

TENNESSEE REGULATORY AUTHORITY

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



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 18, 2004

MEMORANDUM

To: Sharla Dillon
Dockets

From: Pat Murphy, Manager *PM*
Energy and Water
Utilities Division

Subject: Request for Docket Number
Counce Natural Gas Company

04-00359

On October 13, 2004, we received Counce Natural Gas Company's Actual Cost Adjustment (ACA) filing for the twelve months ended September 30, 2004. This filing will be audited by the Energy and Water Staff. 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. Darlene Standley
David Foster

PM04-7 couaca

10/1/03 - 9/30/04

Line No	Month (a)	Beginning Balance (b)	Invoiced Gas Costs		Recoveries							Ending Balance (l)
			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 03	(3 927 17)	1 120	7 784 00	1 068	(0 1653)	(176 54)	1 068	6 9500	7 422 60	7 246 06	(3 389 23)
2	Nov-03	(3 389 23)	1 778	12 357 10	1 442	(0 1653)	(238 36)	1 442	6 9500	10 021 90	9 783 54	(815 67)
3	Dec-03	(815 67)	3 685	25 610 75	3 752	(0 1653)	(620 21)	3 752	6 9500	26 076 40	25 456 19	(661 11)
4	Jan-04	(661 11)	3 954	27 480 30	3 679	(0 1653)	(608 14)	3 679	6 9500	25 569 05	24 960 91	1 858 28
5	Feb-04	1 858 28	3 587	24 929 65	3 347	(0 1653)	(553 26)	3 347	6 9500	23 261 65	22 708 39	4 079 54
6	Mar-04	4 079 54	1 896	13 177 20	1 916	(0 1653)	(316 71)	1,916	6 9500	13 316 20	12 999 49	4 257 25
7	Apr-04	4 257 25	1 427	9 917 65	1 435	(0 1653)	(237 21)	1,435	6 9500	9 973 25	9 736 04	4 438 86
8	May-04	4 438 86	791	5 497 45	710	(0 1653)	(117 36)	710	6 9500	4 934 50	4 817 14	5 119 17
9	Jun-04	5 119 17	589	4 093 55	689	(0 1653)	(113 89)	689	6 9500	4 788 55	4 674 66	4 538 06
10	Jul-04	4 538 06	677	4 749 16	528	(0 1653)	(87 28)	528	7 0100	3 701 28	3 614 00	5 673 22
11	Aug 04	5 673 22	561	3 927 00	724	(0 1653)	(119 68)	724	7 0000	5 088 00	4 948 32	4 651 90
12	Sep-04	4 651 90	544	3 808 00	585	(0 1653)	(96 70)	585	7 0000	4 095 00	3 998 30	4,461 60
			<u>20,609</u>	<u>143 331 81</u>	<u>19 875</u>		<u>(3,285 34)</u>	<u>19,875</u>		<u>138,228 38</u>	<u>134 943 04</u>	
13	Invoiced Gas Costs (10/1/03 - 9/30/04)				143 331 81							
14	Gas Cost Recovered (10/1/03 - 9/30/04)				<u>138,228 38</u>							
15	Under/(Over) Recovery				5 103 43							
16	ACA Surcharges/(Refunds) (10/1/03 - 9/30/04)				(3 285 34)							
17	Interest				100 65							
18	Beginning Balance at 9/30/03				<u>(3,927 17)</u>							
19	ACA BALANCE INCLUDING INTEREST at 9/30/03 (line15 - line16+line 17 + line 18)				4 562 25							
17	Prior 12 months sales (Oct 2002 - Sept 2003)				19 875							
18	ACA FACTOR (line 16/line 17)				<u>0 2295</u>							

COUNCE NATURAL GAS COMPANY

Actual Cost Adjustment

10/1/03 - 9/30/04

Interest Calculation

Line No	Month (a)	Beginning Balance (b)	Costs (c)	Recoveries (d)	Ending Balance (Before Int) (e)	Average Monthly Balance (f)	Interest (g)	A/	Ending Balance With Interest (h)
1	Oct-03	(3,927 17)	7,784 00	7,246 06	(3,389 23)	(3,658 20)	(12 19)		(3,401 42)
2	Nov-03	(3,401 42)	12,357 10	9,783 54	(827 86)	(2,114 64)	(7 05)		(834 91)
3	Dec-03	(834 91)	25,610 75	25,456 19	(680 35)	(757 63)	(2 53)		(682 88)
4	Jan-04	(682 88)	27,480 30	24,960 91	1,836 51	576 82	1 92		1,838 43
5	Feb-04	1,838 43	24,929 65	22,708 39	4,059 69	2,949 06	9 83		4,069 52
6	Mar-04	4,069 52	13,177 20	12,999 49	4,247 23	4,158 38	13 86		4,261 10
7	Apr-04	4,261 10	9,917 65	9,736 04	4,442 71	4,351 90	14 51		4,457 21
8	May-04	4,457 21	5,497 45	4,817 14	5,137 52	4,797 37	15 99		5,153 51
9	Jun-04	5,153 51	4,093 55	4,674 66	4,572 40	4,862 96	16 21		4,588 61
10	Jul-04	4,588 61	4,749 16	3,614 00	5,723 77	5,156 19	17 19		5,740 96
11	Aug-04	5,740 96	3,927 00	4,948 32	4,719 64	5,230 30	17 43		4,737 08
12	Sep-04	4,737 08	<u>3,808 00</u>	<u>3,998 30</u>	4,546 78	4,641 93	<u>15 47</u>		4,562 25
13			<u>143,331 81</u>	<u>134,943 04</u>			<u>100 65</u>		

A/ Interest rates for the audit period are as follows

4th Quarter	<u>2003</u>	4 00%
1st Quarter	<u>2004</u>	4 00%
2nd Quarter	<u>2004</u>	4 00%
3rd Quarter	<u>2004</u>	4 00%