TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 15, 1999

MEMORANDUM

TO: Debra Webb
Dockets

FROM: Pat Murphy PM
Energy and Water Division

SUBJECT: United Cities Gas Company
Request for Docket Number 99-00700

Our division is currently auditing United Cities Gas Company's Deferred Gas Cost Account for the period of July 1, 1998, through June 30, 1999. Accordingly, a copy of the Company's ACA filing is attached. We, therefore, respectfully request that a docket number for this audit be assigned.

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.

Attachment

c: Mike Horne
Betty Patton

pm99-55

FILE

UNITED CITIES GAS COMPANY
CALCULATION OF ACA FACTOR
ALL TOWNS OTHER THAN UNION CITY

1.	Previous Year's Demand Cost Balance	($2,426,124.17)
2.	Current Year's Demand Cost (Exhibit II-A)	$18,844,234.05
3.	Demand Cost Recovered (Exhibits II-B through II-D)	$15,303,326.64
4.	Demand Under/(Over)-Recovery	$1,114,783.24
5.	Previous Year's Commodity Cost Balance	$28,140.36
6.	Current Year's Commodity Cost (Exhibit II-A)	$36,454,766.89
7.	Interest on Account Balance	$17,436.19
8.	Commodity Cost Recovered (Exhibits II-B through II-D)	$35,794,866.23
9.	Commodity Under/(Over)-Recovery	$705,477.21
10.	Firm Sales	114,000,868
11.	Demand ACA	$0.0098
12.	Total Sales	152,029,464
13.	Commodity ACA	$0.0046
14.	Total ACA Applicable to Firm Customers	$0.0144
15.	Total ACA Applicable to Optional Customers	$0.0046

UNITED CITIES GAS COMPANY
GAS PURCHASES
JULY 1998 THROUGH JUNE 1999

		EAST TENNESSEE	TEXAS EASTERN	COLUMBIA GULF	NYMEX	WEIGHTED COST OF GAS
JULY	1998	452,277	158,002	50,996	$2.4800	$1,639,960.77
AUGUST	1998	473,959	244,471	54,761	$2.4850	$1,921,379.70
SEPTEMBER	1998	480,470	204,795	44,843	$2.9120	$2,126,073.98
OCTOBER	1998	719,857	264,129	71,212	$2.9690	$3,132,882.86
NOVEMBER	1998	1,068,656	182,549	196,540	$3.0700	$4,444,578.52
DECEMBER	1998	1,433,666	344,375	355,411	$3.1710	$6,765,175.40
JANUARY	1999	1,648,352	279,559	294,289	$3.1880	$7,084,374.92
FEBRUARY	1999	1,440,563	165,614	173,876	$2.9880	$5,318,798.49
MARCH	1999	1,534,423	335,013	353,961	$2.7900	$6,203,277.74
APRIL	1999	747,082	170,224	0	$2.5900	$2,375,822.05
MAY	1999	582,399	81,356	151,084	$2.5030	$2,039,541.02
JUNE	1999	505,925	51,963	119,767	$2.4800	$1,680,583.85
		11,087,628	2,482,050	1,866,740	$3.0334	$44,732,449.30

UNITED CITIES GAS COMPANY
GAS SALES
JULY 1998 THROUGH JUNE 1999

		FIRM	TOTAL	LESS SPECIAL CONTRACT FIRM	NET FIRM	NET TOTAL
JULY	1998	3,267,954	5,753,668	0	3,267,954	5,753,668
AUGUST	1998	4,105,940	7,031,160	0	4,105,940	7,031,160
SEPTEMBER	1998	3,306,965	5,895,086	0	3,306,965	5,895,086
OCTOBER	1998	4,078,861	7,594,213	0	4,078,861	7,594,213
NOVEMBER	1998	8,491,431	12,632,172	0	8,491,431	12,632,172
DECEMBER	1998	14,423,051	18,252,428	0	14,423,051	18,252,428
JANUARY	1999	23,413,062	27,360,865	0	23,413,062	27,360,865
FEBRUARY	1999	15,187,147	18,999,145	0	15,187,147	18,999,145
MARCH	1999	18,135,359	22,539,561	0	18,135,359	22,539,561
APRIL	1999	11,317,183	14,189,562	0	11,317,183	14,189,562
MAY	1999	5,092,321	7,733,228	0	5,092,321	7,733,228
JUNE	1999	3,205,360	5,009,766	0	3,205,360	5,009,766
		114,024,634	152,990,854	0	114,024,634	152,990,854

UNITED CITIES GAS COMPANY
PURCHASED GAS ADJUSTMENT
ALL TENNESSEE TOWNS OTHER THAN UNION CITY

EFFECTIVE DATE: OCTOBER 1, 1999

SHEET NO.	EFFECTIVE	CCF ADJUSTMENT FIRM	CCF ADJUSTMENT OPTIONAL
CUMULATIVE PGA 1990		$0.1086	$0.0511
CUMULATIVE PGA 1991		$0.0142	($0.0040)
CUMULATIVE PGA 1992		$0.0759	$0.0077
CUMULATIVE PGA 1993		($0.1139)	($0.0985)
CUMULATIVE PGA 1994		($0.0895)	$0.0091
CUMULATIVE PGA 1995		$0.3593	$0.2161
CUMULATIVE PGA 1996		$0.1028	$0.1204
CUMULATIVE PGA 1997		$0.0686	$0.0679
CUMULATIVE PGA 1998		($0.1587)	($0.1277)
7TH REVISED	MARCH 1, 1999	($0.0191)	($0.0300)
8TH REVISED	APRIL 1, 1999	($0.0036)	($0.0010)
9TH REVISED	JULY 1, 1999	0.0440	0.0419
10TH REVISED	OCTOBER 1, 1999	0.0967	0.0609
TOTAL PGA FACTOR		$0.4853	$0.3139

UNITED CITIES GAS COMPANY
REFUND ADJUSTMENTS AND SURCHARGES
ALL TENNESSEE TOWNS OTHER THAN UNION CITY

EFFECTIVE DATE: OCTOBER 1, 1999

			CCF ADJUSTMENT	
SHEET NO.	DESCRIPTION	EFFECTIVE	FIRM	OPTIONAL
3RD REVISED	SAM	APRIL 1, 1998	EXPIRED APRIL 1, 1999	
8TH REVISED	SAM	APRIL 1, 1999	($0.0020)	($0.0020)
TOTAL REFUND FACTORS			($0.0020)	($0.0020)

UNITED CITIES GAS COMPANY
ACTUAL GAS COST
ALL TOWNS OTHER THAN UNION CITY
JULY, 1998 THRU JUNE, 1999

	ETN, TGP, COL GULF & SOUTHERN DEMAND	ETN, TGP, COL GULF & SOUTHERN COMMODITY	TX EASTERN DEMAND	TX EASTERN COMMODITY	SUBTOTAL	ETN AND TETCO SPOT MARKET INVOICED COST	NORA AND COL GULF DEMAND	COL GULF GAS SALES	COL GULF TRANSPORT CHARGES	SUBTOTAL
ADJUSTMENTS					$0.00					$0.00
JULY, 1998	$1,138,165.26	$35,263.84	$262,134.74	$19,289.02	$1,454,852.87	$2,429,525.39	$79,366.76	$146,337.86	$4,472.78	$2,659,702.79
AUGUST	$1,145,087.21	$50,698.02	$261,682.92	$19,951.00	$1,477,419.14	$2,023,968.35	$79,366.77	$69,301.76	$2,645.33	$2,175,282.21
SEPTEMBER	$1,145,087.21	$35,507.24	$261,682.34	$17,731.44	$1,460,008.23	$968,666.01	$79,366.77	$68,789.16	$2,940.85	$1,119,762.78
OCTOBER	$1,145,087.21	$50,200.69	$261,699.43	$20,260.31	$1,477,247.63	$1,985,400.16	$79,366.76	$138,649.76	$4,670.13	$2,208,086.81
NOVEMBER	$1,268,901.09	$67,759.48	$261,552.72	$25,396.37	$1,623,609.67	$2,526,545.73	$100,353.98	$430,056.80	$19,125.86	$3,076,082.37
DECEMBER	$2,044,739.18	$103,928.52	$261,489.57	$43,874.90	$2,454,032.16	$3,404,236.17	$87,746.48	$719,966.67	$35,131.71	$4,247,081.03
JANUARY, 1999	$1,548,938.23	$113,214.20	$256,887.42	$51,784.46	$1,970,824.31	$3,299,249.50	$85,872.98	$620,449.50	$31,718.14	$4,037,290.12
FEBRUARY	$1,610,106.60	$92,987.91	$256,395.62	$36,764.64	$1,996,254.77	$2,173,430.47	$84,614.48	$295,589.20	$42,638.60	$2,596,272.75
MARCH	$1,616,629.81	$96,323.30	$256,454.84	$37,271.50	$2,006,679.45	$1,956,160.73	$85,074.98	$545,807.86	$46,404.00	$2,633,447.56
APRIL	$1,156,660.21	$49,680.00	$256,503.74	$23,405.01	$1,486,248.96	$1,653,609.57	$78,981.15	$0.00	$0.00	$1,732,590.72
MAY	$1,217,596.28	$43,316.93	$256,670.63	$22,570.02	$1,540,153.86	$2,124,672.86	$78,981.15	$340,845.51	$723.50	$2,545,223.02
JUNE	$1,098,949.96	$20,261.11	$256,644.48	$17,118.51	$1,392,974.06	$1,928,155.70	$40,821.92	$254,948.02	$2,868.82	$2,226,794.45
TOTAL	$16,135,948.24	$759,141.23	$3,109,798.45	$335,417.18	$20,340,305.10	$26,473,620.64	$959,914.15	$3,630,742.10	$193,339.72	$31,257,616.61

	STORAGE INJECTIONS	STORAGE WITHDRAWALS	CAPACITY RELEASE	CONSULTANT FEE	GAS USED BY COMPANY	INCENTIVE RATES	PROPANE	MARGIN LOSS	MISC ADJUSTS	GRAND TOTAL COST
ADJUSTMENTS							$19,033.41			$19,033.41
JULY, 1998	($1,182,974.72)	($165,977.89)	($97,472.25)	$0.00	$0.00	$0.00	$0.00	$55,629.98	$64,206.44	$2,787,967.22
AUGUST	($853,404.61)	$90,699.55	($94,178.51)	$0.00	$0.00	$0.00	$25,851.36	$55,912.41	$0.00	$2,877,581.55
SEPTEMBER	($447,036.63)	$419,439.05	($93,994.99)	$0.00	$0.00	$0.00	$0.00	$55,633.26	$12,893.86	$2,526,705.57
OCTOBER	($336,084.69)	$198,420.01	($92,353.46)	$0.00	$0.00	$0.00	$3,482.04	$54,663.40	$0.00	$3,513,461.74
NOVEMBER	($104,696.03)	$579,357.54	($87,277.16)	$0.00	$0.00	$0.00	$0.00	$53,027.56	$0.00	$5,140,103.96
DECEMBER	($150,693.28)	$1,765,298.87	($142,084.73)	$0.00	$0.00	$0.00	$13,842.55	$53,607.34	($6,922.31)	$8,234,161.63
JANUARY, 1999	($265,353.75)	$2,540,925.92	($153,244.19)	$0.00	$0.00	$0.00	$5,935.39	$61,477.80	($10,234.85)	$8,187,620.75
FEBRUARY	($149,047.21)	$1,225,461.56	($143,492.54)	$0.00	$0.00	$0.00	$28,509.31	$61,193.70	($25,061.94)	$5,590,090.40
MARCH	($7,132.49)	$2,244,608.84	($159,608.20)	$0.00	$0.00	$0.00	$15,128.30	$61,139.48	$17,092.98	$6,811,355.92
APRIL	($178,037.81)	$396,065.32	($104,929.97)	$0.00	$0.00	$0.00	$8,093.46	$61,728.30	$692.68	$3,402,451.66
MAY	($605,425.70)	$0.00	($92,505.56)	$0.00	$0.00	$0.00	$1,425.75	$60,708.57	$576.23	$3,450,156.17
JUNE	($675,651.71)	$0.00	($100,285.23)	$0.00	$0.00	$0.00	$3,881.58	$60,597.80	($150,000.00)	$2,758,310.96
TOTAL	($4,955,538.62)	$9,294,298.77	($1,361,426.79)	$0.00	$0.00	$0.00	$125,183.15	$695,319.61	($96,756.90)	$55,299,000.94

EXHIBIT III-B

UNITED CITIES GAS COMPANY
GAS COST RECOVERIES
ALL TOWNS OTHER THAN UNION CITY
JULY, 1998 THRU JUNE, 1999

MONTH	FIRM SALES	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	TOTAL SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	TOTAL RECOVERIES	GRAND TOTAL RECOVERIES
JULY, 1998	3,269,484	$0.1652	$540,118.76	5,755,198	$0.2932	$1,687,424.05	$2,227,542.81	$2,272,134.38
AUGUST	3,322,500	$0.1652	$548,877.00	6,179,199	$0.2932	$1,811,741.15	$2,360,618.15	$2,405,209.72
SEPTEMBER	3,306,965	$0.1552	$513,240.97	5,836,926	$0.2738	$1,598,150.34	$2,111,391.31	$2,155,982.88
OCTOBER	4,078,861	$0.1261	$514,344.37	7,335,333	$0.2195	$1,610,105.59	$2,124,449.96	$2,158,563.22
NOVEMBER	8,491,431	$0.1252	$1,063,127.16	12,344,702	$0.2421	$2,988,652.35	$4,051,779.51	$4,091,235.21
DECEMBER	14,423,051	$0.1252	$1,805,765.99	18,252,428	$0.2421	$4,418,912.82	$6,224,678.81	$6,261,050.24
VIFAN ADJUSTMENT			($75,176.13)			($133,556.55)	($208,732.68)	($208,732.68)
JANUARY, 1999	23,906,613	$0.1252	$2,993,107.95	27,854,416	$0.2421	$6,743,554.11	$9,736,662.06	$9,770,971.94
FEBRUARY	15,323,344	$0.1252	$1,918,482.67	19,135,342	$0.2421	$4,632,666.30	$6,551,148.97	$6,581,216.88
MARCH	17,999,162	$0.1361	$2,449,685.95	22,403,364	$0.2121	$4,751,753.50	$7,201,439.45	$7,226,444.05
APRIL	11,317,183	$0.1335	$1,510,843.93	14,189,562	$0.2111	$2,995,416.54	$4,506,260.47	$4,531,265.07
MAY	5,092,321	$0.1335	$679,824.85	7,733,228	$0.2111	$1,632,484.43	$2,312,309.28	$2,337,313.88
JUNE	3,205,360	$0.1335	$427,915.56	5,009,766	$0.2111	$1,057,561.60	$1,485,477.16	$1,515,538.08
TOTAL	113,736,275		$14,890,159.03	152,029,464		$35,794,866.23	$50,685,025.26	$51,098,192.87

UNITED CITIES GAS COMPANY
240 GAS COST RECOVERIES
ALL TOWNS OTHER THAN UNION CITY
JULY, 1998 THRU JUNE, 1999

MONTH	DEMAND VOLUME	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	240 SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	TOTAL RECOVERIES
JULY, 1998	24,699	$1.8054	$44,591.57	0	$0.2932	$0.00	$44,591.57
AUGUST	24,699	$1.8054	$44,591.57	0	$0.2932	$0.00	$44,591.57
SEPTEMBER	24,699	$1.8054	$44,591.57	0	$0.2738	$0.00	$44,591.57
OCTOBER	23,249	$1.4673	$34,113.26	0	$0.2195	$0.00	$34,113.26
NOVEMBER	26,890	$1.4673	$39,455.70	0	$0.2421	$0.00	$39,455.70
DECEMBER	24,788	$1.4673	$36,371.43	0	$0.2421	$0.00	$36,371.43
JANUARY, 1999	23,383	$1.4673	$34,309.88	0	$0.2421	$0.00	$34,309.88
FEBRUARY	20,492	$1.4673	$30,067.91	0	$0.2421	$0.00	$30,067.91
MARCH	17,061	$1.4656	$25,004.60	0	$0.2121	$0.00	$25,004.60
APRIL	17,061	$1.4656	$25,004.60	0	$0.2111	$0.00	$25,004.60
MAY	17,061	$1.4656	$25,004.60	0	$0.2111	$0.00	$25,004.60
JUNE	20,511	$1.4656	$30,060.92	0	$0.2111	$0.00	$30,060.92
TOTAL	264,593		$413,167.61	0		$0.00	$413,167.61

UNITED CITIES GAS COMPANY
CALCULATION OF ACA INTEREST
ALL TOWNS OTHER THAN UNION CITY

BEGINNING BALANCE	($2,397,983.81)
PRE-JULY, 1998 ADJUSTMENTS	$19,033.41
ADJUSTED BEGINNING BALANCE	($2,378,950.40)

	BEGINNING BALANCE	COST	RECOVERIES	ENDING BALANCE	INTEREST
JULY, 1998	($2,378,950.40)	$2,787,967.22	$2,272,134.38	($1,863,117.56)	($15,023.99)
AUGUST	($1,878,141.55)	$2,877,581.55	$2,405,209.72	($1,405,769.71)	($11,630.52)
SEPTEMBER	($1,417,400.23)	$2,526,705.57	$2,155,982.88	($1,046,677.55)	($8,726.94)
OCTOBER	($1,055,404.49)	$3,513,461.74	$2,158,563.22	$299,494.03	($2,677.18)
NOVEMBER	$296,816.85	$5,140,103.96	$4,091,235.21	$1,345,685.59	$5,817.20
DECEMBER	$1,351,502.79	$8,234,161.63	$6,261,050.24	$3,324,614.18	$15,918.28
JANUARY, 1999	$3,340,532.46	$8,187,620.75	$9,770,971.94	$1,757,181.28	$17,353.47
FEBRUARY	$1,774,534.74	$5,590,090.40	$6,581,216.88	$783,408.26	$8,707.66
MARCH	$792,115.92	$6,811,355.92	$7,226,444.05	$377,027.80	$3,775.36
APRIL	$380,803.16	$3,402,451.66	$4,531,265.07	($748,010.26)	($1,185.77)
MAY	($749,196.03)	$3,450,156.17	$2,337,313.88	$363,646.26	($1,245.00)
JUNE	$362,401.26	$2,758,310.96	$1,515,538.08	$1,605,174.14	$6,353.63
TOTAL		$55,279,967.53	$51,306,925.55		$17,436.19

JUNE 1999

EXHIBIT II

UNITED CITIES GAS COMPANY
CALCULATION OF ACA FACTOR
UNION CITY, TENNESSEE

1.	Previous Year's Demand Cost Balance	$9,013.17
2.	Current Year's Demand Cost	$112,618.81
3.	Demand Cost Recovered	$116,352.64
4.	Demand Under/(Over)-Recovery	$5,279.34
5.	Previous Year's Commodity Cost Balance	($475,371.78)
6.	Current Year's Commodity Cost	$1,772,549.39
7.	Interest on Account Balance	($16,890.30)
8.	Commodity Cost Recovered	$1,357,380.45
9.	Commodity Under/(Over)-Recovery	($77,093.14)
10.	Firm Sales	5,148,861
11.	Demand ACA	$0.0010
12.	Total Sales	5,472,438
13.	Commodity ACA	($0.0141)
14.	Total ACA Applicable to Firm Customers	($0.0131)
15.	Total ACA Applicable to Optional Customers	($0.0141)

EXHIBIT II-A

UNITED CITIES GAS COMPANY
INVOICE COST OF GAS
UNION CITY, TENNESSEE
JULY, 1998 TO JUNE, 1999

		SPOT MARKET					BARNSLEY		
	RESERVATION CHARGES	VOLUME	RATE	COST	TRANSPORT COST	SUBTOTAL	VOLUME	RATE	COST
ADJUSTMENTS									
JULY, 1998	$6,816.90	281,463	$2.2593	$635,909.34	$19,096.35	$661,822.59	(176,700)	$2.3115	($408,442.05)
AUGUST	$6,816.90	218,981	$1.8300	$400,728.06	$17,409.56	$424,954.52	(176,700)	$1.8779	($331,824.93)
SEPTEMBER	$6,597.00	117,025	$1.5373	$179,902.55	$16,259.19	$202,758.74	(167,790)	$1.9436	($326,119.76)
OCTOBER	$6,816.90	280,015	$1.9470	$545,189.20	$22,420.22	$574,426.32	(24,294)	($0.6238)	$15,155.54
NOVEMBER	$12,754.11	71,944	$1.9395	$139,533.32	$25,767.23	$178,054.66	24,306	$2.9847	$72,546.12
DECEMBER	$13,571.80	0	$0.0000	$0.00	$50,397.94	$63,969.74	24,980	$2.9991	$74,917.52
JANUARY, 1999	$13,516.00	0	$0.0000	$0.00	$72,844.60	$86,360.60	19,810	$2.1316	$42,227.00
FEBRUARY	$12,252.80	0	$0.0000	$0.00	$32,582.47	$44,835.27	78,632	$2.0700	$162,768.24
MARCH	$13,565.60	0	$0.0000	$0.00	$36,362.14	$49,927.74	68,717	$1.8363	$126,187.25
APRIL	$6,564.00	28,882	$1.7308	$49,988.40	$14,181.89	$70,734.29	0	$0.0000	$0.00
MAY	$6,782.80	236,546	$2.2627	$535,232.63	$15,270.07	$557,285.50	(224,279)	$2.3330	($523,242.91)
JUNE	$6,564.00	229,900	$2.1290	$489,456.70	$11,486.47	$507,507.17	(211,950)	$2.1957	($465,378.62)
TOTAL	$112,618.81	1,464,756		$2,975,940.20	$334,078.13	$3,422,637.14	(765,268)		($1,561,206.60)

	MARGIN LOSS	CONSULTANT FEE	GAS USED BY COMPANY	SGT STORAGE	MISC ADJUSTMENT	GOODYEAR CASHOUTS	GRAND TOTAL
ADJUSTMENTS							$0.00
JULY, 1998	$9,888.03	$0.00	$0.00	($147,247.49)	$0.00	$5,382.21	$121,403.29
AUGUST	$9,293.11	$0.00	$0.00	($30,864.57)	$0.00	$5,735.35	$77,293.48
SEPTEMBER	$9,977.71	$0.00	$0.00	$28,180.93	$0.00	($2,725.56)	($87,927.94)
OCTOBER	$12,024.23	$0.00	$0.00	($135,150.66)	$0.00	($1,302.65)	$465,152.78
NOVEMBER	$11,467.85	$0.00	$0.00	$34,514.89	$0.00	($3,900.41)	$292,683.11
DECEMBER	$12,383.69	$0.00	$0.00	$62,024.85	$0.00	$5,199.97	$218,495.77
JANUARY, 1999	$12,719.12	$0.00	$0.00	$100,416.46	($9,776.32)	($5,627.14)	$226,319.71
FEBRUARY	$11,890.28	$0.00	$0.00	($29,735.99)	$0.00	$186.91	$189,944.71
MARCH	$13,567.80	$0.00	$0.00	($2,052.62)	$0.00	$2,151.83	$189,781.99
APRIL	$11,992.93	$0.00	$0.00	($5,027.48)	$0.00	($5,304.48)	$72,395.26
MAY	$11,390.77	$0.00	$0.00	$11,789.48	$0.00	($4,834.26)	$52,388.58
JUNE	$23,062.22	$0.00	$0.00	$4,651.92	$0.00	($2,605.24)	$67,237.46
TOTAL	$149,657.73	$0.00	$0.00	($108,500.28)	($9,776.32)	($7,643.47)	$1,885,168.20

EXHIBIT II-B

UNITED CITIES GAS COMPANY
GAS COST RECOVERIES
UNION CITY, TENNESSEE
JULY, 1998 TO JUNE, 1999

	FIRM SALES	DEMAND RECOVERY FACTOR	DEMAND RECOVERIES	TOTAL SALES	COMMODITY RECOVERY FACTOR	COMMODITY RECOVERIES	TOTAL RECOVERIES
JULY, 1998	125,185	$0.0274	$3,430.07	197,886	$0.3772	$74,642.60	$78,072.67
AUGUST	135,330	$0.0281	$3,802.77	218,690	$0.3850	$84,195.65	$87,998.42
SEPTEMBER	128,367	$0.0282	$3,619.95	216,467	$0.3552	$76,889.08	$80,509.03
OCTOBER	157,991	$0.0214	$3,381.01	192,761	$0.2306	$44,450.69	$47,831.70
NOVEMBER	371,294	$0.0214	$7,945.69	396,124	$0.2576	$102,041.54	$109,987.23
DECEMBER	596,760	$0.0214	$12,770.66	607,189	$0.2576	$156,411.89	$169,182.55
JANUARY, 1999	1,244,295	$0.0214	$26,627.91	1,248,891	$0.2576	$321,714.32	$348,342.23
FEBRUARY	728,982	$0.0214	$15,600.21	731,182	$0.2576	$188,352.48	$203,952.69
MARCH	808,912	$0.0240	$19,413.89	811,463	$0.1839	$149,228.05	$168,641.94
APRIL	523,953	$0.0232	$12,155.71	523,993	$0.1872	$98,091.49	$110,247.20
MAY	194,035	$0.0232	$4,501.61	194,035	$0.1872	$36,323.35	$40,824.96
JUNE	133,757	$0.0232	$3,103.16	133,757	$0.1872	$25,039.31	$28,142.47
TOTAL	5,148,861		$116,352.64	5,472,438		$1,357,380.45	$1,473,733.09

UNITED CITIES GAS COMPANY
CALCULATION OF ACA INTEREST
UNION CITY, TENNESSEE

BEGINNING BALANCE	($466,358.61)
PRE-JULY, 1998 ADJUSTMENTS	$0.00
ADJUSTED BEGINNING BALANCE	($466,358.61)

	BEGINNING BALANCE	COST	RECOVERIES	ENDING BALANCE	INTEREST
JULY, 1998	($466,358.61)	$121,403.29	$78,072.67	($423,027.99)	($3,149.91)
AUGUST	($426,177.90)	$77,293.48	$87,998.42	($436,882.84)	($3,056.67)
SEPTEMBER	($439,939.51)	($87,927.94)	$80,509.03	($608,376.49)	($3,712.79)
OCTOBER	($612,089.27)	$465,152.78	$47,831.70	($194,768.20)	($2,857.62)
NOVEMBER	($197,625.82)	$292,683.11	$109,987.23	($14,929.94)	($752.80)
DECEMBER	($15,682.74)	$218,495.77	$169,182.55	$33,630.49	$61.10
JANUARY, 1999	$33,691.58	$226,319.71	$348,342.23	($88,330.94)	($186.00)
FEBRUARY	($88,516.94)	$189,944.71	$203,952.69	($102,524.92)	($650.34)
MARCH	($103,175.26)	$189,781.99	$168,641.94	($82,035.21)	($598.08)
APRIL	($82,633.28)	$72,395.26	$110,247.20	($120,485.22)	($655.90)
MAY	($121,141.12)	$52,388.58	$40,824.96	($109,577.50)	($745.03)
JUNE	($110,322.53)	$67,237.46	$28,142.47	($71,227.54)	($586.26)
TOTAL		$1,885,168.20	$1,473,733.09		($16,890.30)