

TENNESSEE REGULATORY AUTHORITY

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



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 15, 2004

Mr. Archie Hickerson
Manager-Rates
AGL Resources, Inc.
Location 1686
P O Box 4569
Atlanta, GA 30307

RE: Docket No 04-00034 – Petition of Chattanooga Gas Company for Approval of Adjustment of Its Rates and Charges and Revised Tariff

Dear Mr. Hickerson:

After reviewing your petition, we have discovered that certain additional information is needed to complete the application. Please provide the following information, an original and thirteen (13) copies, addressed to

Deborah Taylor Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

112. Refer to TRA MFR #66 and CGC Schedule 66-3 titled "2005 CGC Capital Forecast of Special Additions" Provide a detailed description of the nature and purpose of each project classified as "Other" that totals to \$2,842,000. What is the total cost for each of these projects? Also, have these individual projects been approved by the Company's Board of Directors at these amounts?
113. Refer to MFR #69 and CGC Schedule 69-1-(b) titled "Rate Base – Construction Work in Progress." Explain why the amounts in CWIP have escalated materially from the level at October 2001 Also explain the Company's process for closing CWIP to Plant in Service
114. Refer to the Company's response to TRA Data Request Item 86, Schedule 86-2. We are unable to consistently tie the amounts in column b of Schedule 86-2 to Schedule 86-3 Provide appropriate reference labels between these schedules along with any further narrative that may assist in navigating between all schedules in Item 86

115. Refer to the direct testimony of Steve Lindsey, page 6, lines 1 through 9. Provide the Company's calculation supporting the change in revenue deficiency from \$4.6 million to \$2.4 million
116. Refer to Company's response to MFR #25, CGC Schedule 25-1, page 17 of 26. For the following categories included in the test period actual O & M expenses (before Pro Forma Adjustments), provide the individual account numbers, account names, and related amounts that make up the total for each category

Administration and General Expense

Fleet Services	\$309,261.64
Facilities	\$186,209.18
Other Benefits	\$105,368 83
Office Admin. Exp.	\$231,235 60
Development & Training	\$7,839 63
Dues & Subscriptions	\$42,550 58
Travel & Entertainment	\$28,727.89
Equipment Leases	\$10,366.91
Misc. Operation Exp	\$210,213.59
Other Maintenance Exp.	\$15,906.46

Storage Expense

Fleet	\$10,188.00
Other	\$63,522.00

117. Refer to Company response to MFR #25, CGC Schedule 25-1, page-6 A total of \$95,000 was accrued for software expense and later reversed in a pro forma adjustment. Provide the account number this adjustment was made to.
118. Refer to Company response to MFR #25, CGC Schedule 25-1, page 7. Provide the source for the \$200,699.98 (Total 2003 expense per actuaries) and the \$74,680 (Actual recorded through September 2003).
119. Refer to Company response to MFR #25, CGC Schedule 25-1, page 8. Provide source documentation for all amounts and percentages used in this schedule.
120. Refer to Company response to MFR #25, CGC Schedule 25-1, page 10 Provide source documentation for all amounts and percentages used in this schedule
121. Refer to Company response to MFR #25, CGC Schedule 25-1, page 13. Provide the Company's basis for the net charge off percentages used for gas receivables and damage billing

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Please respond by April 23, 2004 Thank you for your attention to this matter. If you should have any questions, you may contact me at (615) 741-2904, ext. 178.

Sincerely,

A handwritten signature in cursive script that reads "Pat Murphy".

Pat Murphy
Senior Financial Analyst
Energy and Water Division

cc: Steven Lindsey
D Billye Sanders
John Ebert
Elizabeth Wade

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