Piedmont
Natural Gas
Company

Post Office Box 33068
Charlotte, North Carolina 28233

RECEIVED

FEB 04 1999

TN REGULATORY AUTHORITY
UTILITY RATE DIVISION

January 28, 1999

Mr. Hal Novak
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Dear Hal:

Enclosed for filing are three copies of a rate adjustment for Nashville Gas Company. The purpose of this filing is to distribute the Actual Cost Adjustment (ACA) account balances at December 31, 1998 to the various rate classes. As shown on the enclosed schedules, a credit balance of $6,115,394 existed in the ACA commodity account and a credit balance of $926,043 existed in the ACA demand account at the close of the review period ended December 31, 1998.

As discussed, the commodity balance allocated to Rate 3, Large General Service and Rate 4, Interruptible General Service customer classes will be distributed as a one-time bill credit. The bill credits will be calculated on the basis of each customer's actual consumption during the twelve-month ACA period. The remaining commodity balance will be distributed to residential and commercial customers through a rate decrement. The demand account balance will be distributed to all customers through a rate decrement.

It is requested that any necessary waivers be granted to permit this filing to become effective on March 1, 1999.

Sincerely,

Bill

Bill R. Morris
Director-Rates

Enclosure

Nashville Gas Company
ACA Filing
For the 12 Months Ended December 31, 1998

ACA BALANCE @ 12/31/98

Commodity:	**($6,115,394)**
Demand:	**(926,043)**

ALLOCATION TO RATE CLASSES:

Commodity:	ACA Balance	SALES (DTs)	PER DT AMOUNT
Allocation to Residential	($3,062,706)	8,469,458	($0.3616)
Allocation to Commercial	(2,255,364)	6,236,874	-0.3616
Allocation to Industrial Firm Sales	(584,818)	1,617,228	-0.3616
Allocation to Industrial Interruptible Sales	(199,860)	552,684	-0.3616
Allocation to Sales for Resale	(12,645)	34,969	-0.3616
Total	**($6,115,394)**	16,911,214	

Demand:

	Amount	%
Demand Cost Recovered From:		
Industrial Firm-Peak	$2,821,195	24.88%
Industrial-Volumetric	148,553	1.31%
Sales for Resale	148,116	1.31%
All Other Firm	8,219,827	72.50%
Total	$11,337,691	100.00%

	ACA Balance	DEMAND DTs	VOLUMES (DTs) *	DEMAND ADJUST.	VOLUMETRIC ADJUST.
Allocation to Industrial Firm-Peak	($230,430)	285,920		($0.80593)	
Allocation to Industrial-Volumetric	(12,134)		7,318,689		(0.0017)
Allocation to Sales for Resale	(12,098)	15,000		(0.80652)	
Allocation to All Other Firm	(671,381)		14,706,332		(0.0457)
Total	**($926,043)**				

* Excludes 4th Step Volumes

SUMMARY SHEET

Applicable to Base Rates of Docket 96-00977

Effective Date: March 1, 1999

Per Therm Adjustment

Description	Effective	Rate Sch. 1 Residential Demand	Rate Sch. 1 Residential Commodity	Rate Sch. 2 Sm. General Service Demand	Rate Sch. 2 Sm. General Service Commodity	Rate Sch. 3 Large General Service Demand: Demand (DT)	Rate Sch. 3 Large General Service Demand: Steps	Rate Sch. 3 Large General Service Commodity	Rate Sch. 4 Interruptible General Serv. Demand	Rate Sch. 4 Interruptible General Serv. Commodity
PGA	1-1-99	0.05886	0.23774	0.05336	0.23774	9.96962	Footnote A	0.23774	Footnote A	0.23774
REFUNDS	6-1-98		0.00000		0.00000	0.00000		0.00000		0.00000
ACA	3-1-99		-0.04073		-0.04073	-0.80593	-0.00017	0.00000	-0.00017	0.00000
IPA	11-1-98		0.00313		0.00313			0.00313		0.00313
ORDER 636	4-1-95		0.01665		0.01665			0.01665		0.01665
TOTAL ADJUSTMENT FACTOR		0.05886	0.21679	0.05336	0.21679	9.16369		0.25752		0.25752

Per Therm Adjustment

Description	Effective	Rate Sch. 7F Firm Transportation Service Demand: Demand (DT)	Rate Sch. 7F Firm Transportation Service Demand: Steps	Rate Sch. 7F Firm Transportation Service Commodity	Rate Sch. 7I Interruptible Transp. Serv. Demand	Rate Sch. 7I Interruptible Transp. Serv. Commodity	Rate Sch. 10 Sales For Resale Demand (DT)	Rate Sch. 10 Sales For Resale Commodity
PGA	1-1-99	9.96962	Footnote A		Footnote A		9.97667	0.23774
REFUNDS	6-1-98	0.00000					0.00000	0.00000
ACA	3-1-99	-0.80593	-0.00017		-0.00017		-0.80652	-0.03616
IPA	11-1-98							0.00313
ORDER 636	4-1-95			0.01665		0.00832		0.01665
TOTAL ADJUSTMENT FACTOR		9.16369		0.01665		0.00832	9.17015	0.22136

A/

	Demand Base	Adjustment 1-1-99	Total
1-1,500 DT	0.00394	-0.00097	0.00297
1,501-4,000 DT	0.00324	-0.00080	0.00244
4,001-9,000 DT	0.00228	-0.00056	0.00172
9,001 DT & Over	0.00000	0.00000	0.00000

NOTE: In accordance with the Tennessee Public Service Commission order in Docket No. U-7074, customers metered inside Davidson County are required to pay an additional 5.89% for collection of the Metro Franchise Fee. Customers served by the Fairview, Greenbrier, Hartsville, Mt. Juliet and White House systems are required to pay 5.0%. Customers served by the Franklin system are required to pay 3%. Commercial customers served by the Ashland City system are required to pay 5%.

PURCHASED GAS ADJUSTMENT

Applicable to Base Rates of Docket 96-00977

Effective Date: January 1, 1999

Per Therm Adjustment

Description	Effective	Rate Sch. 1 Residential Demand	Rate Sch. 1 Residential Commodity	Rate Sch. 2 Sm. General Service Demand	Rate Sch. 2 Sm. General Service Commodity	Rate Sch. 3 Large General Service Demand (DT)	Rate Sch. 3 Large General Service Demand Steps	Rate Sch. 3 Large General Service Commodity	Rate Sch. 4 Interruptible General Serv. Demand	Rate Sch. 4 Interruptible General Serv. Commodity
1 Base	1-1-97	0.07811	0.41537	0.07081	0.41537	13.22982		0.41537		0.41537
2	2-1-97	0.00169	-0.09426	0.00154	-0.09426	0.28693		-0.09426		-0.09426
3	3-1-97	0.00159	-0.08413	0.00143	-0.08413	0.26819		-0.08413		-0.08413
4	4-1-97	-0.02309	0.00133	-0.02092	0.00133	-3.90917		0.00133		0.00133
5	9-1-97	-0.00009	0.03264	-0.00009	0.03264	-0.01659		0.03264		0.03264
6	11-1-97	-0.00069	0.03835	-0.00063	0.03835	-0.11679		0.03835		0.03835
7	2-1-98	0.00104	-0.06042	0.00095	-0.06042	0.17674		-0.06042		-0.06042
8	5-1-98	-0.00067	0.03983	-0.00060	0.03983	-0.11335		0.03983		0.03983
9	6-1-98	0.00046	-0.02508	0.00041	-0.02508	0.07734		-0.02508		-0.02508
10	11-1-98	-0.00025	0.01443	-0.00022	0.01443	-0.04080		0.01443		0.01443
11	1-1-99	0.00076	-0.04032	0.00068	-0.04032	0.12730		-0.04032		-0.04032
CUMULATIVE PGA		0.05886	0.23774	0.05336	0.23774	9.96962	Footnote A	0.23774	Footnote A	0.23774

Per Therm Adjustment

Description	Effective	Rate Sch. 7F Firm Transportation Service Demand (DT)	Rate Sch. 7F Firm Transportation Service Demand Steps	Rate Sch.7I Inter. Transp. Demand	Rate Sch. 10 Sales For Resale Demand (DT)	Rate Sch. 10 Sales For Resale Commodity
1 Base	1-1-97	13.22982			13.23920	0.41537
2	2-1-97	0.28693			0.28713	-0.09426
3	3-1-97	0.26819			0.26834	-0.08413
4	4-1-97	-3.90917			-3.91187	0.00133
5	9-1-97	-0.01659			-0.01660	0.03264
6	11-1-97	-0.11679			-0.11687	0.03835
7	2-1-98	0.17674			0.17680	-0.06042
8	5-1-98	-0.11335			-0.11340	0.03983
9	6-1-98	0.07734			0.07740	-0.02508
10	11-1-98	-0.04080			-0.04086	0.01443
11	1-1-99	0.12730			0.12740	-0.04032
CUMULATIVE PGA		9.96962	Footnote A	Footnote A	9.97667	0.23774

REFUND ADJUSTMENT

Applicable to Base Rates of Docket 96-00977

Effective Date: June 1, 1998

Per Therm Adjustment

Description	Effective	Rate Sch. 1 Residential	Rate Sch. 2 Small Gen. Serv.	Rate Sch. 3 Large General Service Demand: Demand (DT)	Rate Sch. 3 Large General Service Demand: Steps	Rate Sch. 3 Large General Service Commodity	Rate Sch. 7F Firm Transportation Service Demand: Demand (DT)	Rate Sch. 7F Firm Transportation Service Demand: Steps	Rate Sch. 4 Interruptible General Serv Demand	Rate Sch. 4 Interruptible General Serv Commodity	Rate Sch.7I Inter. Transp. Demand	Rate Sch. 10 Sales For Resale Demand (DT)	Rate Sch. 10 Sales For Resale Commodity
1	5-1-97	-0.02596	-0.02596	-3.2691		-0.00051	-3.2691			-0.00051		-2.91543	-0.00051
2	6-1-98	0.02596	0.02596	3.2691		0.00051	3.2691			0.00051		2.91543	0.00051
TOTAL REFUND FACTOR		0.00000	0.00000	0.00000		0.00000	0.00000			0.00000		0.00000	0.00000

ACTUAL COST ADJUSTMENT

Applicable to Base Rates of Docket 96-00977

Effective Date: March 1, 1999

Per Therm Adjustment

Description	Effective	Rate Sch. 1 Residential	Rate Sch. 2 Small Gen. Serv.	Rate Sch. 3 Large General Service Demand Demand (DT)	Rate Sch. 3 Large General Service Demand Steps	Rate Sch. 3 Large General Service Commodity	Rate Sch. 7F Firm Transportation Service Demand Demand (DT)	Rate Sch. 7F Firm Transportation Service Demand Steps	Rate Sch. 4 Interruptible General Serv. Demand	Rate Sch. 4 Interruptible General Serv. Commodity	Rate Sch.7I Inter. Transp. Demand	Rate Sch. 10 Sales For Resale Demand (DT)	Rate Sch. 10 Sales For Resale Commodity
1	3-1-94	-0.00463	-0.00463	0.91825		-0.01198	0.91825			-0.01198		0.91825	-0.01198
2	3-1-95	0.00463	0.00463	-0.91825		0.01198	-0.91825			0.01198		-0.91825	0.01198
3	3-1-95	-0.02721	-0.02721	0.36260		-0.03011	0.36260			-0.03011		0.36260	-0.03011
4	12-1-95	0.00000	0.00000	0.00000		0.03011	0.00000			0.03011		0.00000	0.03011
5	3-1-96	0.02721	0.02721	-0.36260		0.00000	-0.36260			0.00000		-0.36260	0.00000
6	3-1-96	-0.02230	-0.02230	-0.13280		-0.02124	-0.13280			-0.02124		-0.13280	-0.02124
7	3-1-97	0.02230	0.02230	0.13280		0.02124	0.13280			0.02124		0.13280	0.02124
8	5-1-97	0.01971	0.01971	-1.12321		0.02845	-1.12321			0.02845		-1.00169	0.02845
9	3-1-98	-0.01971	-0.01971	1.12321		-0.02845	1.12321			-0.02845		1.00169	-0.02845
10	3-1-98	0.00346	0.00346	-3.18513	-0.00078	0.02112	-3.18513	-0.00078	-0.00078	0.02112	-0.00078	-2.96055	0.02112
11	3-1-99	-0.00346	-0.00346	3.18513	0.00078	-0.02112	3.18513	0.00078	0.00078	-0.02112	0.00078	2.96055	-0.02112
12	3-1-99	-0.04073	-0.04073	-0.80593	-0.00017	0.00000	-0.80593	-0.00017	-0.00017	-0.03616	-0.00017	-0.80652	-0.03616
TOTAL ACA FACTOR		-0.04073	-0.04073	-0.80593	-0.00017	0.00000	-0.80593	-0.00017	-0.00017	-0.03616	-0.00017	-0.80652	-0.03616

INCENTIVE PLAN ACCOUNT ADJUSTMENT

Applicable to Base Rates of Docket 96-00977

Effective Date: November 1, 1998

Per Therm Adjustment

Description	Effective	**Rate Sch. 1** Residential	**Rate Sch. 2** Small Gen. Serv.	**Rate Sch. 3** Large General Service — Demand — Demand (DT)	**Rate Sch. 3** Large General Service — Demand — Steps	**Rate Sch. 3** Large General Service — Commodity	**Rate Sch. 7F** Firm Transportation Service — Demand — Demand (DT)	**Rate Sch. 7F** Firm Transportation Service — Demand — Steps	**Rate Sch. 4** Interruptible General Serv. — Demand	**Rate Sch. 4** Interruptible General Serv. — Commodity	**Rate Sch.7I** Inter. Trans Demand	**Rate Sch. 10** Sales For Resale — Demand (DT)	**Rate Sch. 10** Sales For Resale — Commodity
1	11-1-97	0.00234	0.00234			0.00234				0.00234			0.00234
2	11-1-98	-0.00234	-0.00234			-0.00234				-0.00234			-0.00234
3	11-1-98	0.00313	0.00313			0.00313				0.00313			0.00313
TOTAL IPA FACTOR		0.00313	0.00313			0.00313				0.00313			0.00313

PIEDMONT NATURAL GAS COMPANY
Nashville Gas Division
Billing Rates Effective: March 1, 1999

Rate Schedule	Rate Code	Description	Tariff Rate Approved In Docket No. 96-00977 <1>	--------Cumulative PGA---------- Demand <2>	Commodity <3>	Current Refund <4>	Current ACA <5>	Current IPA <6>	Order 636 <7>	Total Adj. Factor (Sum Col.2 thru Col.7) <8>	Billing Rate (Col.1+Col.8) <9>
No. 1		Customer Charge	$7.00								$7.00
Residential	311	Nov.- Mar. per TH	0.29884	0.05886	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27565	0.57449
	311	Apr.- Oct. per TH	0.26255	0.05886	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27565	0.53820
	312	A/C Usage-Jun thru Oct over 50 TH/TH	0.22255	0.05886	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27565	0.49820
No. 2		Customer Charge	20.00								20.00
Small	321	Nov.- Mar. per TH	0.32596	0.05336	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27015	0.59611
General	321	Apr.- Oct. per TH	0.28827	0.05336	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27015	0.55842
Service	322	A/C Usage-Jun thru Oct over 500 TH/TH	0.24827	0.05336	0.23774	0.00000	-0.04073	0.00313	0.01665	0.27015	0.51842
No. 3		Peak Demand (Per DT)	4.56780	9.96962		0.00000	-0.80593			9.16369	13.73149
Firm	331	First 15,000 TH/TH	0.08034	0.00297	0.23774	0.00000	-0.00017	0.00313	0.01665	0.26032	0.34066
Industrial		Next 25,000 TH/TH	0.07382	0.00244	0.23774	0.00000	-0.00017	0.00313	0.01665	0.25979	0.33361
		Next 50,000 TH/TH	0.05319	0.00172	0.23774	0.00000	-0.00017	0.00313	0.01665	0.25907	0.31226
		Over 90,000 TH/TH	0.02280	0.00000	0.23774	0.00000	0.00000	0.00313	0.01665	0.25752	0.28032
No. 4		Customer Charge	200.00								200.00
Interruptible	341	First 15,000 TH/TH	0.08034	0.00297	0.23774	0.00000	-0.00017	0.00313	0.01665	0.26032	0.34066
Industrial		Next 25,000 TH/TH	0.07382	0.00244	0.23774	0.00000	-0.00017	0.00313	0.01665	0.25979	0.33361
		Next 50,000 TH/TH	0.05319	0.00172	0.23774	0.00000	-0.00017	0.00313	0.01665	0.25907	0.31226
		Over 90,000 TH/TH	0.02280	0.00000	0.23774	0.00000	0.00000	0.00313	0.01665	0.25752	0.28032
No. 7F		Customer Charge	75.00								75.00
Firm		Peak Demand (Per DT)	4.56780	9.96962		0.00000	-0.80593			9.16369	13.73149
Transportation	371	First 15,000 TH/TH	0.08034	0.00297			-0.00017	0.00000	0.01665	0.01945	0.09979
		Next 25,000 TH/TH	0.07382	0.00244			-0.00017	0.00000	0.01665	0.01892	0.09274
		Next 50,000 TH/TH	0.05319	0.00172			-0.00017	0.00000	0.01665	0.01820	0.07139
		Over 90,000 TH/TH	0.02280	0.00000			0.00000	0.00000	0.01665	0.01665	0.03945
No. 7I		Customer Charge	275.00								275.00
Interruptible	372	First 15,000 TH/TH	0.08034	0.00297			-0.00017	0.00000	0.00832	0.01112	0.09146
Transportation		Next 25,000 TH/TH	0.07382	0.00244			-0.00017	0.00000	0.00832	0.01059	0.08441
		Next 50,000 TH/TH	0.05319	0.00172			-0.00017	0.00000	0.00832	0.00987	0.06306
		Over 90,000 TH/TH	0.02280	0.00000			0.00000	0.00000	0.00832	0.00832	0.03112
No. 10		Demand per DT	0.98940	9.97667		0.00000	-0.80652			9.17015	10.15955
Resale Service	381	Commodity Charge	0.04949		0.23774	0.00000	-0.03616	0.00313	0.01665	0.22136	0.27085

NOTE: In accordance with the Tennessee Public Service Commission order in Docket U-7074 customers metered inside Davidson County are required to pay an additional 5.89% for collection of the Metro Franchise Fee. Customers served by the Fairview, Greenbrier, Hartsville, Mt. Juliet and White House systems are required to pay 5.0%. Customers served by the Franklin system are required to pay 3%. Commercial customers on the Ashland City system are required to pay 5%.

PIEDMONT NATURAL GAS COMPANY, INC.
NASHVILLE GAS COMPANY DIVISION
ANALYSIS - ACCOUNT 186.50
ACA - NASHVILLE
X:\FIN\RATES\BOGGSAN\LOTUS\TNREGACT\TNACA\1997\ACAF97.WK4

DEMAND DR/(CR)	JANUARY 1998	FEBRUARY 1998	MARCH 1998	APRIL 1998	MAY 1998	JUNE 1998	JULY 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998
BEGINNING BALANCE	(3,984,064.55)	(4,702,179.46)	(5,306,027.71)	(5,474,257.42)	(5,276,337.52)	(4,763,078.62)	(4,066,503.26)	(3,409,114.79)	(2,706,068.82)	(1,998,184.05)	(1,312,059.01)	(799,412.06)
A/P ACCRUAL	1,199,267.62	1,206,154.05	1,196,733.85	1,234,104.26	1,205,263.78	1,276,125.62	1,206,154.58	1,237,650.06	1,243,705.73	1,274,211.59	1,278,428.78	1,317,996.26
LESS:												
GSR/ORDER 636 TRANSFER	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)	(211,900.00)
COST RECOVERY	(1,995,258.23)	(1,802,647.43)	(1,581,626.07)	(1,042,474.06)	(645,537.50)	(485,475.55)	(448,294.59)	(434,655.12)	(443,594.97)	(470,214.04)	(780,806.10)	(1,614,638.41)
PLUS:												
TRANSFER ORDER 636 REC.												
ACA (SURCHARGE)/REFUND	300,867.67	265,606.37	474,439.44	313,870.35	200,863.40	148,986.37	137,811.18	133,532.54	136,276.11	143,818.95	237,278.23	361,876.31
OTHER ADJUSTMENTS:	19,563.24	(25,740.60)	(7,831.50)	(57,740.00)						(38,109.06)	(2,902.22)	26,123.96
	(4,671,524.25)	(5,270,707.07)	(5,436,211.99)	(5,238,396.87)	(4,727,647.84)	(4,035,342.18)	(3,382,732.09)	(2,684,487.31)	(1,981,581.95)	(1,300,376.61)	(791,960.32)	(919,953.94)
INTEREST	(30,655.21)	(35,320.64)	(38,045.43)	(37,940.65)	(35,430.78)	(31,161.07)	(26,382.71)	(21,581.51)	(16,602.10)	(11,682.40)	(7,451.74)	(6,089.42)
ENDING BALANCE-DEMAND	(4,702,179.46)	(5,306,027.71)	(5,474,257.42)	(5,276,337.52)	(4,763,078.62)	(4,066,503.26)	(3,409,114.79)	(2,706,068.82)	(1,998,184.05)	(1,312,059.01)	(799,412.06)	(926,043.36)
ENDING BALANCE-COMMODITY	2,688,992.86	(1,757,452.33)	(2,319,614.25)	(2,529,767.55)	(2,151,876.87)	(2,143,708.73)	(2,735,065.81)	(3,205,364.19)	(3,750,201.25)	(4,300,271.50)	(5,311,983.86) **	(6,115,393.31)