

Counce Natural Gas Corporation

359 Hwy 72

Burnsville, MS 38833

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November 2, 2012

Chairman Kenneth C. Hill
C/O Sharla Dillon, Docket Room
Tennessee Regulatory Authority
460 James Robertson Pkwy.
Nashville, TN 37243-0505

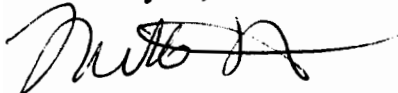
12-00139

Re: Counce Natural Gas Company's Actual Cost Adjustment Account
filing for the period October 1, 2011-September 30, 2012.

Chairman Hill:

Please find enclosed the ACA for Counce Natural Gas Corporation.

Thank you,



Mike Horton, President

COUNCE NATURAL GAS COMPANY

Actual Cost Adjustment

10/01/11-9/30/12

Update Year Update Rates

4th Qtr. 2008 3.25%

1st Qtr. 2009 3.25%

2nd Qtr. 2009 3.25%

3rd Qtr. 2009 3.25%

NOTE: Beginning balance for October must equal audited ending balance for September.

Line No.	Enter Mo.	Formulas		Formulas				Formulas		Formulas		Formulas		Formulas		Formulas	
		Beginning Balance (b)	Invoiced Gas Costs Dkt (c)	ACA Costs (d)	Sales (McF) (e)	ACA Factor (f)	ACA Recoveries (g)	Sales (McF) (h)	PGA Factor (i)	PGA Recoveries (j)	Total Recoveries (k)	Ending Balance (before Int.) (l)	Interest (m)	Ending Balance (including Int.) (n)			
1	Oct-11	12,903.48	1,179	7,105.78	1,064	0.4000	425.60	1,064	6.0900	6,479.76	6,905.36	13,103.90	35.22	13,139.12			
2	Nov-11	13,139.12	1,668	10,079.58	1,466	0.4000	566.40	1,466	6.0900	8,927.94	9,514.34	13,704.36	36.35	13,740.71			
3	Dec-11	13,740.71	2,482	14,995.56	2,352	0.4000	940.80	2,352	6.0900	14,323.68	15,264.48	13,471.79	36.85	13,508.64			
4	Jan-12	13,508.64	2,658	15,825.23	2,655	0.4000	1,062.00	2,655	6.0900	16,168.95	17,230.95	12,102.92	34.68	12,137.60			
5	Feb-12	12,137.60	2,492	14,836.92	2,444	0.4000	977.60	2,444	6.0900	14,883.96	15,861.56	11,112.96	31.49	11,144.45			
6	Mar-12	11,144.45	1,228	7,311.18	1,161	0.4000	464.40	1,161	6.0900	7,070.49	7,534.89	10,920.74	29.88	10,950.62			
7	Apr-12	10,950.62	946	5,631.86	915	0.4000	366.00	915	6.0900	5,572.35	5,938.35	10,644.13	29.24	10,673.37			
8	May-12	10,673.37	686	4,084.01	740	0.4000	296.00	740	6.0900	4,506.60	4,802.60	9,954.78	27.93	9,982.71			
9	Jun-12	9,982.71	602	3,584.07	622	0.4000	248.80	622	6.0900	3,787.98	4,036.78	9,530.00	26.42	9,556.43			
10	Jul-12	9,556.43	569	3,397.39	617	0.4000	246.80	617	6.0900	3,757.53	4,004.33	8,949.49	25.06	8,974.55			
11	Aug-12	8,974.55	639	3,804.24	659	0.4000	263.60	659	6.0900	4,013.31	4,276.91	8,501.88	23.67	8,525.54			
12	Sep-12	8,525.54	691	2,752.94	716	0.7100	508.36	716	4.0300	2,885.48	3,393.84	7,884.64	22.22	7,906.87			
Formulas		15,840	93,408.76	15,411	6,386.36	15,411	92,378.03	98,764.39	359.02	7,906.87	Ending Bal. in ACA Acct.						

CHECK NUMBERS

13	Invoked Gas Costs (10/1/07 - 9/30/08)	93,408.76
14	Gas Cost Recovered (10/1/07 - 9/30/08)	92,378.03
15	Under/(Over) Recovery	1,030.73
16	ACA Surcharges/(Refunds) (10/1/07 - 9/30/08)	6,386.36
17	Interest	359.02
18	Beginning Balance at 9/30/07	12,903.48
19	ACA BALANCE INCLUDING INTEREST at 9/30/07	7,906.87
	(line15 - line16+line 17 + line 18)	