mar-02	(6,908 55)	2,028	19,693 71	2,085	(0 8200)	(1,709 70)	2,085	9 7100	20,245 35	18,535 65	(5,750 49)	
7	Apr-02	(5,750 49)	1,105	6,153 19	1,295	(0 8200)	(1,061 90)	1,295	5 5700	7,213 15	6,151 25	(5,748 55)	
8	May-02	(5,748 55)	796	4,408 02	777	(0 8200)	(637 14)	777	5 5400	4,304 58	3,667 44	(5,007 97)	
9	Jun-02	(5,007 97)	678	4,339 20	659	(0 8200)	(540 38)	659	6 4000	4,217 60	3,677 22	(4,345 99)	
10	Jul-02	(4,345 99)	536	3,725 20	590	(0 8200)	(483 80)	590	6 9500	4,100 50	3,616 70	(4,237 49)	
11	Aug-02	(4,237 49)	513	3,565 35	531	(0 8200)	(435 42)	531	6 9500	3,690 45	3,255 03	(3,927 17)	
12	Sep-02	(3,927 17)	597	4,149 15	649	(0 8200)	(532 18)	649	6 9500	4,510 55	3,978 37	(3,756 39)	
			21,293	135,521 82	22,171		(18,180 22)	22,171		141,012 93	122,832 71		

13	Invoiced Gas Costs (10/1/01 - 9/30/02)	135,521 82
14	Gas Cost Recovered (10/1/01 - 9/30/02)	141,012 93
15	Under/(Over) Recovery	(5,491 11)
16	ACA Surcharges/(Refunds) (10/1/01 - 9/30/02)	(18,180 22)
17	Interest	(360 64)
18	Beginning Balance at 9/30/01	(16,445 50)
19	ACA BALANCE INCLUDING INTEREST at 9/30/02 (line 15 - line 16 + line 17 + line 18)	(4,117 03)
17	Prior 12 months sales (Oct 2001 - Sept 2002)	22,171
18	ACA FACTOR (line 16 / line 17)	(0 1857)