

STATE OF TENNESSEE

Office of the Attorney General



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Reply to:
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, TN 37202

May 7, 2004

Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

**IN RE: APPLICATION OF CHATTANOOGA GAS COMPANY, A DIVISION OF
PIEDMONT NATURAL GAS COMPANY, INC., FOR AN ADJUSTMENT OF ITS
RATES AND CHARGES, THE APPROVAL OF REVISED TARIFFS AND APPROVAL
OF REVISED SERVICE REGULATIONS**

DOCKET NO. 04-00034

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocates's Reply to Response of Chattanooga Gas Company to the Consumer Advocate and Protection Divisions's Motion for Leave to Serve Additional Data Requests in regard to Docket No 04-00034. Please file same in this docket. Copies are being sent to all parties of record.

Should you have any questions, please contact me at (615) 741-1671. Thank you.

Sincerely,

A handwritten signature in dark ink that reads "Vance Broemel".

Vance Broemel
Assistant Attorney General

CC: All Parties of Record.

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**APPLICATION OF CHATTANOOGA
GAS COMPANY, A DIVISION OF
PIEDMONT NATURAL GAS COMPANY,
INC., FOR AN ADJUSTMENT OF ITS
RATES AND CHARGES, THE
APPROVAL OF REVISED TARIFFS AND
APPROVAL OF REVISED SERVICE
REGULATIONS**

DOCKET NO. 04-00034

**CONSUMER ADVOCATES'S REPLY TO RESPONSE OF CHATTANOOGA GAS
COMPANY TO THE CONSUMER ADVOCATE AND PROTECTION DIVISIONS'S
MOTION FOR LEAVE TO SERVE ADDITIONAL DATA REQUESTS**

Comes the Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate"), and hereby replies to the Response of Chattanooga Gas Company ("Chattanooga Gas" or "CGC") to the Consumer Advocate and Protection Division's Motion for Leave to Serve Additional Data Requests. In that Response, Chattanooga Gas opposes the Consumer Advocate's request to serve more than 40 discovery requests (including subparts) as set forth in the Consumer Advocate's first Discovery Request, served April 23, 2004, on the ground that the Consumer Advocate has not shown "good cause" for the service of additional requests. As will be shown below, however, the Consumer Advocate has established "good cause" in the Memorandum it filed in support of its Motion for Leave to Serve Additional Data Requests.

In its first Discovery Request served on April 23, 2004, the Consumer Advocate set forth 36 numbered requests. Chattanooga Gas has made a general objection to all discovery requests

after request number 10 on the ground that these requests exceeded the limit of 40 requests, with subparts, as set forth in TRA Rule 1220-1-2-.11(5). So the requests at issue are numbers 11-36. CGC Response at pages 1-2.

In its Response, Chattanooga Gas states that “[t]he CAPD’s memorandum gives no reasons for why it needs to ask particular questions or why the data supplied or to be supplied by the company in response to its first 40 questions and the questions that have already been asked by the TRA Staff will not provide sufficient information for its analysis.” CGC Response at page 2. Neither of these assertions, however, is sufficient ground to deny the Consumer Advocate’s Motion for Leave to Serve Additional data Requests.

First, the Consumer Advocate does not have to justify each additional request. Rule 1220-1-2-.11(5) simply asks for “good cause” and that has been set forth in the Memorandum. In particular, the Consumer Advocate noted that a “major rate case requires an analysis of the cost and capital structure, investment, and rate design of a large public utility as well as its affiliates, a task that could hardly be accomplished by 40 questions alone.” CAPD’s Motion for Leave to Serve Addition Discovery Requests at page 2. In order to avoid any quibbling, however, the Consumer Advocate has set forth below in this Reply a statement of the relevance of each of its requests.

Second, contrary to CGC’s assertion, the Consumer Advocate is not bound to prepare its case based on TRA Staff data requests. As a party, the Consumer Advocate is free to formulate its own requests. If the information has already been provided, CGC may simply state that in its response and identify the specific Staff data request and response that answers the Consumer Advocate’s request. The Consumer Advocate has attempted to review CGC’s responses to Staff data requests as those responses dribble in order to avoid duplication. Since, however, the Staff

has been allowed to ask more than 140 requests without objection from CGC over a period of months the task has not always been easy. Nevertheless, the Consumer Advocate finds no such redundancy.

Following is a list of each discovery request in dispute and the justification for each:

DISCOVERY REQUEST NO. 11:

Provide a narrative detailing the development of the “allocation process” involved in allocating AGLSC (AGL Services Company) employees and associated costs to Chattanooga referenced in Mr. Morley’s testimony at p. 11, lines 19 and 20. Provide a worksheet detailing numbers of allocated employees and associated costs by year since the last rate request.

RELEVANCE: Allocation of costs between affiliated companies is always relevant in rate cases because if costs are not properly allocated it is possible that Tennessee ratepayers will be paying higher rates simply to maintain offices and staff in the other states where the affiliates are located or to pay for non-regulated lines of business.

DISCOVERY REQUEST NO. 12:

On page 11 of Mr. Morley’s testimony he states, “The increase in distribution expenses is due to a Federal Energy regulatory Commission (“FERC”) mandated pipeline integrity program.” Provide copies of all supporting documents (any FERC Order, law, or other requirement) specifically “mandating” the pipeline integrity program and explain the impact on state regulatory authorities.

RELEVANCE: A part of the justification for Chattanooga Gas’ rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an “automatic” reimbursement plan, whereby the company “automatically” receives money on an annual basis for pipeline replacement rather than examining

all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the time period over which pipes need to be replaced, as distinct from the method of funding (i.e., whether “automatically” or through a rate case). The above question is aimed at discovering why the company’s own witness says that a pipeline replacement program is “mandated” by FERC and whether the proposed funding methodology is appropriate.

DISCOVERY REQUEST NO. 13:

Provide all leak reports and emergency main replacement incidents and describe the costs over the past 5 years involved directly attributable to “Bare Steel” and Cast Iron Mains. Detail the costs incurred in repairing mains due to these incidents.

RELEVANCE: A part of Chattanooga Gas’ rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an “automatic” reimbursement plan, whereby the company “automatically” receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice whereby companies demonstrate expenses to show need. In addition, the proposed pipeline replacement program raises questions about the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether “automatically” or through a rate case). The above question is aimed at discovering whether the company’s history of prior maintenance supports its proposed pipeline replacement program.

DISCOVERY REQUEST NO. 14:

On p. 4 of Mr. Lonn’s testimony he states, “The replacement will result in not having to repair an ever increasing number of leaks related to bare steel and cast iron pipeline.” If this is so,

explain why an aggressive replacement program was not cost beneficial and therefore was not implemented by management in prior years.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering whether the company's history of prior maintenance supports its proposed pipeline replacement program.

DISCOVERY REQUEST NO. 15:

Identify each person whom you expect to call as an expert witness at any hearing in this docket, and for each such expert witness:

- (A) identify the field in which the witness is to be offered as an expert;
- (B) provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness;
- (C) provide the grounds (including without limitation any factual basis), for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (D) identify any matter in which the expert has testified (through deposition or otherwise), by specifying the name, docket number and forum of each case, the dates of the prior testimony and the

subject of the prior testimony, and identify the transcripts of any such testimony;

- (E) identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (F) identify all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness(es)' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and
- (G) identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

RELEVANCE: This is a standard expert interrogatory and is even anticipated by Rule 26 of the Tennessee Rules of Civil Procedure.

DISCOVERY REQUEST NO. 16:

Explain in detail the increase of \$412,004 resulting from an increase in the number of employees between the test period and the attrition period referenced in Mr. Morley's testimony at p. 10, line 3. Explain in detail the need for this increase as well as why the employees were not previously hired. Include employee levels since the last rate case by department, identifying exempt, non-exempt, allocated, and temporary employees and provide the same data for the test period along with attrition period employee levels (itemized similarly with historical levels by department).

RELEVANCE: The number and cost of employees is critical to any rate case because the capitalized cost of employees is a significant part of the rate base upon which a company is seeking a return, and the expensed cost of employees is a significant part of operating expenses

that the company seeks to recover from ratepayers through rates. If the number of prospective employees is set too high the company would receive money to which it is not entitled.

DISCOVERY REQUEST NO. 17:

Provide all material provided to, reviewed by, used by or produced by any expert or consultant retained by Chattanooga Gas to testify or to provide information from which another expert will testify concerning this case, including all work papers.

RELEVANCE: This question goes to the material used by an expert and is even anticipated by Rule 26 of the Tennessee Rules of Civil Procedure regarding experts.

DISCOVERY REQUEST NO. 18:

Produce a copy of all articles, journals, books or speeches written by or co-written by any of Chattanooga Gas' expert witnesses, whether published or not.

RELEVANCE: This request goes to the credibility of an expert and is related to Rule 26 of the Tennessee Rules of Civil Procedure regarding experts.

DISCOVERY REQUEST NO. 19:

Explain the Bad Debt Expense of \$375,835 detailed on page 10, line 14 of Mr. Morley's testimony. Provide all work papers involved in developing this amount. Provide similar work papers used in the development of the "charge-off" percentage in the last rate case in Tennessee.

RELEVANCE: Bad debt expenses form part of the cost of service. If the figure for bad debt expense is too high the company will receive money it is not entitled to.

DISCOVERY REQUEST NO. 20:

Provide details and copies of the "replacement program" over the past 10 years for comparable footage and cost of mains replaced referred to in Mr. Morley's testimony. Compare the footage of pipeline replaced (actual) to "footage budgeted for pipeline replacement."

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 21:

Regarding the "Pipeline Replacement Program" in Georgia, provide comparable data (as in # 20 above) covering the "pipeline replacement program" in Georgia.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the costs involved in the pipeline replacement program in Georgia in order to see whether the program was just and reasonable there and would be just and reasonable in Tennessee.

DISCOVERY REQUEST NO. 22:

Provide in detail the number of customers serviced as “walk-ins” for payment of service, questions regarding billing or service inquiries, or other service requested for the Chattanooga service territory by year for the past ten (10) years.

RELEVANCE: This question goes to quality of service issues— is the ratepayer getting the level of service being paid for? If not, the rates being requested in this case are too high and should be denied. An analysis of customer service performance is essential in the evaluation of whether the requested level of customer service expenses is just and reasonable.

DISCOVERY REQUEST NO. 23:

Identify the number of customer bills collected by outside collection agents (by year) for the past ten (10) years.

RELEVANCE: This question goes to quality of service issues— is the ratepayer getting the level of service being paid for? If not, the rates being requested in this case are too high and should be denied. An analysis of customer service performance is essential in the evaluation of whether the requested level of customer service expenses is just and reasonable.

DISCOVERY REQUEST NO. 24:

Provide any and all requests for any additional service sites and all complaints about or relating to availability of customer service for the past five years. An analysis of customer service performance is essential in the evaluation of whether the requested level of customer service expenses is just and reasonable.

RELEVANCE: This question goes to quality of service issues— is the ratepayer getting the level of service being paid for? If not, the rates being requested in this case are too high and should be denied. An analysis of customer service performance is essential in the evaluation of

whether the requested level of customer service expenses is just and reasonable.

DISCOVERY REQUEST NO. 25:

In 2003 J. D. Power and Associates conducted a national survey of gas companies including a service quality assessment by their customers; provide any correspondence to or from J.D. Power and Associates in the past five years.

RELEVANCE: This question goes to quality of service issues— is the ratepayer getting the level of service being paid for? If not, the rates being requested in this case are too high and should be denied. An analysis of customer service performance is essential in the evaluation of whether the requested level of customer service expenses is just and reasonable.

DISCOVERY REQUEST NO. 26:

Provide the data for the following categories of customer service:

(A) Customer Service by year (for years 1998 - 2003):

1. Number of Calls Received (percent answered);
2. Average Answer Time (in minutes);
3. Length of Call (in minutes);
4. After Call Processing Time (in percent);
5. Number of Walk-ins;
6. Customer Call Backs;
7. Supervisor Referrals; and
8. Cash Transactions Processed (Chattanooga).

(B) Meter Services by year (for years 1998 - 2003):

1. Number of Meters Read;
2. Risers Inspected;
3. Estimated Readings;
4. Percent Estimated;
5. Skips;
6. Re-reads;
7. Door Tags; and
8. DNPs Worked.

(C) Service Department (by month for years 2001 - 2003):

1. Orders Worked;
2. Appointment Orders;
3. Appointments Missed;
4. Emergency Orders;
5. Emergency Response Time (minutes); and
6. Meters Set.

(D) Construction Department (for years 1998 - 2003):

1. Service Orders Received;
2. Service Orders Installed;
3. Backlog (Weeks);
4. Damages;
5. Service Renewal/Relocate;
6. Services Retired; and
7. Survey Leaks.

RELEVANCE: This question goes to quality of service issues— is the ratepayer getting the level of service being paid for? If not, the rates being requested in this case are too high and should be denied. An analysis of customer service performance is essential in the evaluation of whether the requested level of customer service expenses is just and reasonable.

DISCOVERY REQUEST NO. 27:

Provide all support and analysis behind the statement found on p. 13 of Mr. Morley's testimony: "Increased costs at AGSC were primarily related to information services and technology initiatives and an increase cost in legal support." Please provide a worksheet detailing the costs involved in the percentage calculations.

RELEVANCE: These costs form part of the rate base and cost of service. If the figure for these costs is too high the company will receive money it is not entitled to

DISCOVERY REQUEST NO. 28:

Pipeline Replacement Program - Other Projects:

- (A) Beginning on page 17 of Mr. Morley's testimony, line 10 he explains an increase in net plant balance "primarily due to the bare steel/cast iron pipeline replacement program, improvements to the Company's LNG facility and planned expansion of the Company's system;" explain the increase in net plant for projects other than the "PRP" on a project-by-project basis through the attrition year.
- (B) Within these capital (construction) identified projects quantify the amounts provided by the State of Tennessee through recent legislation (Tenn. Code Ann. § 54-5-804, "Payment of costs by state; exceptions; reimbursements") aimed at assisting utility companies with highway right-of-way costs.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering whether the pipeline program properly quantifies net cost of plant addition and CWIP in the rate base.

DISCOVERY REQUEST NO. 29:

Describe the need to implement the proposed "Pipeline Replacement Program" (PRP) (at this time); include and cite specific laws, orders or requirements referenced with attached documentation within the narrative.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 30:

Provide a summary of Main Replacement Programs over the past 5 years detailing all projects budgeted (by year) including feet of main replaced compared with actual costs incurred; detailing in each project if projects were "bid" to outside or affiliated companies or provided by Chattanooga Gas construction personnel.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 31:

Provide a comparison between the costs (and feet) involved with replacement projects budgeted per year over the past three years with projects promoted for the first 3 years of the “PRP.”

RELEVANCE: A part of Chattanooga Gas’ rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an “automatic” reimbursement plan, whereby the company “automatically” receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether “automatically” or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 32:

Detail the construction projects necessitating pipeline replacement for the first three years of the “PRP”; i.e., for years 1, 2, 3 and explain by year the main replacement projects equating to 10 miles per year.

RELEVANCE: A part of Chattanooga Gas’ rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an “automatic” reimbursement plan, whereby the company “automatically” receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of

time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether “automatically” or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 33:

Since Rick Lonn’s “PRP” proposal is very similar to the Georgia proposal, explain the “verification process” or audits conducted by various departments of the Georgia Public Service Commission; i.e., provide a narrative of how the verification process will work, including how replacement projects are to be distinguished from new work; how the bid process will work; and how the auditing procedure of the rate rider adjustments to the billing process will work.

RELEVANCE: A part of Chattanooga Gas’ rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an “automatic” reimbursement plan, whereby the company “automatically” receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether “automatically” or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program..

DISCOVERY REQUEST NO. 34:

On p. 5, line 1 of Mr. Lonn’s testimony is a reference to his Schedule 1 detailing the cost of main replacement increasing in cost from \$50.94 to \$70.88 per foot. Explain this increase in cost and compare with main replacement cost per foot for pipeline replacement projects in Georgia.

RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

DISCOVERY REQUEST NO. 35:

Explain the reasons for implementing the "Pipeline Replacement Plan" before the "pipeline integrity assessment" is completed.

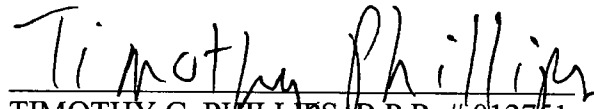
RELEVANCE: A part of Chattanooga Gas' rate filing is a proposed pipeline replacement program. Under this proposal, the company is asking the TRA to approve funding for pipeline replacement on an "automatic" reimbursement plan, whereby the company "automatically" receives money on an annual basis for pipeline replacement rather than examining all expense, revenue and investment levels in a rate case. This is a departure from current practice. In addition, the proposed pipeline replacement program raises questions of the period of time over which pipes need to be replaced, as distinct from the method of funding (i.e., whether "automatically" or through a rate case). The above question is aimed at discovering the just and reasonable costs involved in the proposed pipeline replacement program.

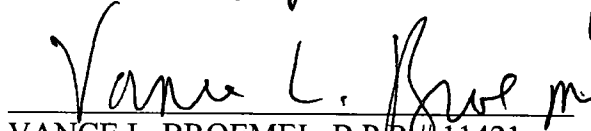
DISCOVERY REQUEST NO. 36:

At p. 9 of Mr. Buchannan's testimony, he discusses the reasoning for increasing the reconnection fee and seasonal reconnection fee to \$50.00 (Testimony p. 9). One of the reasons given was that seasonal reconnects increase overtime costs. How much of a reduction in overtime costs does CGC anticipate as a result of the increase in this rate?

RELEVANCE: Overtime hours and costs are critical to any rate case because they are a significant part of the cost of service. If these expenses are too high the company would receive money to which it is not entitled. In this question, we are seeking verification of the \$50.00 increase--is it just and reasonable?

RESPECTFULLY SUBMITTED,


TIMOTHY C. PHILLIPS, B.P.R. # 012751
Assistant Attorney General


VANCE L. BROEMEL, B.P.R. # 11421
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 741-3533

Dated: May 7th, 2004

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been served via the methods indicated on this 7th day of May, 2004, to the following:

Via first-class U.S. mail, postage prepaid:

Dale Grimes
c/o Dale Grimes
Bass, Berry & Sims
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

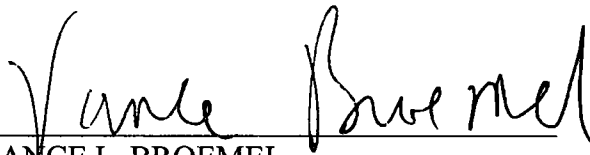
Chattanooga Gas Company
c/o Archie Hickerson
AGL Resources, Location 1686
P.O. Box 4569
Atlanta, GA 30302-4569

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VANCE L. BROEMEL
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