Before the

TENNESSEE REGULATORY AUTHORITY

IN RE: APPLICATION OF CHATTANOOGA GAS COMPANY, A DIVISION OF AGL RESOURCES, FOR AN ADJUSTMENT OF ITS RATES AND CHARGES, THE APPROVAL OF REVISED TARIFFS AND APPROVAL OF REVISED SERVICE REGULATIONS

DOCKET NO. 04-00034

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DIRECT TESTIMONY
OF
MICHAEL D. CHRYSLER

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July 26, 2004

Q-1 Please state your name for the record.

A-1 My name is Michael D. Chrysler.

Q-2 By whom are you employed and what is your position?

A-2 I am employed by the Consumer Advocate and Protection Division ("CAPD") in the Office of the Attorney General for the State of Tennessee as a Regulatory Analyst.

Q-3 How long have you been employed in the utility industry?

A-3 Approximately 35 years. Before my employment with the Attorney General in 1998, I was employed with Terre Haute Gas Corporation for approximately 2 ½ years and Northern Indiana Public Service Company (NISOURCE) for 24 years.

Q-4 What is your educational background?

A-4 I have a Bachelors degree in Business Administration from Fort Lauderdale University (1970) with a major in accounting. Additionally, I have attended numerous "outside" training classes including Arthur Andersen Rate Case School, American Gas Association Rate Case School, NARUC Eastern Utility Rate School, and a mini MBA school offered to NIPSCO Senior Management (and invited staff) provided by Purdue University Northwest

Q-5 Describe your work experience.

A-5 Before joining the Consumer Advocate and Protection Division, I was employed by Terre Haute Gas Corporation as an Assistant Office Manager, with NIPSCO in various positions in Consumer Accounting, Rate and Contract, Strategic Planning, Consulting Services, and finally as Principal of Electric Business Planning

Departments. As a Regulatory Analyst, I am responsible for analysis and development of utility issues as assigned.

Q-6 Are you and have you been a member of any professional organizations, Mr. Chrysler?

A-6 Yes, I am a member of the NASUCA (National Association of State Utility Consumer Advocates) Consumer Protection Committee and an active member of the NASUCA Gas Committee. At NIPSCO, I was an active member of the Midwest Utility Corporate Planners Association.

Q-7 Mr. Chrysler, would you explain the extraordinary circumstances involved in your analysis of issues in this case relative to recent cases you have testified in with the Tennessee Regulatory Authority?

A-7 The analysis of issues surrounding Chattanooga Gas's filing has provided quite a contrast with the recent filings and reviews of Tennessee American Water Company and Nashville Gas Company. Both Tennessee American and Nashville Gas exhibited a cordial, cooperative, and transparent attitude in presenting their case and willingness to provide assistance in explanation of issues and verification of presented data. Nashville Gas exhibited a professional attitude in filing "Minimum Filing Guidelines" (as agreed to in various Gas Forum meetings between TRA, CAPD, and staffs of ATMOS, Nashville Gas, and Chattanooga Gas) at the time of their rate filing with the Tennessee Regulatory Authority. Additionally, many telephone calls were made with the petitioning company asking for additional data detail met with a rapid response.

Unfortunately, that attitude has not been forthcoming from the petitioning company in this docket.

Q-8 How have you responded to your analysis of questionable issues in the petitioner's filing?

A-8 Due to the lack of transparency and late compliance filing of requested data by the petitioner, my analysis also utilized data from previous TRA filings and data responses, contact with other regulatory bodies including the Georgia Public Service Commission staff and the National Association of State Utility Consumer Advocates, and the publications referred herein.

Q-9 What is the purpose of your testimony in this proceeding?

A-9 My opinions will be directed to the petitioner's proposals (A) payroll increase of $412,004[1]; (B) a Pipeline Replacement Plan (PRP); and (C) Quality of Service Issues.

Q- 10 Mr. Morley proposes a payroll increase of $412,004. Does the evidence in the record support the increase in payroll as necessary or prudent?

A- 10 No, Mr. Morley's proposed increase of $412,004 (including a $110,000 in pay increase for 2004 and 2005) is counter-intuitive for a company intent on maximizing profits and achieving financial objectives. Manpower, "payroll" is one of the few major controllable opportunities companies have in reducing expenses. Why then, would a company increase employee levels and increase payroll expense right before filing a rate case? Please refer to Exhibit MDC EL 1 & EL 2 which

[1] Mike Morley's testimony, p 10, line 3

includes a worksheet summary of employees of Chattanooga Gas taken from data request #5 (Exhibit MDC DR 3) provided by the Company in response to our data request in the TRA "Uncollectibles Docket" 03- 00209. The graph of employees and worksheet summary reflects a company that severely reduced its manpower from a total of 90 employees in the 4th quarter of 1999 to 62 in the 4th Quarter of 2000 (after its last rate case). Continuing forward on the chart, it kept its' manpower constant until preparing for this rate case. Inflated expense levels going into a rate case (only to reduce them in following years) allows a company the opportunity to increase revenue requirements in its rate request and then in subsequent years the ability to improve future earnings through reduced payroll expense. In this case inflating manpower levels forces customers to pay $302,004 for "non-existent" employees. Manpower data provided by the company in Docket 03-0209 indicates the added employees adjustment reflects an increase in meter readers from 4 in years 2000, 2001, 2002 to 10 in 4th Quarter 2003. At a time when the Company was increasing the number of meter readers it was reducing Service Department personnel from 28 in 1999 to 20 in 2003 a decrease of about 30% and Construction personnel from 33 in 1999 to 10 in 2003 or a 70% reduction Chattanooga Gas has not supported the assertion that consumers should pay for an increase in payroll expense caused by added positions of $302,004.

Q-11 Would you please describe the proposals as presented by the petitioner?

A-11 Yes, the "Pipeline Replacement Program" (PRP or Program) is similar to a

program in Georgia by AGLC designed to recover, "certain costs"[2] associated with a 10-year, 100 miles of pipeline (bare steel and cast iron pipe) replacement outside the conventional rate making procedure.

Q-12 What reasons have the petitioner offered for including this program in its proposal to raise rates for its consumers?[3]

A-12 Petitioner's witness, Mr. Lonn summarizes four reasons for the company's proposal: (1) replacement of bare steel and cast iron pipe; (2) reduction of maintenance costs due to repairing leaks associated with bare steel and cast iron pipe; (3) operating efficiency through increasing system operating pressure; and (4) discontinuing the use of many of the special fittings needed for the repair of bare steel and cast iron pipe.

Q-13 Are the reasons provided by Mr. Lonn for the Chattanooga Gas Pipeline Replacement Program the same as the reasons necessitating a similar program in Georgia in 1998?

A-13 No, although this question will be addressed by CAPD witness Mr. McGriff of the Georgia Public Service Commission (GPSC), "public record" information provided by the GPSC staff indicates that the gas distribution system of Atlanta

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[2] "Purpose" paragraph, Bare Steel And Cast Iron Pipeline Replacement Tracker, Original Sheet No 47, Exhibit sponsored by Steve Lindsay.

[3] Rick Lonn's testimony, p 4, lines 7-22, pp. 5, 1, 2

Gas Light had been allowed to degrade to a condition such that:[4]

"On January 6, 1998, the Georgia Public Service Commission ("Commission") issued a Rule Nisi against Atlanta Gas Light Company ("AGLC" or "Company"). In that rule Nisi, it was alleged that various violations had occurred in the operation of the Company's pipeline system. On June 1, 1998, the Adversary Staff of the Commission and the Company filed a proposed stipulation in this matter and a hearing on the merits of the stipulation was held before the Commission on July 8, 1998. The terms of this stipulation include a provision authorizing AGLC to recover over a ten year period through a pipe replacement rider (rider) those costs incurred to replace the portions of its pipeline system that were corroded and/or leaking. Additionally, the stipulation provided that Staff audit the expense incurred by the Company in complying with the terms of the stipulation. On September 3, 1998, an order was entered by the Commission accepting the stipulation."

Q-14 Has Chattanooga Gas been replacing the applicable Unprotected Steel and Cast Iron pipe since their last rate case in Tennessee?

A-14 Yes, my Exhibit MDC RS1 is a worksheet and RS1A (graph) indicating that Chattanooga Gas replaced 324 miles of Mains and Services from 1990 - 2000 (an average replacement of about 32 miles[5] per year) and an average of about 8 miles[6] per year from 2000 - 2003[7]; however in Mr. Lonn's Exhibit___(RR Schedule 1, "Expenditures - Bare Steel Cast Iron Pipeline Replacement Program") Exhibit MDC RR 1 he proposes a plan to replace the applicable mains and services at a

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4 Order On Atlanta Gas Light Company's Petition For A Declaratory Ruling, "In Re Atlanta Gas Light Company Pipeline Replacement Program", Docket No 8616-U Exhibit MDC- GP PRP 1.

5 (466 3 - 142 3)/10.

6 (142 3 - 116 2)/3.

7 Data Source Chattanooga Gas Company Annual Report by Year of the Gas Distribution System to the Tennessee Regulatory Authority (Form RSPA F 7100-1) and Exhibit MDC RS 1

rate of 10 miles per year! Further, he proposes the average replacement cost beginning at $50.94 per replacement foot in year 1 (2004) of the plan to $70.88/per foot in the 10th year.

Q-15 Have you asked the petitioner to reconcile the difference in cost?

A-15 Yes, CAPD data request, dated April 23, 2004 question 34 and responded to by CGC on July 15, 2004 provides an analysis of the increase in average $/ft. in cost from fy 2004 though fy 2014 and provides a comparison of average cost per foot in Georgia from fy 2004 though fy 2008.

Q-16 Mr. Chrysler, can you explain the nature of your questions regarding "regulatory appropriateness" of the PRP Proposal?

A-16 Yes, the Consumer Advocate and Protection Division is very concerned about the potential of inflating costs as well as incomplete or unanswered questions on a going-forward basis should the PRP proposal be accepted by the TRA. Formal rate proceedings should allow all interveners the opportunity to study and investigate the appropriateness of costs and management decisions; however, an annual rate tracking processes may not allow interveners the same access. Should this change in regulatory action take place, it would counter the purposes incurred with the development of Tenn. Code Ann. 65-4-118(2) (A)(B) regarding the development of the Consumer Advocate Division.

Q-17 Mr. Chrysler, do you have additional information to confirm your worries regarding, "inflated costs" and attempted recovery of costs other than "replacement costs"?

A-17 Yes, see attached Exhibit MDC PR1 a copy of a slide presentation made by AGL Resources to analysts/potential investors in November 2003, which details an Original Projection of $76.16 (per customer) but compares with an actual cost of $29.19 per customer -- a projection of about 260% over actual cost!

Additionally, see attached Exhibit MDC GP SC2[8] "GPSC Staff Recommendation Letter from Tony Wackerly, Utilities Analyst commenting on attempts by AGLC to pass through improper inclusion of Capital and Operation and Maintenance costs through the rider if not discovered by audit staff. On page 1, paragraph 1:

> During its Second Quarter Audit of the Atlanta Gas Light Company (AGLC) Pipeline Replacement Rider, **Gas Staff discovered that right-of-way charges that the Company had booked as expenses to the Rider were actually rate base items.** These expenses were related to the possible replacement of the East Point Line. In addition, Staff discovered that the Company also intended to book certain anticipated expenses to the Rider though these anticipated charges should be treated as rate base items. **The charges in question were not for costs of replacing pipes.** Instead, they were related to a pressure improvement agreement between Atlanta Gas Light Company and Southern Natural Gas and capital expenditures for new right-of-ways that will not be used for the pipe replacement program. The Company's funding for these types of items comes through base rates, and the Company was prepared to enter into an agreement with Southern Natural Gas for a pressure improvement program without informing the Commission of its intentions.

Continuing on page 2 paragraph 2:

> The Company has continually asserted that if they are not allowed to recover these items through the Rider, then they will simply do pipe-for-pipe replacement without seeking a more prudent method

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[8] Report to the Georgia Public Service Commission in Docket No 8516-U Atlanta Gas Light Company Pipe Replacement Program, dated July 29, 2003 by Tony Wackerly, GPSC Utilities Analyst

of reducing costs. Staff believes that the company has reached a conflict of interest between cost recovery and financial and engineering prudence. There can be a demarcation between cost recoveries, such as rate base and the Pipe Replacement Rider. When a pipe replacement project is being considered, it may have elements of both types of recovery, and it is prudent to recognize this demarcation and make the appropriate decision on allocating which costs should be recovered under each mechanism. *The Company has failed to understand this line of demarcation between recovery mechanisms by attempting to go forward with this pressure improvement project with SNG without informing the Commission, while threatening to do imprudent pipe-for-pipe replacement if they are not allowed dollar-for-dollar recovery of non-pipe replacement items.*

This matter is a prime example why riders in general can be problematic: "The lines of demarcation for recovery can be blurred and **the company can be incented to make decisions, not based on financial and engineering prudence, but based on the mechanism of cost recovery**. For this reason, when Staff makes its recommendation next month on the Pipe Replacement Rider surcharge for the upcoming year, Staff intends to also recommend that the Commission roll pipe replacement costs back it into base rates in next rate case so that the Pipe Replacement Rider can be terminated. This would prevent rate base items from being recovered as pipe replacement items, and it would prevent decisions from being made based on recovery mechanism rather than financial and engineering prudence. The rolling of the Pipe Replacement Rider back into base rates in the next rate case would not affect the Pipe Replacement Program from a safety perspective, nor would it prevent the company from competing the program with the 10-year time frame as prescribed in the Stipulation."

Q-18 Are ATMOS, and Nashville Gas in the process of replacing their Unprotected Steel and Cast Iron Mains and Services?

A-18 Yes, Exhibits MDC RS 2 and RS2A (graph) reflect that between 1990 and 2000 United Cities/ATMOS replaced a total of 115.7 miles (an average of about 11 ½ miles per year). Although between 2000 and 2003 ATMOS has actually discovered an additional 24 miles of Unprotected Steel Mains and Services

distorting the replacement miles per year. Nashville Gas (Exhibits MDC RS 3 and 3A) has replaced approximately 518 miles of Unprotected Steel and Cast Iron mains and services between 1990 and 2000 and an additional 113 miles from 2000 through 2003 (even though additional Cast Iron Main miles were discovered).

Q-19 What opinions do you reach from your review of CGC's historical replacement schedules and your review of petitioner's request for a 10-year PRP replacement proposal?

A-19 In my opinion, the thrust of a Pipeline Replacement Proposal is an opportunity for the petitioner to attempt to immediately recover applicable and improper Capital costs and Operation and Maintenance Expenses through a non-traditional rate making annual recovery scheme. We're concerned that the PRP proposal will morph from a program to replace applicable Unprotected Steel and Cast Iron mains and services into a recovery scheme to recover any capital projects and O&M expenses it attempts to get away with at inflated costs. We're concerned that the process will require continual review by TRA Gas Pipeline Safety and Energy and Water audit staff as has been reflected in Georgia and referenced in comments by the GPSC staff.

Said another way, in summarizing comments (Exhibit MDC GP SC1[9]) Tony Wackerly, Georgia PSC Utilities Analyst states:

> Second, staff further recommends ending the Pipe Replacement Rider and rolling it into base rates. The reason for this action is to

[9] Executive Summary - Staff Comments to The Georgia PSC in Docket No 8516-U regarding AGLs Pipeline's Pipe Replacement Program for Cost Year-5

prevent rate base items from being recovered as pipe replacement items and it will prevent decisions from being made based on recovery mechanism rather than financial and engineering prudence. Further, The rolling of the Pipe Replacement Rider into base rates will not affect the Pipe Replacement Program from a safety perspective, nor does it prevent the Company from Completing the program within the 10-year time frame as prescribed in the Stipulation.

Traditional rate making theory (as articulated in the attached NASUCA (National Association of State Utility Consumer Advocates) Resolution Exhibit MDC N1[10]) states in paragraph 4 that: "automatic adjustment mechanisms further create bad public policy by eliminating the built-in regulatory incentive to control costs between rate cases and, generates incentives to increase spending in order to avoid reduction of the surcharge which occurs if the water company's authorized return is reached."

GPSC staff witness Mr. McGriff may elaborate on continuing pipeline replacement by CGC by a referencing of Exhibit MDC RS 1, that CGC's pipeline replacement is and has been taking place since at least 1990 when the company had a total of 466 miles of unprotected steel and cast iron mains and services to be replaced, has replaced 350 miles with a current balance of 116 miles to be replaced.

The rate of replacement may differ from company to company and management to management, but the ability to replace unprotected steel and cast iron mains or services isn't predicated on a formal "Pipeline Replacement Proposal" but rather a conscious commitment by management to replace all applicable pipe by a certain

[10] NASUCA (National Association of State Utility Consumer Advocates) Water Company Infrastructure Costs Resolution, June, 1999.

date. Recovery of cost can and will occur just as it has from company to company and year to year through formal rate proceedings (as detailed in GPSC Executive Summary[11]).

Q-20 Why would a company request to replace the traditional rate making procedure with a "Pipeline Replacement Program" as proposed in this docket?

A-20 From reading Georgia Public Service Commission's staff reports regarding the PRP it becomes apparent that opportunities become available to include inappropriate costs for recovery through the tracking mechanism covering both capital and operation and maintenance (O&M) expense if not discovered by regulatory staff review prior to authorization. Additionally, *the petitioner will escape intervener review (associated with rate case review) are negated through the proposed "tracking mechanism."*

Q-21 Does Chattanooga Gas need an automatic rate increase every year to pay for added investment associated with main replacements?

A-21 No. As shown on page 26 of the TRA's order in Docket 97-00982 (attached Exhibit MDC RB 1) the CAPD's projected rate base for 1998 was $94.6 million. In this Docket, we project a rate base of around $95 million (Exhibit MDC RB 2)[12]

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[11] In Docket No 8516-U· Atlanta Gas Light Company Pipe Replacement Program Staff's Audit report Consideration of Staff's Recommendation on the Pipe Replacement Surcharge for Cost Year-5 *See* Exhibit MDC GP SC1

[12] CGC witness Mr Morley, Exhibit MJM-3 Schedule 3, in TRA Docket # 04 - 00034

for 2005. If the inventory account had not increased from $6.7 million in 1998 to $14.2 million in this case, the rate base would have DECLINED by $7 million. Said another way, depreciation has been reducing rate base (since additions to rate base have not kept up with depreciation) such that customers have been paying for a rate base of approximately $94.6 million since the last rate case and if not for a $7.5 million increase in inventory, customers would be paying for nonexistent investments.

Q-22 Has Chattanooga Gas proven the need to implement a major modification of regulatory practice eliminating the recovery of, "used and useful" rate base and substitute an annual flow-through of replacement plant through a tracking mechanism?

A-22 No, CGC has had and continues to have the same ability as other Tennessee utilities to replace or add plant into rate base and submit to regulatory review through formal rate filings. CGC has the management responsibility of prudently operating its' franchise in a manner meeting the needs of customers, stockholders, and employees within the safe parameters established by regulatory authority. Chattanooga Gas has not provided any reasoning for incorporating a rate tracking mechanism similar to a "troubled" program in Georgia. Additionally, Exhibit MDC RS 1 clearly illustrates that Chattanooga Gas has replaced 75% of its Unprotected Steel and Cast Iron mains and services since 1990 and the remaining 116.3 miles could be replaced in a timely manner consistent with traditional recovery through a general rate filing.

Q-23 What is NASUCA's (National Association of State Utility Consumer Advocates) position regarding "PRP- Like" Infrastructure Replacement proposals?

A-23 My Exhibit MDC N 1 elaborates on NASUCA's Infrastructure Replacement Resolution passed by the NASUCA Water Committee in their June, 1999 Mid-Year Conference. The resolution discourages state regulatory authorities, "*from Adopting Automatic Adjustment Charges for water Company Infrastructure Costs*" similar to the Pipeline Replacement Program proposed by CGC.

Q-24 Does the Georgia Public Service Commission staff feel the current replacement program (in year 6 of a 10 year program) should continue or should it be discontinued and replaced?

A-24 The specific value of the PRP Replacement Program as well as suggestions for modifications to the current program will be discussed by GPSC staff witness Mr. McGriff.

Q-25 What is your opinion with respect to the proposed Pipeline Replacement Program?

A-25 In my opinion, the PRP tracking proposal should be discarded in favor of traditional rate making methodology. My opinion is based on the knowledge and experience of the Georgia Public Service Commission Staff and NASUCA. The company should be directed to work with the Tennessee Regulatory Authority's Gas Pipeline Safety Division in completion of replacement of their Unprotected Steel and Cast Iron Mains and Services with cost recovery through base rates if

needed.

Q-26 Mr. Chrysler what schedules are you sponsoring with respect to, "Quality of Service" Issues in this proceeding?

A-26 I am sponsoring Exhibits MDC QS: MS, CD, CS, SD1, SD2, SD3 to support my opinions regarding service quality as it relates to the areas of Meter Services, Construction Department, Customer Service, and Service Department for Chattanooga Gas since the last rate case and against a baseline. I am also sponsoring Exhibit MDC CSPR a copy of the State of Pennsylvania's first annual report of gas and electric distribution companies regarding required[13] summary reporting on the customer-service performance of the EDCs and the NGDCs using the statistics collected as a result of the reporting requirements. And finally, I am submitting Exhibits MDC GA SS1 and SS2 which is the approved Georgia Public Service Commission Order requiring reporting of Service Metrics and the recent filing by Atlanta Gas Light in compliance with that Order. The Georgia and Pennsylvania reports can be an instrument in development of benchmarks in Tennessee.

Q-27 Why are you sponsoring these Quality of Service benchmarks and requesting the Tennessee Regulatory Authority to institute a Notice of Proposed Rulemaking in consideration of statewide benchmarks for Local

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[13] The Commission adopted the final rule making established the Reporting Requirements for *Quality of Service Benchmarks and Standards* for the NGDC on January 12, 2000 Fulfilling the requirement of 52 Pa Code § 54 156 of the EDC reporting requirements and 52 Pa Code § 62 37 of the NGDC reporting requirements.

Gas Distribution Companies (LDCs) in Tennessee?

A-27 The ability of companies to properly serve customers and the level at which public service commissions hold their regulated companies cannot be properly measured without service metrics. Just as the Authority requests financial reporting from which it can determine if the company is over or under earning its allowed rate return, it needs to regularly review operating Quality of Service benchmarks to assure customers that they are receiving a desired level of service quality. Clearly companies have the ability and responsibility to hire and fire employees, but significant decreases in employee levels (such as the one exhibited by CGC in 1999) begs the questions regarding how well customers are served following these significant down sizing. Further, what is to keep companies from continuing to reduce employees/services in the future? What will be the cost to Tennessee consumers/CGC employees following AGL's merger with NUI Corporation? How will regulators know if or when the service quality provided by a utility becomes unacceptable if they don't have the tools that allows them to monitor service quality?

In this case, it is my opinion that there are four (4) significant reasons for approving this call for Quality of Service Benchmark development and analysis: (1.) AGL Resources monitors its own "Quality of Service" metrics; (2.) Incomplete responses to CAPD data request #26 suggesting that either historical data was not available or that the specific metric is not kept by the company; (3.) Reduction in CGC personnel immediately following its last rate case hinting to a potential reduction of service quality and the very

real possibility for further employment reductions in the near future following the rate review and incorporation of NUI into the AGL umbrella; and (4.) Decisions of other State Commissions (including the State of Georgia) leading to Notice of Proposed Rule making of Quality of Service Benchmarks and reporting of such on a regular basis.

Q-28 Are you sponsoring exhibits regarding staffing levels since the effective date of Chattanooga Gas' last rate order?

A-28 Yes, Exhibits MDC EL 1(graph) & EL 2 (worksheet) reflects the manpower level of Chattanooga Gas from 1996 through 2003. The graph also reflects that following November 1, 1998, the effective date of the previous rate order a serious reduction in employees from that included in the last rate proposal. A reduction in force for office contact, field service, Construction and metering personnel can translate to longer waits on the phone regarding inquiries, longer waits for service turn-ons or meter sets, or estimated meter readings. Longer waits for various types of service by customers can be a symptom of reduced service quality which may be measured by certain Quality of Service metrics.

Following a rate approval customers continue to pay the same base rate reflecting a certain service level for months and years. Just as the base rates continue month-to-month, year-to-year, customers have an expectation that service quality should continue to be at or close to levels expected and enforced by regulatory authorities. How this determination is made begins with analysis of service quality metrics developed through Rulemaking.

Q-29 Are Quality of Service Metrics new to utilities?

A-29 No, since the Pubic Utilities Regulatory Policies Act of 1978 major gas and electric distribution companies began preparing for the then unknown possibility of a competitive environment. From that time until the current, utilities have been in the process of making themselves "more competitive" with other utilities. Strategic Planning departments were established within utilities to establish plans and objectives to achieve corporate vision of becoming more "competitive." Reporting mechanisms were initiated and metrics were chosen as to determine how the company was achieving its corporate vision. As companies downsized these metrics helped management determine how departments were functioning, "report cards" for management raises, and data for analysis to determine if further changes in resources could be made.

Just as utilities have been doing for years, regulators such as the Georgia Public Service Commission (Exhibit MDC GA SS 1) and the Pennsylvania Public Utility Commission (Exhibit MDC CSPR) are obliged to keep track of service quality metrics as it does various accounting reporting exhibits; i.e., TRA 3.01's, 3.03's, and 3 05's.

Q-30 Does AGL Resources have an ongoing program of measuring "Quality of Service"?

A-30 Yes, just as we described previously, many major utilities focusing on "value" on the part of their employees also employ some form of "quality of service" metrics in order to determine how well various departments and individuals are performing based on historical and other benchmarks. AGL Resources performs the same

analysis and although reported to stockholders and the Georgia PSC Exhibit MDC GA SS 2, the specifics are not reported to Tennessee regulators or customers.

Q-31 How do you know that to be true?

A-31 In the, "Presentation to AGL Resources Shareholders Annual Shareholder Meeting" April 16, 2003, Chairman, President and Chief Executive Officer Paula G. Rosput stated on page 6 of her remarks (Exhibit MDC Rosput):

> We've talked about value a great deal already, but I'll stress it again because we stress it every day with our employees. We look to our employees to ask themselves every single day they're on the job: "How can I add value today?" And they do. Our employees are not afraid to come to management and say, "I think we could do this better." That attitude that says, "we're never quite there," has led to remarkable improvements across our business. Consider the following:
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> 1. Leak response time (dramatically reduced amount of time it takes to respond to emergency leak calls);
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> 2. Appointment attainment percentages (have increased our on-time percentage significantly);
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> 3. Payment history improvement (SouthStar) have maintained consistent market share while aggressively reducing our bad debt expense and improving our collections process);
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> 4. Hold and handle times at Customer Care Center;
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> 5. Unit cost per new meter;
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> 6. Consistently low VaR calculations; and
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> 7. How we file our 10-Q's simultaneous with our earnings release and financial statements each quarter - another example our commitment to the investment community to provide as much earnings visibility and transparency as possible.

Q-32 Are the metrics identified by you the same as those detailed by CEO Rosput?

A-32 No, although the metrics (units of measure) we used and requested responses from CGC were not necessarily the same as described by chairperson Rosput, they are the same ones requested and provided by Nashville Gas last year (2003) in docket 03-00313 and were provided in Exhibit MDC-5 as provided in response to Data Request #8 by Nashville Gas. Areas discussed are, "Customer Service," "Service Department," "Construction Department," and "Meter Services."

Q-33 Did AGL Resources recently win the Platt's "Gas Company Of The Year" reward for exemplary customer service?

A-33 As we follow various characterizations of the meaning of this award and on what basis it was received we thought it meaningful to contact Platt's to set the record straight regarding the metrics involved in the selection process, Judging Criteria, and "Finalists." Exhibit MDC PL, pages 1-7 as provided by Mr. James Keener of the Platt's Press Office in response to email inquiry (also attached).

From Platts: (Exhibit MDC PL, p.7)

"**Gas Company of the Year**":

The natural gas world includes exploration, drilling, production, gathering, processing liquefaction, storage, transportation, distribution, and retail delivery. Key issues include the merits of embracing innovative technologies in the search for new sources of supply, investing in infrastructure to minimize volatility, adopting new and innovative storage technologies, and employing new technologies to improve transport, processing, and production. In this category,

the judges focused on overall performance rather than on a specific corporate activity. Whether the finalist was engaged in exploration, production, processing, transportation, storage, or distribution was less important than the level of excellence achieved.

Judging Criteria:

Sound technology

Shareholder value

Unparalleled performance

Finalists:

AGL Resources

Kern River Gas Transmission Co.

KeySpan Energy Delivery

Nominations: **(Exhibit MDC PL**, page 5)

Nominations may be submitted either directly from a company, from an involved individual, or from a third party. In each case, the nomination must be submitted on the official "Global Energy Awards Entry Form" available at *www globalenergyawards com*. Once you have filled out the official form, please send one (1) paper copy, along with your supporting materials, to...

Q-34 What are your conclusions regarding the statements made regarding the award?

A-34 Based on the limited information received from our inquiry from the Platts Press

Office, it would appear that the Company nominated itself for an award based on, "Sound technology," "Shareholder value," "Unparalleled performance," and not "Quality of Service" in competition against companies unmeaningful for most Chattanooga Gas customers. It is much more likely that the award may be much more beneficial to the Board of Directors, Stockholders, and Senior Management than for consumers.

Q-35 What are your recommendations regarding Quality of Service reporting?

A-35 We have very serious questions regarding the quality of service being provided to Chattanooga Gas customers (now and especially in the future) and find it ironic that while AGL measures its; employees to determine value (and shares that with shareholders) it does not report service quality to Tennessee consumers. Additionally AGL has been ordered to report on service quality with the Georgia PSC it does not report the same metrics for the, "Tennessee division". The service quality metrics would provide a foundation for future analysis and development should a further proceeding be implemented.

Q-36 What is the position of the Consumer Advocate and Protection Division with respect to Service Quality issues of Chattanooga Gas Company?

A-36 We would request that the Tennessee regulatory Authority seriously consider the need for service quality reporting as we have presented and exhibited by a company seriously reducing employee levels in the past, a company in merger/take over proceeding with NUI, a company internally keeping track of service metrics internally and for the State of Georgia, and open an immediate Rule making Proceeding similar

with that initiated by Georgia PSC and the Pennsylvania Public Utility Commission to assure all Tennessee gas consumers that their local gas distribution service provider (LDC) is and will continue to provide consistent quality of service based on metrics as determined in the proceeding.

Q-37 Does this conclude your testimony?

A-37 Yes, it does.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE

IN RE: APPLICATION OF NASHVILLE GAS COMPANY, A DIVISION OF AGL RESOURCES, FOR AN ADJUSTMENT OF ITS RATES AND CHARGES, THE APPROVAL OF REVISED TARIFFS AND THE APPROVAL OF REVISED SERVICE REGULATIONS

DOCKET NO. 03-00313

AFFIDAVIT

I, Michael D. Chrysler, Regulatory Analyst, for the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.

Michael D. Chrysler

MICHAEL D. CHRYSLER

Sworn to and subscribed before me
this 22nd day of July, 2004.

NOTARY PUBLIC
My commission expires: 9-22-07

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Detail of Testimony Exhibits
In re Chattanooga Gas Company Rate Filing
In TRA Docket # 04-00034

	Exhibit Reference	Description
		Payroll Increase:
1	EL 1	CGC Chart of Total Employees 1996 - 2003
2	EL 2	CGC Detail Worksheet of Employees by Department 1996 - 2003
3	DR 3	Response by CGC to CAPD Manpower Data Request #5 in Docket 03-00209
		Pipeline Replacement Program
4	GP PRP 1	Order On AGL 8516-U "Finding of Fact And Conclusions of Law"
5	AR 7100	Annual Reports to TRA Gas Pipeline Safety 1990, 2000, 2003
6	RS 1	Main Replacement Schedule - Chattanooga Gas Company (Worksheet)
7	RS 1A	Main Replacement Schedule - Chattanooga Gas Company (Graph)
8	RS 2	Main Replacement Schedule - ATMOS Energy Company (Worksheet)
9	RS 2A	Main Replacement Schedule - ATMOS Energy Company (Graph)
10	RS 3	Main Replacement Schedule - Nashville Gas Company (Worksheet)
11	RS 3A	Main Replacement Schedule - Nashville Gas Company (Graph)
12	M 1	Summary of Miles of Main by Year 1990, 2000, 2003 - CGC
13	S 1	Summary of Miles of Services by Year 1990, 2000, 2003 - CGC
14	M 2	Summary of Miles of Main by Year 1990, 2000, 2003 - ATMOS
15	S 2	Summary of Miles of Services by Year 1990, 2000, 2003 - ATMOS
16	M 3	Summary of Miles of Main by Year 1990, 2000, 2003 - Nash Gas
17	S 3	Summary of Miles of Services by Year 1990, 2000, 2003 - Nash Gas
18	RR 1	Mr Lonn's Exhibit __ (RR Schedule1) - Expenditures - Replacement Program
19	PR 1	AGL Presentation to Analysts/Investors, November 2003
20	GP SC 2	Report to the GPSC in Docket No 8516-U, 7/29/03 by Tony Wackerly
21	GP SC 1	Executive Summary, 8516-U, Staff's Audit Report
22	N 1	NASUCA - 1999 Resolution - Discouraging Commissions from Adopting Automatic Adjustment Charges for Water Company Infrastructure Costs
23	RB 2	Rate Base Comparisons, Chattanooga Gas Co , Docket #04-00034
24	RB 1	Rate Base Comparisons, Chattanooga Gas Co , Docket #97-_____
		Quality of Service Issues
25	GA SS 1	Georgia PSC Order in Docket 15295-U Adopting Service Standard Rules
26	GA SS 2	AGL Filing of data related to GA PSC Service Standards, 5/01/04
27	CSPR	2002 Customer Service Performance Report - Pennsylvania PUC
28	ROSPUT	Speech to AGL Shareholders Meeting P G Rosput, 4/16/03
29	PL	Platts - 2003 Gas Company f the Year
30	QS - MS	Quality of Service Analysis - Meter Services
31	QS - CD	Quality of Service Analysis - Construction Department
32	QS - CS	Quality of Service Analysis - Customer Service
33	QS - SD1	Quality of Service Analysis - Service Department - 2001
34	QS - SD2	Quality of Service Analysis - Service Department - 2002
35	QS - SD3	Quality of Service Analysis - Service Department - 2003

Chattanooga Gas Company
Summary of Total Employee Levels
(1996 - 2003)

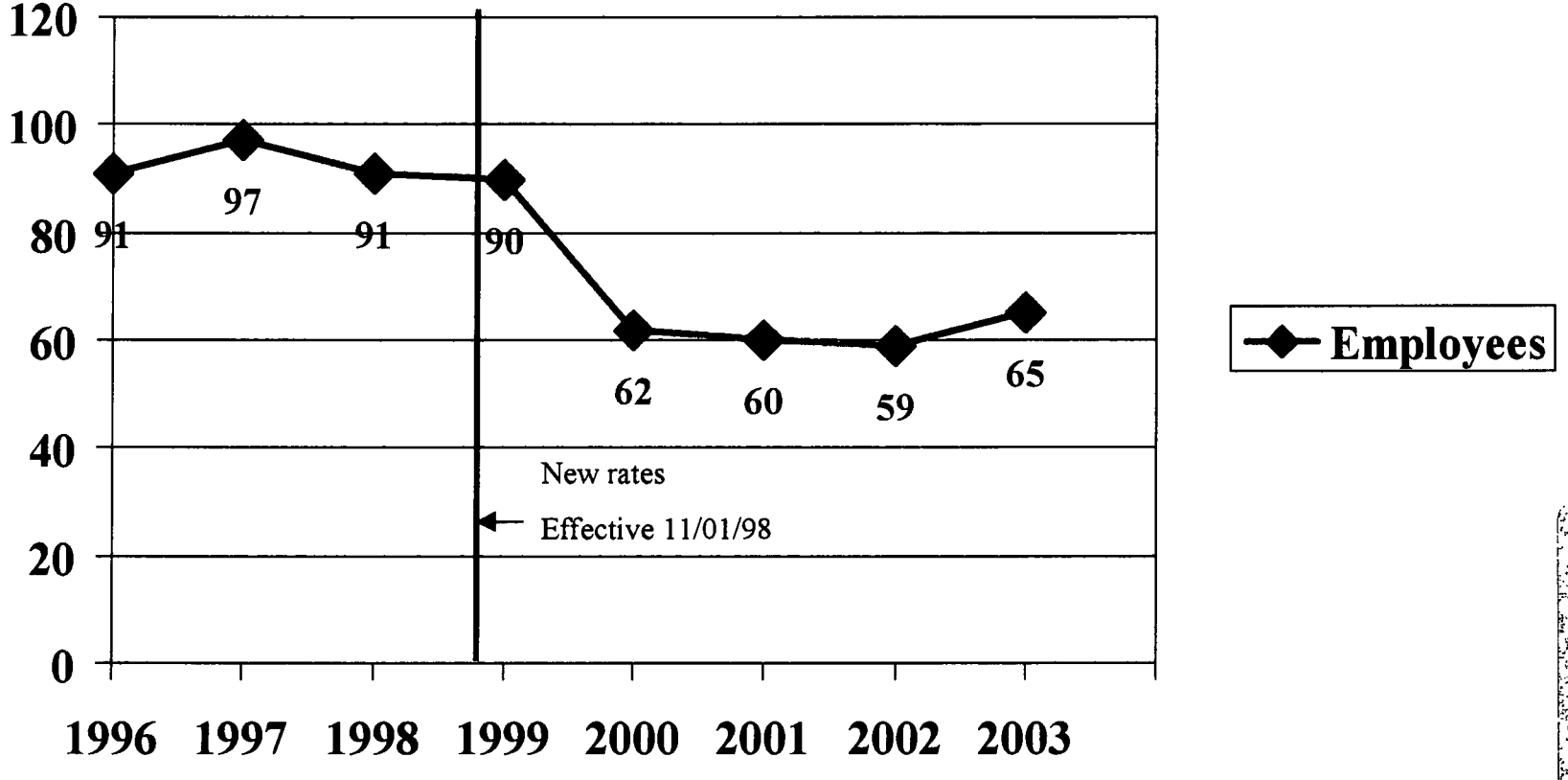

EXHIBIT MDC EL-1

Chattanooga Gas Company
Summary of Employee Levels By Title/Function*
Customer Data - Chattanooga Gas Company
Comparison By Year Through August 2003
Docket No 04-00034

	4th Qtr '96	4th Qtr '97	4th Qtr '98	4th Qtr '99	4th Qtr '00	4th Qtr '01	4th Qtr '02	8/21/2003
Job Title								
Office/ Administrative								
Administrative Assistant 1	1	1	1	-	-	-	-	
President, Chattanooga Gas	1	1	1	1	-	-		
Rep, Firm Industrial				1	-	-		
Rep Major Accounts				1	1	1	1	1
Rep, Residential				1	-	-		
Rep, New Business							1	1
Inactive Employee	1	1	-	-	-	-		
Manager, Chattanooga	1	1	-	-	-	1	1	1
Manager, Cleveland	1	1	1	-	-	-		
Manager, General				1	-	-		
Manager, Marketing Rates				1	1	1	1	
Vice Presient, CGC Optns								1
Office Assistant I	4	4	4	4	-	-		
Office Assistant II	3	3	3	3	4	4	4	4
Total Admin	12	12	10	13	6	7	8	8
Meter Reader	4	7	9	7	4	4	4	10
Meter Reading, Supervisor	1	1	1	-	-	-		
Meter Reading	5	8	10	7	4	4	4	10
Service								
Credit & Collections (AGL) ***	8	11	7	7	9	8	12	10
Supervisor, Operations	1	1	1	1	-	-		
Supervisor, Distribution	1	1	1	1	1	1	1	1
Distribution Operator (1)	5	5	3	6	5	5	6	6
Dist Press Ctrl Operator							2	2
Field Service Rep A	20	20	18	18	13	13	12	11
Field Service Rep B	1	1	1	1	-	-	-	
Field Service Rep C	1	1	1	1	-	-	-	
Total Service	29	29	25	28	19	19	21	20
Construction								
Operations Clerk	1	1	1	1	-	-		
Stores Clerk I	1	1	1	1	-	-		
Stores Clerk II	1	1	1	1	1	-		
Supervisor, New Construction	1	1	1	1	-	-		
Coordinator, Construction	6	6	6	6	3	4		
Crew Member I	2	2	2	-	-	-	-	1
Crew Member II	4	4	4	4	-	-	1	1
Crew Member III	7	7	3	6	5	3	3	3
Foreman Crew	6	6	6	6	4	4	4	4
Foremen, Pressure Control	1	1	1	1	-	-		
Field Meter Mechanic A	3	3	6	3	3	3		
Field Meter Mechanic B					1	1		
Field Meter Mechanic C	1	1	3	1	-	-		
Welder	2	2	2	2	2	2	1	1
Total Construction	36	36	37	33	19	17	9	10
Superintendent, LNG Plant								1
Supervisor, LNG					1	1	1	
Supervisor Service	1	1	2	2	1	1	1	1
Technician LNG								1
LNG Plant Operator					3	3	3	4
Total LNG	1	1	2	2	5	5	5	7
Office Administrative	12	12	10	13	6	7	8	8
Meter Reading	5	8	10	7	4	4	4	10
Total Service	29	29	25	28	19	19	21	20
Total Construction	36	36	37	33	19	17	9	10
Total LNG	1	1	2	2	5	5	5	7
Subtotal	83	86	84	83	53	52	47	55
Credit & Collections (Alloc) *	8	11	7	7	9	8	12	10
Total Employees	91	97	91	90	62	60	59	65

*** = Allocated to Chattanooga

Customers			
Residential	48,421	47,583	48,260
Commercial	7,862	7,727	7,847
Industrial	354	89	72
Other	654	5	7
Total	57 291	55,404	56,186

Data Sources
* CGC Response To CAD Data Request No 5 03-00209

EXHIBIT MDC DR 3

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Issued July 28, 2003

Discovery Request No. 5.

Provide the number of employees detailed by job function charged to credit and collections, meter reading, customer service, call center or other customer contact positions (list by month and from the beginning of the attrition year in the company's latest rate proceeding through the latest month for which this information is currently available). List by job title, by month and by year.

Response:
Chattanooga Gas Company objects to this request on the basis that it is overly broad and unduly burdensome. Subject to and without waiving the foregoing objection to this request, the Company is providing the follow:

Virtually all employees of Chattanooga Gas Company are involved in customer contract in some manner. As a result, the Company is providing a list of employees by title for each quarter beginning September 1996 through July 2003. (Attachment A)

In addition, Call Center employees located in Georgia deal directly with Chattanooga Gas Company customers. Among other tasks these employees obtain the necessary information to establish customer accounts, determine deposit requirements, arrange budget billing programs, arrange payment plans, and deal with assistance agencies such as LIHEAP, etc. These employees are not specifically designated to work for an individual company but provide service to Chattanooga Gas Company, Atlanta Gas Light Company, and Virginia Natural Gas Company customers. In responding to this request these employees have been allocated on an employee equivalent basis for each month October 1997-June 2003. (Attachment B)

8-22-03

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item No. 5 Attachemnt B.*

Calculated CGC Headcount								
	1996	1997	1998	1999	2000	2001	2002	2003
Jan		8	10	7	9	11	10	16
Feb		8	11	7	10	13	10	17
Mar		8	8	7	9	12	11	16
Apr		8	9	8	9	11	11	14
May		8	9	8	9	10	10	12
Jun		8	9	8	9	8	10	10
Jul		8	9	7	9	7	9	
Aug		9	8	6	9	7	9	
Sep		9	8	8	9	9	9	
Oct	8	9	7	8	10	10	10	
Nov	8	10	7	7	9	8	10	
Dec	8	11	7	7	9	8	12	

* Allocated Call Center employees

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A

8/21/2003

Count of 12168	
Coordinator,Office Assistant	Total
Assistant II,Office	4
Foreman,Crew	4
Manager,Chattanooga	1
Member I,Crew	1
Member II (1),Crew	1
Member III (1),Crew	2
Member III (2),Crew	1
Operator (1),Distribution	6
Operator,Dist Press Ctrl	2
Operator,LNG Plant	4
Reader,Meter	10
Rep A,Field Service	11
Rep,Major Accounts	1
Rep,New Business	1
Superintendent,LNG Plant	1
Supervisor,Distribution	1
Supervisor,Service	1
Technician,LNG	1
VP,CGC Operations	1
Welder	1
(blank)	
Grand Total	55

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter
4th 02

Count of 12168	
Coordinator,Office Assistant	Total
Assistant II,Office	4
Field Service Rep A	1
Foreman,Crew	4
Manager,Chattanooga	1
Manager,Marketing/Rates	1
Member II (1),Crew	1
Member III (1),Crew	2
Member III (2),Crew	1
Operator (1),Distribution	6
Operator,Dist Press Ctrl	2
Operator,LNG Plant	3
Reader,Meter	4
Rep A,Field Service	11
Rep,Major Accounts	1
Rep,New Business	1
Superintendent,LNG Plant	1
Supervisor,Distribution	1
Supervisor,Service	1
Welder	1
(blank)	
Grand Total	47

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter
4th 01

Count of 12168	
Coordinator,Office Assistant	Total
Coordinator,Construction	4
Crew Member III(1)	2
Crew Member III(2)	1
Distribution Operator(1)	5
Field Meter Mechanic A	3
Field Meter Mechanic B	1
Field Service Rep A	13
Foreman,Crew	4
LNG Plant Operator	3
Manager,Chattanooga	1
Manager,Marketing/Rates	1
Meter Reader	4
Office Assistant II	4
Rep,Major Accounts	1
Supervisor,Distribution	1
Supervisor,LNG Plant	1
Supervisor,Service	1
Welder	2
(blank)	
Grand Total	52

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter
4th 00

Count of 11041	
Coordinator,Construction	Total
Coordinator,Construction	3
Crew Member III(1)	2
Crew Member III(2)	3
Distribution Operator(1)	5
Field Meter Mechanic A	3
Field Meter Mechanic B	1
Field Service Rep A	13
Foreman,Crew	4
LNG Plant Operator	3
Manager,Marketing/Rates	1
Meter Reader	4
Office Assistant II	4
Rep,Major Accounts	1
Stores Clerk II	1
Supervisor,Distribution	1
Supervisor,LNG Plant	1
Supervisor,Service	1
Welder	2
(blank)	
Grand Total	53

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter
4th 99

Count of 11824	
Administrative Assistant I	Total
Coordinator,Construction	6
Crew Member II(1)	4
Crew Member III(1)	3
Crew Member III(2)	3
Distribution Operator(1)	6
Field Meter Mechanic A	3
Field Meter Mechanic C	1
Field Service Rep A	18
Field Service Rep B	1
Field Service Rep C	1
Foreman,Crew	6
Foreman,Pressure Control	1
Manager,General	1
Manager,Marketing/Rates	1
Meter Reader	7
Office Assistant I	4
Office Assistant II	3
Operations Clerk	1
President,Chattanooga Gas	1
Rep,Firm Industrial	1
Rep,Major Accounts	1
Rep,Residential	1
Stores Clerk I	1
Stores Clerk II	1
Supervisor,Distribution	1
Supervisor,New Construction	1
Supervisor,Operations	1
Supervisor,Service	2
Welder	2
(blank)	
Grand Total	83

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter.
4th 98

Count of 11824	
Administrative Assistant I	Total
Coordinator,Construction	6
Crew Member I	2
Crew Member II(1)	4
Crew Member III(1)	3
Crew Member III(2)	3
Distribution Operator(1)	6
Field Meter Mechanic A	3
Field Meter Mechanic C	1
Field Service Rep A	18
Field Service Rep B	1
Field Service Rep C	1
Foreman,Crew	6
Foreman,Pressure Control	1
Manager,Cleveland	1
Meter Reader	9
Office Assistant I	4
Office Assistant II	3
Operations Clerk	1
President,Chattanooga Gas	1
Stores Clerk I	1
Stores Clerk II	1
Supervisor,Distribution	1
Supervisor,Meter Reading	1
Supervisor,New Construction	1
Supervisor,Operations	1
Supervisor,Service	2
Welder	2
(blank)	
Grand Total	84

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter.
4th 97

Count of 11824	
Administrative Assistant I	Total
Coordinator,Construction	6
Crew Member I	2
Crew Member II(1)	4
Crew Member III(1)	7
Distribution Operator(1)	5
Field Meter Mechanic A	3
Field Meter Mechanic C	1
Field Service Rep A	20
Field Service Rep B	1
Field Service Rep C	1
Foreman,Crew	6
Foreman,Pressure Control	1
Inactive Employee	1
Manager,Chattanooga	1
Manager,Cleveland	1
Meter Reader	7
Office Assistant I	4
Office Assistant II	3
Office Assistant III	1
Operations Clerk	1
President,Chattanooga Gas	1
Stores Clerk I	1
Stores Clerk II	1
Supervisor,Distribution	1
Supervisor,Meter Reading	1
Supervisor,New Construction	1
Supervisor,Operations	1
Supervisor,Service	1
Welder	2
(blank)	
Grand Total	86

Chattanooga Gas Company
Docket 03-00209
Consumer Advocate and Protection Division of the Office of The Attorney General
Discovery Request Docket Issued July 28,2003
Discovery Request Item 5 Attachment A
Quarter.

4th 96

Count of ID	
Descr	Total
Administrative Assistant I	1
Coordinator,Construction	6
Crew Member I	2
Crew Member II(1)	4
Crew Member III(1)	7
Distribution Operator(1)	5
Field Meter Mechanic A	3
Field Meter Mechanic C	1
Field Service Rep A	20
Field Service Rep B	1
Field Service Rep C	1
Foreman,Crew	6
Foreman,Pressure Control	1
Inactive Employee	1
Manager,Chattanooga	1
Manager,Cleveland	1
Meter Reader	4
Office Assistant I	4
Office Assistant II	3
Operations Clerk	1
President,Chattanooga Gas	1
Stores Clerk I	1
Stores Clerk II	1
Supervisor,Distribution	1
Supervisor,Meter Reading	1
Supervisor,New Construction	1
Supervisor,Operations	1
Supervisor,Service	1
Welder	2
(blank)	
Grand Total	83

1

EXHIBIT MDC GP PRP 1

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

DOCKET NO. 8516-U

IN RE: ATLANTA GAS LIGHT COMPANY PIPE REPLACEMENT PROGRAM

ORDER ON ATLANTA GAS LIGHT COMPANY'S PETITION FOR A DECLARATORY RULING

FINDINGS OF FACT AND CONCLUSIONS OF LAW

On January 6, 1998, the Georgia Public Service Commission ("Commission") issued a Rule Nisi against Atlanta Gas Light Company ("AGLC" or "Company") In that Rule Nisi, it was alleged that various violations had occurred in the operation of the Company's pipeline system On June 11, 1998, the Adversary Staff of the Commission and the Company filed a proposed stipulation in this matter and a hearing on the merits of the stipulation was held before the Commission on July 8, 1998 The terms of this stipulation include a provision authorizing AGLC to recover over a ten year period through a pipe replacement rider (rider) those costs incurred to replace the portions of its pipeline system that were corroded and/or leaking Additionally, the stipulation provided that Staff audit the expenses incurred by the Company in complying with the terms of the stipulation On September 3, 1998, an order was entered by the Commission accepting the stipulation.

During its 2003 Second Quarter Audit of AGLC's Pipeline Replacement program, Gas Staff found several cost items inappropriately charged to the pipe replacement rider Many of these expenses were related to the potential replacement of the East Point Line In addition Staff discovered that the Company also intended to book certain anticipated base rate items through the pipe replacement rider These items were the result of a pressure improvement agreement between AGLC and Southern Natural Gas (SNG) and capital expenditures for new rights-of-way Staff further discovered that the new rights-of-way were not be used for the pipe replacement program

As a result of Staff's investigation, Staff met with the Company and requested more information regarding these costs In response, the Company recommended three options to consider for replacing the East Point Line

Private Gas Operators	2003 Miles of Mains						
	Protected Steel	Unprotected Steel	Plastic	Cast Iron	Ductile Iron	Copper	Other
Chattanooga Gas	605	57	782	38			
Counce Natural Gas		6					
Gasco (Jellico)			29				
Gasco (Byrdstown)			5				
Hartsville Gas Co.		15	2				
Nashville Gas	2050	~~2050~~	747	10			
Red Boilings Springs	1		28				
Atmos Energy	837	113	1964				
Totals	**1443**	**2241**	**3557**	**48**	**0**	**0**	**0**

# of Services

Private Gas Operators	2003 Services						
	Protected Steel	Unprotected Steel	Plastic	Cast Iron	Ductile Iron	Copper	Other
Chattanooga Gas	1028	15553	47977				
Hardin County Gas (Counce)		96	60				
Gasco (Jellico)			589				
Gasco (Byrdstown)			41				
Hartsville Gas Co.		553	200				
Nashville Gas Company	5029	101516	49892				
Red Boiling Springs			391				
Atmos Energy	2181	15678	106213				
Totals	**8238**	**133396**	**205363**	**0**	**0**	**0**	**0**

Annual Report

Private Gas Operators	1990 Miles of Main						
	Protected Steel	Unprotected Steel	Plastic	Cast Iron	Ductile Iron	Copper	Other
Chattanooga Gas	521	150	281	121			
Hardin County Gas	5	0	0	0			
Gasco (Jellico)	0	0	22	0			
Nashville Gas	1615	71	107	272			
Red Boilings Springs	0	0	0	0			
United Cities Gas	831	152	980	3			
Totals	**2972**	**373**	**1390**	**396**	**0**	**0**	**0**

# of Services

Private Gas Operators	1990 Services						
	Protected Steel	Unprotected Steel	Plastic	Cast Iron	Ductile Iron	Copper	Other
Chattanooga Gas	14887	9460	18884	0			
Hardin County Gas	103	0	57	0			
Gasco (Jellico)	0	0	153	0			
Nashville Gas Company	68754	20689	6559	0		19	
Red Boiling Springs	0	0	0	0			
United Cities Gas	17012	5680	48870	0			
Totals	**100756**	**35829**	**74523**	**0**	**0**	**19**	**0**

NOTICE This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678 Form Approved OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2003___
GAS DISTRIBUTION SYSTEM

INITIAL REPORT X
SUPPLEMENTAL REPORT

PART A - OPERATOR INFORMATION

DOT USE ONLY

1 NAME OF COMPANY OR ESTABLISHMENT
Chattanooga Gas Company

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
2207 Olan Mills Drive
Number and Street
Chattanooga, Hamilton
City and County
Tennessee 37421
State and Zip Code

3 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
(When Known) / 0 / 2 / 2 / 8 / 9 /

4 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
SAME
Number and Street
City and County
State and Zip Code

5 STATES IN WHICH SYSTEM OPERATES Tennessee

PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	57			605	782	38				
NO OF SERVICES	1,028			15,553	47,977					

2 MILES OF MAINS IN SYSTEM AT END OF YEAR 1,482

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL		200	229	188	34	11
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON		2	13	21	1	1
PLASTIC 1 PVC						
2 PE		651	116	15		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		853	358	224	35	12

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 64,558 AVERAGE SERVICES LENGTH 109 FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL		12,909	3,532	120	20	
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC 1 PVC						
2 PE		43,334	4,617	25	1	
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		56,243	8,149	145	21	

Form RSPA F 7100 1-1 (11-85)
(Supersedes DOT F 7100 1-1)

Reproduction of this form is permitted.

Notice This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678

Form Approved
OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2003
GAS TRANSMISSION & GATHERING SYSTEMS

INITIAL REPORT X
SUPPLEMENTAL REPORT ☐

INSTRUCTIONS

Important: *Please read the separate instructions for completing this form before you begin They clarify the information requested and provide specific examples If you do not have a copy of the instructions, you can obtain one from the Office of Pipeline Safety Web Page at* http://ops.dot.gov

PART A - OPERATOR INFORMATION

DOT USE ONLY

1 NAME AND COMPANY OR ESTABLISHMENT

Chattanooga Gas Company

2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED

2207 Olan Mills Drive
Number & Street

Chattanooga, Hamilton
City & County

Tennessee 37421
State & Zip Code

4 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

(When Known) / 0 / 2 / 2 / 8 / 8 /

5 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT

SAME

Number & Street

City & County

State & Zip Code

3 STATE IN WHICH SYSTEM OPERATES / T / N / *(provide a* ***separate*** *report for each state in which system operates)*

PART B - SYSTEM DESCRIPTION

Report miles of pipeline in system at end of year

1 GENERAL - MILES OF PIPELINE IN THE SYSTEM AT END OF YEAR THAT ARE JURISDICTIONAL TO OPS

	STEEL				CAST IRON WROUGHT IRON PIPE		PLASTIC PIPE		OTHER PIPE	
	CATHODICALLY PROTECTED		UNPROTECTED							
	BARE	COATED	BARE	COATED						
TRANSMISSION										
ONSHORE		6.5								
OFFSHORE										
GATHERING										
ONSHORE										
OFFSHORE										
SYSTEM TOTALS	0	6 5	0	0	0	0	0	0	0	0

2 MILES OF PIPE BY NOMINAL SIZE

	UNKNOWN	4" OR LESS	OVER 4" THRU 10"	OVER 10" THRU 20"	OVER 20" THRU 28"	OVER 28"
TRANSMISSION						
ONSHORE			0	6 5	0	
OFFSHORE						
GATHERING						
ONSHORE						
OFFSHORE						
SYSTEM TOTALS	0	0	0	6.5	0	0

3 MILES OF PIPE BY DECADE OF INSTALLATION

	UN-KNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	TOTAL
TRANSMISSION										
ONSHORE								6 5		6.5
OFFSHORE										
GATHERING										
ONSHORE										
OFFSHORE										
SYSTEM TOTALS	0	0	0	0	0	0	0	6 5	0	6 5

4 MILES OF PIPE BY CLASS LOCATION

	CLASS 1	CLASS 2	CLASS 3	CLASS 4	TOTAL
TRANSMISSION					
ONSHORE	3	3.5	0	0	6.5
OFFSHORE		N/A	N/A	N/A	
GATHERING					
ONSHORE					
OFFSHORE		N/A	N/A	N/A	
SYSTEM TOTALS	3	3 5	0	0	6.5

Continue on Reverse Side

NOTICE This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678

Form Approved
OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2000
GAS DISTRIBUTION SYSTEM

INITIAL REPORT [X]
SUPPLEMENTAL REPORT [ ]

PART A - OPERATOR INFORMATION

DOT USE ONLY

1 NAME OF COMPANY OR ESTABLISHMENT
Chattanooga Gas Company

3 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
(When Known) / 0 / 2 / 2 / 8 / 8 /

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
6125 Preservation Drive
Number and Street
Chattanooga, Hamilton
City and County
Tennessee, 37415
State and Zip Code

4 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Same
Number and Street
City and County
State and Zip Code

5 STATES IN WHICH SYSTEM OPERATES Tennessee

PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	94			605	711	22				
NO OF SERVICES	1,269			16,059	44,854					

2 MILES OF MAINS IN SYSTEM AT END OF YEAR 1,432

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL		218	241	192	37	11
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON			5	16		1
PLASTIC 1 PVC						
2 PE		588	108	15		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		806	354	223	37	12

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 62,182 AVERAGE SERVICES LENGTH 109 FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL		12,980	4,203	124	21	
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC 1 PVC						
2 PE		40,622	4,212	19	1	
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		53,602	8,415	143	22	

Form RSPA F 7100 1-1 (11-85)
(Supersedes DOT F 7100 1-1)

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Form Approved
OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2003
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒
SUPPLEMENTAL REPORT ☐

DOT USE ONLY

PART A - OPERATOR INFORMATION

1 NAME OF COMPANY OR ESTABLISHMENT
Atmos Energy Corporation

3 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
(When Known) 12021 1 1

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
810 Crescent Centre Drive, Suite 600
Number and Street
Franklin, Williamson
City and County
Tennessee, 37067-6226
State and Zip Code

4 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Same
Number and Street
City and County
State and Zip Code

5 STATES IN WHICH SYSTEM OPERATES TENNESSEE

PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	113			837	1,964					
NO OF SERVICES	2,028	153		15,678	106,213					

2181

2 MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL		538	260	152		
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC						
1 PVC						
2 PE		1,564	376	24		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		2,102	636	176		

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICES LENGTH 75 FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL		13,451	4,368	33	7	
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC						
1 PVC						
2 PE		105,009	1,177	24	3	
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		118,460	5,545	57	10	

Notice This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678 Form Approved OMB No 2137-0522

U S Department of Transportation
Research and Special Programs Administration

ANNUAL REPORT FOR CALENDAR YEAR 2003
GAS TRANSMISSION & GATHERING SYSTEMS

INITIAL REPORT [x]
SUPPLEMENTAL REPORT [ ]

INSTRUCTIONS

Important: Please read the separate instructions for completing this form before you begin They clarify the information requested and provide specific examples If you do not have a copy of the instructions, you can obtain one from the Office of Pipeline Safety Web Page at http //ops dot gov

PART A - OPERATOR INFORMATION

DOT USE ONLY

1 NAME AND COMPANY OR ESTABLISHMENT

Atmos Energy Corporation

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED

810 Crescent Centre Drive, Suite 600
Number & Street

Franklin, Williamson
City & County

Tennessee, 37067-6226
State & Zip Code

4 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

(When Known) / 2 / 0 / 2 / 1 / 1 /

5 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT

Number & Street

City & County

State & Zip Code

3 STATE IN WHICH SYSTEM OPERATES **TENNESSEE** *(provide a separate report for each state in which system operates)*

PART B - SYSTEM DESCRIPTION Report miles of pipeline in system at end of year

1 GENERAL - MILES OF PIPELINE IN THE SYSTEM AT END OF YEAR THAT ARE JURISDICTIONAL TO OPS

	STEEL				CAST IRON WROUGHT IRON PIPE	PLASTIC PIPE	OTHER PIPE
	CATHODICALLY PROTECTED		UNPROTECTED				
	BARE	COATED	BARE	COATED			
TRANSMISSION ONSHORE		69					
OFFSHORE							
GATHERING ONSHORE							
OFFSHORE							
SYSTEM TOTALS		69					

2 MILES OF PIPE BY NOMINAL SIZE

	UNKNOWN	4" OR LESS	OVER 4" THRU 10"	OVER 10" THRU 20"	OVER 20" THRU 28"	OVER 28"
TRANSMISSION ONSHORE		4	40	25		
OFFSHORE						
GATHERING ONSHORE						
OFFSHORE						
SYSTEM TOTALS		4	40	25		

3 MILES OF PIPE BY DECADE OF INSTALLATION

	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	TOTAL
TRANSMISSION ONSHORE				4	7		15	43		69
OFFSHORE										
GATHERING ONSHORE										
OFFSHORE										
SYSTEM TOTALS				4	7		15	43		69

4 MILES OF PIPE BY CLASS LOCATION

	CLASS 1	CLASS 2	CLASS 3	CLASS 4	TOTAL
TRANSMISSION ONSHORE	15	21	33		69
OFFSHORE		N/A	N/A	N/A	
GATHERING ONSHORE					
OFFSHORE		N/A	N/A	N/A	
SYSTEM TOTALS	15	21	33		69

Form RSPA F 7100 2-1 (12/03)

Continue on Next Page

NOTICE This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678

Form Approved
OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2000
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒
SUPPLEMENTAL REPORT ☐

PART A OPERATOR INFORMATION

DOT USE ONLY

1 NAME OF COMPANY OR ESTABLISHMENT
United Cities Gas Company

3 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
(When Known) / 2 / 0 / 2 / 1 / 1 /

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
810 Crescent Centre Drive, Suite 600
Number and Street
Franklin, Williamson
City and County
Tennessee, 37067-6226
State and Zip Code

4 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Same
Number and Street
City and County
State and Zip Code

5 STATES IN WHICH SYSTEM OPERATES TENNESSEE

PART B SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year.

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	90			825	1,820					
NO OF SERVICES	2,111	153		16,059	97,732					

2 MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL		528	241	146		
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC 1 PVC						
2 PE		1,449	348	23		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		1,977	589	169		

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICES LENGTH 75 FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL		13,821	4,461	34	7	
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON						
PLASTIC 1 PVC						
2 PE		96,645	1,061	23	3	
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS		110,466	5,522	57	10	

(Supersedes DOT F 7100 1-1)

NOTICE This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678 Form Approved OMB No 2137-00522

U S Department of Transportation
Research and Special ProgramsAdministration

ANNUAL REPORT FOR CALENDAR YEAR 2003
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒
SUPPLEMENTAL REPORT ☐

PART A - OPERATOR INFORMATION

DOT USE ONLY ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

1 NAME OF COMPANY OR ESTABLISHMENT
Nashville Gas Company

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
665 Mainstream Dr
Number and Street
Nashville **Davidson**
City and Country
TN **37228**
State Zip Code

4 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
(When Known) / 1 / 3 / 0 / 4 / 1 /

5 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Number and Street
City and Country
State Zip Code

3 STATES IN WHICH SYSTEM OPERATES **Tennessee**

PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	0	0	0	2050	747	10	0	0	0	0
NO OF SERVICES	5029	0	0	101516	49892	0	0	0	0	0

2 MILES OF MAIN IN SYSTEM AT END OF YEAR **2807**

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL	0	1469	386	153	35	7
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON			0	6	4	
PLASTIC						
1 PVC						
2 PE		640	91	16		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS	0	2109	477	175	39	7

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR **156,437** AVERAGE SERVICES LENGTH **100** FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL	0	91357	14821	346	18	3
DUCTILE IRON	0	0	0	0	0	0
COPPER	0	0	0	0	0	0
CAST WROUGHT IRON	0	0	0	0	0	0
PLASTIC						
1 PVC	0	0	0	0	0	0
2 PE	0	48035	1837	19	1	0
3 ABS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
SYSTEM TOTALS	0	139392	16658	365	19	3

Form RSPA F 7100 1-1 (11-85)
(Supersedes DOT F 7100 1-1)

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Form Approved
OMB No 2137-0522

U S Department of Transportation
Research and Special Programs
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2003
GAS TRANSMISSION & GATHERING SYSTEMS

INITIAL REPORT X
SUPPLEMENTAL REPORT ☐

INSTRUCTIONS

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PART A - OPERATOR INFORMATION

DOT USE ONLY

1 NAME AND COMPANY OR ESTABLISHMENT

Nashville Gas Company

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED

665 Mainstream Dr
Number & Street
Nashville Davidson
City & County
Tennessee 37228
State & Zip Code

4 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

(When Known) / 1 / 3 / 0 / 4 / 1 /

5 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT

Number & Street

City & County

State & Zip Code

3 STATE IN WHICH SYSTEM OPERATES / TN / *(provide a **separate** report for each state in which system operates)*

PART B - SYSTEM DESCRIPTION

Report miles of pipeline in system at end of year

1 GENERAL - MILES OF PIPELINE IN THE SYSTEM AT END OF YEAR THAT ARE JURISDICTIONAL TO OPS

	STEEL				CAST IRON WROUGHT IRON PIPE	PLASTIC PIPE	OTHER PIPE
	CATHODICALLY PROTECTED		UNPROTECTED				
	BARE	COATED	BARE	COATED			
TRANSMISSION ONSHORE		81					
OFFSHORE							
GATHERING ONSHORE							
OFFSHORE							
SYSTEM TOTALS							

2 MILES OF PIPE BY NOMINAL SIZE

	UNKNOWN	4" OR LESS	OVER 4" THRU 10"	OVER 10" THRU 20"	OVER 20" THRU 28"	OVER 28"
TRANSMISSION ONSHORE			37	44		
OFFSHORE						
GATHERING ONSHORE						
OFFSHORE						
SYSTEM TOTALS			37	44		

3 MILES OF PIPE BY DECADE OF INSTALLATION

	UN-KNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	TOTAL
TRANSMISSION ONSHORE			14	35	14	9	3	6	0	81
OFFSHORE										
GATHERING ONSHORE										
OFFSHORE										
SYSTEM TOTALS			14	35	14	9	3	6	0	81

4 MILES OF PIPE BY CLASS LOCATION

	CLASS 1	CLASS 2	CLASS 3	CLASS 4	TOTAL
TRANSMISSION ONSHORE		29	51	1	81
OFFSHORE		N/A	N/A	N/A	
GATHERING ONSHORE					
OFFSHORE		N/A	N/A	N/A	
SYSTEM TOTALS		29	51	1	81

Form RSPA F 7100 2-1 (01-2002)

Continue on Reverse Side

NOTICE This report is required by 49 CFR Part 191 Failure to report can result in a civil penalty not to exceed $1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $200,000 as provided in 49 USC 1678

Form Approved
OMB No 2137-00522

U S Department of Transportation
Research and Special ProgramsAdministration

ANNUAL REPORT FOR CALENDAR YEAR 2000
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒
SUPPLEMENTAL REPORT ☐

DOT USE ONLY ☐☐☐☐☐☐☐☐☐☐

PART A - OPERATOR INFORMATION

1 NAME OF COMPANY OR ESTABLISHMENT
Nashville Gas Company

2 LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
665 Mainstream Dr
Number and Street
Nashville **Davidson**
City and County
TN **37228**
State Zip Code

4 OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER (*When Known*) / 1 / 3 / 0 / 4 / 1 /

5 HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Number and Street
City and Country
State Zip Code

3 STATES IN WHICH SYSTEM OPERATES **Tennessee**

PART B - SYSTEM DESCRIPTION Report miles of main and number of services in system at end of year

1 GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED						
MILES OF MAIN	0	0	0	2,012	580	67	0	0	0	0
NO OF SERVICES	7,953	0	0	99,581	37,564	0	0	0	0	0

2 MILES OF MAIN IN SYSTEM AT END OF YEAR **2,659**

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"
STEEL		1450	379	144	33	6
DUCTILE IRON						
COPPER						
CAST WROUGHT IRON			41	21	5	
PLASTIC						
1 PVC						
2 PE		498	68	14		
3 ABS						
OTHER						
OTHER						
SYSTEM TOTALS	0	1948	488	179	38	6

3 NUMBER OF SERVICES IN SYSTEM AT END OF YEAR **145,098** AVERAGE SERVICES LENGTH **100** FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"
STEEL	0	88241	18911	357	22	3
DUCTILE IRON	0	0	0	0	0	0
COPPER	0	0	0	0	0	0
CAST WROUGHT IRON	0	0	0	0	0	0
PLASTIC						
1 PVC	0	0	0	0	0	0
2 PE	0	35872	1678	14	0	0
3 ABS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
SYSTEM TOTALS	0	124113	20589	371	22	3

Form RSPA F 7100 1-1 (11-85)
(Supersedes DOT F 7100 1-1)

Reproduction of this form is permitted

Chattanooga Gas Company
Summary of Balance of Mains and Services to Be Replaced
Based On 1990, 2000, and 2003 Balances
In Tennesse Regulatory Authority Docket # 04 - 00034

	Mains (Miles)		Services (Miles)		Total M & S	Miles Replaced Since 1990
	UPS	Cast Iron	UPS	Cast Iron		
1990	150	121	195.3	0	466.3 **	
1991	144 4	111 1	178.4	0	433.9	
1992	138 8	101 2	161 5	0	401 5	
1993	133.2	91 3	144.6	0	369 1	
1994	127.6	81 4	127.7	0	336.7	
1995	122	71 5	110.8	0	304 3	
1996	116 4	61.6	93 9	0	271 9	
1997	110 8	51.7	77	0	239.5	
1998	105.2	41 8	60.1	0	207 1	
1999	99.6	31 9	43.2	0	174 7	
2000	94	22	26 3	0	142.3 **	324
2001	81.7	22	24.6	0	128.3	
2002	69.4	22	22.9	0	114.3	
2003	57	38 *	21 2	0	116.2 **	350 1
	Per Year Replacement Rate					
90 - '00	5.6	9.9	16.9			32 4
00 - '03	12.3	*	1.7			N/A*

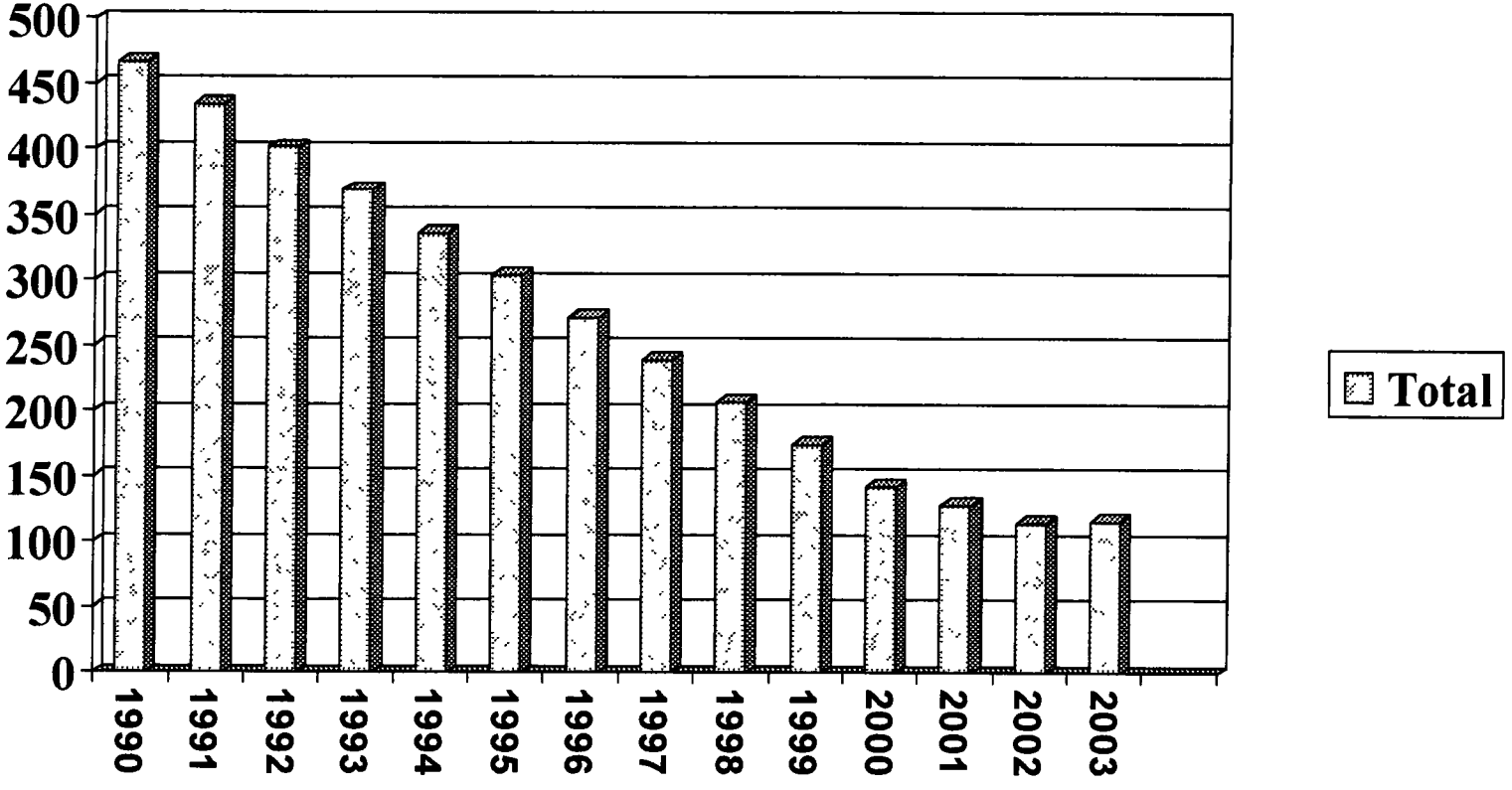
* = discovered pipe
Data Source Exhibit MDC M 1 & S 1

** Note
Based on balances in 1990, 2000, and 2003 Balances between those dates calculated based on Replacement Rates

EXHIBIT MDC RS 1A

Data Source:
Exhibit MDC RS 1

Chattanooga Gas Company
Summary of Mains and Services
To Be Replaced
(In Miles)
(1990 - 2003)



ATMOS Energy Company
Summary of Balance of Mains and Services to Be Replaced
Based On 1990, 2000, and 2003 Balances
In Tennesse Regulatory Authority Docket # 04 - 00034

	Mains (Miles)		Services (Miles)		Total M & S	Miles Replaced Since 1990
	UPS	Cast Iron	UPS	Cast Iron		
1990	152	3	80.7	0	235.7 **	
1991	145 8	2.7	75 63	0	224.13	
1992	139.6	2.4	70.56	0	212.56	
1993	133 4	2.1	65 49	0	200.99	
1994	127 2	1.8	60.42	0	189.42	
1995	121	1 5	55.35	0	177 85	
1996	114.8	1 2	50 28	0	166.28	
1997	108.6	0 9	45 21	0	154.71	
1998	102 4	0.6	40 14	0	143.14	
1999	96 2	0.3	35.07	0	131 57	
2000	90	0	30	0	120 **	115 7
2001	97.7	0	30.33	0	128.03	
2002	105.4	0	30 66	0	136.06	
2003	113 *	0	31	0	144 **	91 7
	Per Year Replacement Rate					
90 - '00	6.2	0 3	5.07			11 57
00 - '03	-7 7 *		-0.33			N/A*

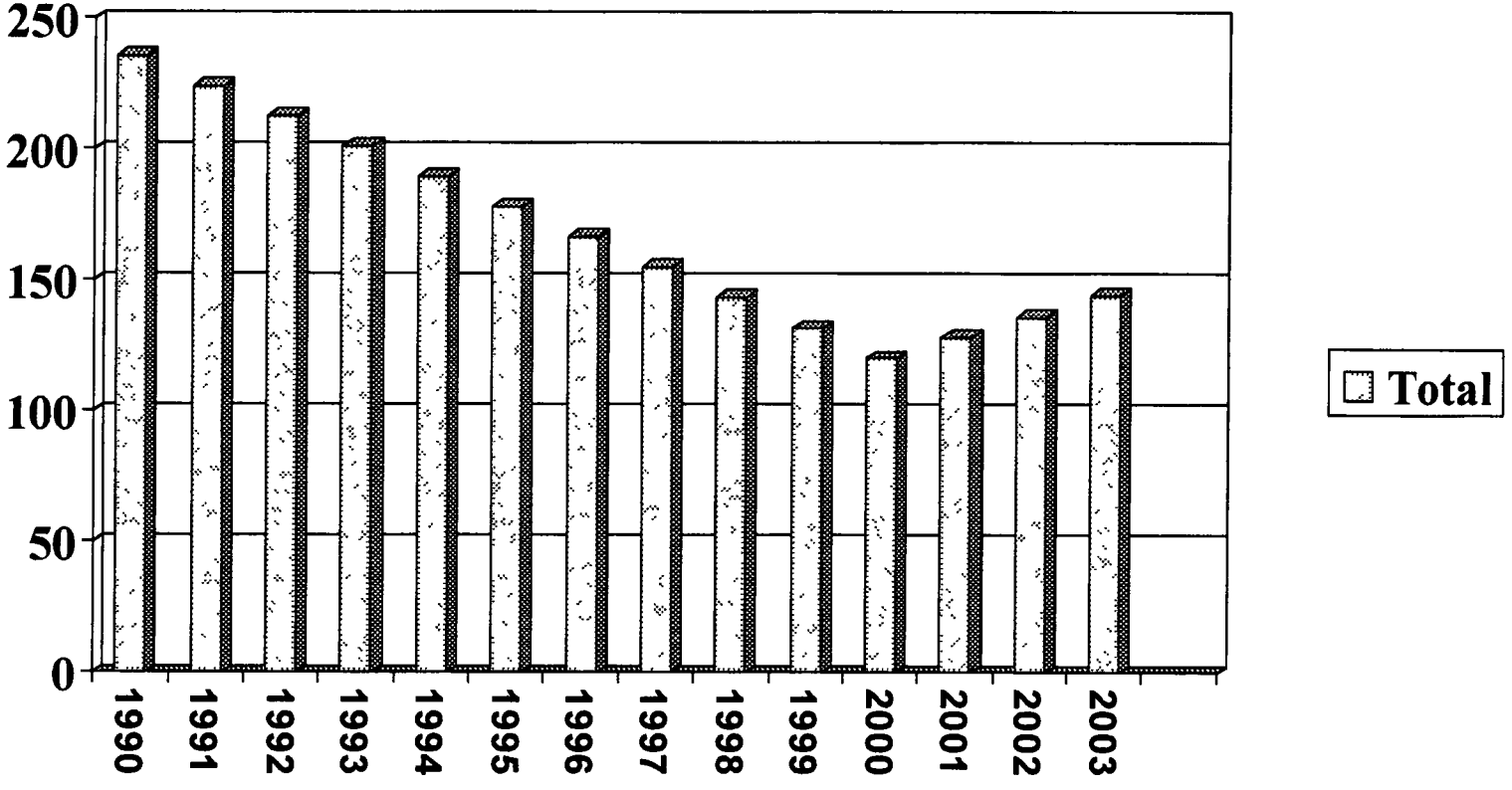
* = discovered pipe
Data Source Exhibit MDC M 2 & S 2

** Note
Based on balances in 1990, 2000, and 2003 Balances between those dates calculated based on Replacement Rates

EXHIBIT MDC RS 2A

Data Source.
Exhibit MDC RS 2

ATMOS Energy Company
Summary of Mains and Services
To Be Replaced
(In Miles)
(1990 - 2003)



Nashville Gas Company
Summary of Balance of Mains and Services to Be Replaced
Based On 1990, 2000, and 2003 Balances
In Tennesse Regulatory Authority Docket # 04 - 00034

	Mains (Miles)		Services (Miles)		Total M & S	Miles Replaced Since 1990
	UPS	Cast Iron	UPS	Cast Iron		
1990	71	272	392.2	0	735.2 **	
1991	63 9	251.5	368.04	0	683.44	
1992	56.8	231	343 88	0	631.68	
1993	49.7	210 5	319.72	0	579 92	
1994	42.6	190	295 56	0	528 16	
1995	35.5	169.5	271.4	0	476.4	
1996	28.4	149	247 24	0	424 64	
1997	21.3	128.5	223 08	0	372 88	
1998	14.2	108	198.92	0	321 12	
1999	7.1	87 5	174.76	0	269.36	
2000	0	67	150 6	0	217.6 **	517 6
2001	0	48	132.1	0	180.1	
2002	0	29	113 6	0	142.6	
2003	0	10 *	95 1	0	105 1 **	630 1
	Per Year Replacement Rate					
90 - '00	7.1	20.5	24.16			51 76
00 - '03	0	19	18.5			N/A*

* = discovered pipe
Data Source Exhibit MDC M 3 & S 3

** Note
Based on Miles of Mains and Services in 1990, 2000, and 3003 Balances between those dates based on Replacement Rates

EXHIBIT MDC RS 3A

Data Source:
Exhibit MDC RS 3

Nashville Gas Company
Summary of Mains and Services
To Be Replaced
(In Miles)
(1990 - 2003)

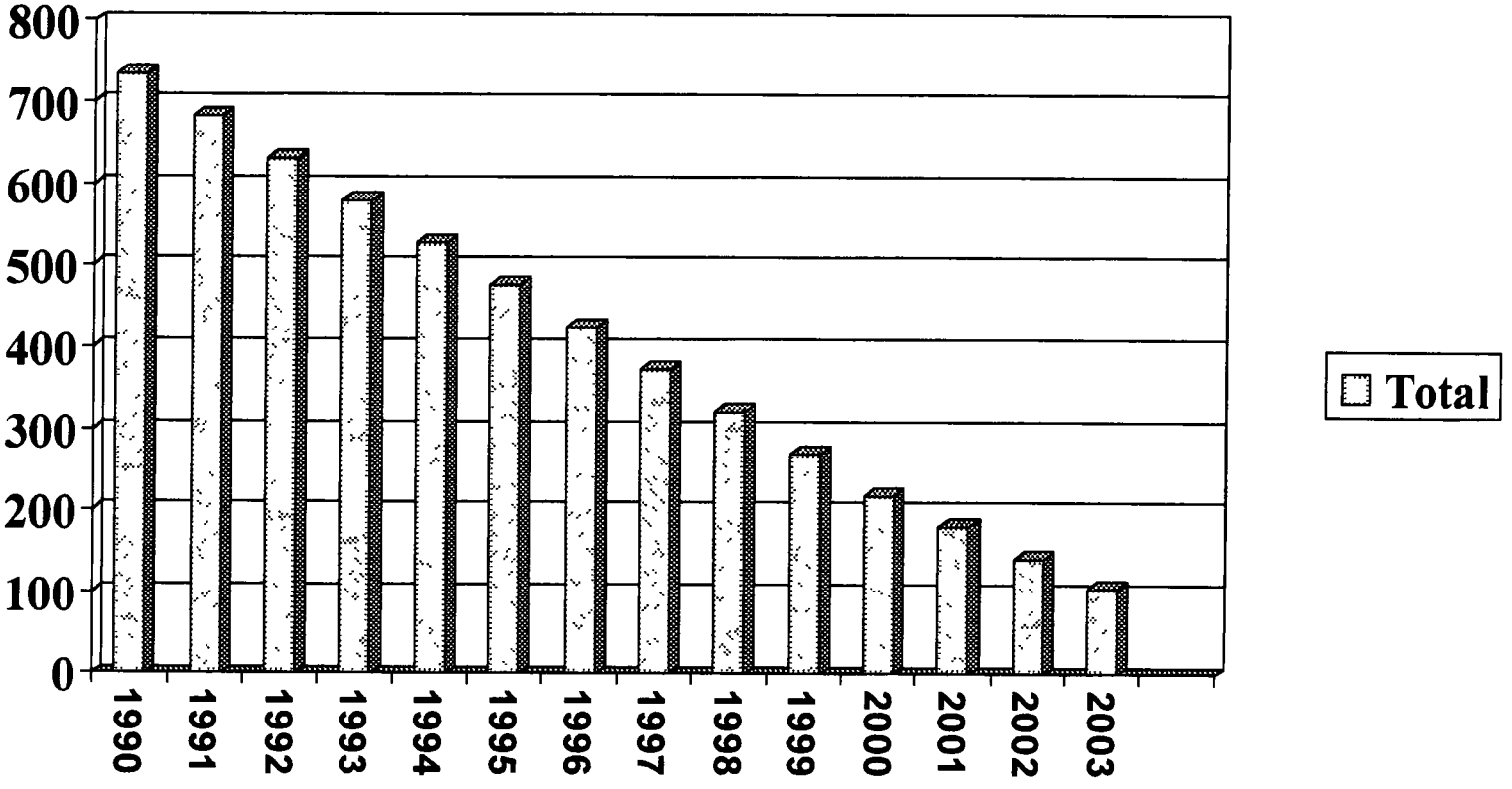


EXHIBIT MDC M 1
04 - 00034

Chattanooga Gas Company
Summary of Miles of Main by Year
Comparison of Mains Replaced or Added
By Year 1990, 2000, 2003

Ln. #		Main Type*				
		UPS	CI	PS	Plastic	Total
	1990 Chattanooga Gas					
1	**Miles**	150	121	521	281	1073
	2000					
2	**Miles**	94	22	605	711	1432
3	Repl/Added	**-56**	**-99**	**84**	**430**	**669**
4	per year	-5 6	-9.9	8 4	43	
5	Yrs to Compl	-16.8	-2 2			
	2003					
6	**Miles**	57	38	605	782	1482
7	Repl/Added	**-37**	16	0	71	
8	per year	-12 3	-9.9	0 0	23.7	
9	Yrs to Compl	3.0	-3.8			

Data Source. Annual Report to TRA Pipeline Safety Dept (Exhibit MDC AR 7100)

UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

EXHIBIT MDC S 1
04 - 00034

Chattanooga Gas Company
Summary of Miles of Services by Utility
Comparison of Mains Replaced or Added
Number of Services * Average Service Length
By Year 1990, 2000, 2003

Ln. #		Service Type					Avg Length (In Feet)
		UPS	CI	PS	Plastic	Stm Total	
	1990			Chattanooga Gas			
1	# of Services	9,460 0	-	14,887 0	18,884 0	43,231 0	109
2	Miles	195 3	0 0	307 3	389 8		
	2000						
3	# of Services	1,269 0	-	16,059 0	44,854 0	62,182 0	109
4	Miles	26 2	0 0	331 5	926 0		
5	Repl/Added	**-169.1**		**24.2**	**536.1**		
6	per year	-16 9		2 4	53 6		
7	Yrs to Compl	-1 5					
	2003						
8	# of Services	1,028	-	15,553 0	47,977 0	64,558 0	109
9	Miles	21 2	0 0	321 1	990 4		
10	Repl/Added	**-5.0**		**-10.4**	**64.5**		
11	per year	-1 7					
12	Yrs to Compl	-12 8					

Data Source Annual Report to TRA Pipeline Safety Dept Exhibit MDC AR 7100

UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

ATMOS Gas Company

Summary of Miles of Main by Year

Comparison of Mains Replaced or Added

By Year 1990, 2000, 2003

EXHIBIT MDC M 2
04 - 00034

Ln. #		Main Type *				
		UPS	CI	PS	Plastic	Total
	1990			ATMOS / United Cities		
1	**Miles**	152	3	831	980	1966
	2000					
2	**Miles**	90.0	0.0	825	1820	**2735.0**
3	Repl/Added	**-62.0**	**-3.0**	**-6.0**	**840.0**	**769.0**
4	per year	-6 2	-0.3	-0 6	84	
5	Yrs to Compl.	-14.5				
	2003					
6	**Miles**	113	0	837	1964	2914
7	Repl/Added	**23.0**	**0.0**	**12.0**	**144.0**	
8	per year	7 7				
9	Yrs to Compl	14.7				

Data Source: Annual Report to TRA Pipeline Safety Dept (Exhibit MDC AR 7100)

UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

EXHIBIT MDC S 2
04 - 00034

ATMOS / United Cities Gas
Summary of Miles of Services by Utility
Comparison of Mains Replaced or Added
Number of Services * Average Service Length
By Year 1990, 2000, 2003

Ln. #		Service Type					Avg Length (In Feet)
		UPS	CI	PS	Plastic	Stm Total	
	1990			ATMOS / United Cities			
1	# of Services	5,680.0	-	17,012 0	48,870.0	71,562 0	75
2	Miles	80 7	-	241 6	694 2		
	2000						
3	# of Services	2,111 0	-	16,212 0	97,732 0	116,055 0	75
4	Miles	30 0	0 0	230 3	1,388.2		
5	Repl/Added	**-50.7**		**-11.4**	**694.1**		
6	per year	-5 1		-1 1	69 4		
7	Yrs to Compl	-5.9					
	2003						
8	# of Services	2,181	-	15,678	106,213	124,072	75
9	Miles	31 0	0 0	222 7	1508 7		
10	Repl/Added	**1.0**		**-7.6**	**120.5**		
11	per year	0 3		-2 5	40 2		
12							

Data Source Annual Report to TRA Pipeline Safety Dept (Exhibit MDC AR 7100)

UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

Nashville Gas Company — EXHIBIT MDC M-3

Summary of Miles of Main by Year

04 - 00034

Comparison of Mains Replaced or Added

By Year 1990, 2000, 2003

Ln. #		Main Type *				
		UPS	CI	PS	Plastic	Total
	1990			Nashville Gas		
1	**Miles**	71	272	1615	107	2065
	2000					
2	**Miles**	0	67	2012	580	**2659**
3	Repl/Added	**-71.0**	**-205.0**	**397.0**	**473.0**	
4	per year	-7.1	-20.5	39.7	47.3	
5	Yrs to Compl					
	2003					
6	**Miles**	0	10	2050	747	2807
7	Repl/Added	**0.0**	**-57.0**	**38.0**	**167.0**	
8	per year	0.0	-19			
9	Yrs to Compl.		-0 5			

Data Source: Annual Report to TRA Pipeline Safety Dept (Exhibit MDC AR7100)

UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

EXHIBIT MDC S 3
04 - 00034

Nashville Gas Company
Summary of Miles of Services by Utility
Comparison of Mains Replaced or Added
Number of Services * Average Service Length
By Year 1990, 2000, 2003

Ln. #		Service Type					Avg. Length (In Feet)
		UPS	CI	PS	Plastic	Stm. Total	
	1990			Nashville Gas			
1	# of Services	20,708 0	-	68,754 0	6,559 0	96,021 0	100
2	Miles	392 2	-	1,302 2	124 2		
	2000						
3	# of Services	7,953.0	-	99,581 0	37,564 0	145,098 0	100
4	Miles	150 6	0 0	1,886 0	711 4		
5	Repl/Added	**-241.6**		**583.8**	**587.2**		
6	per year	-24 2		58 4	58 7		
7	Yrs to Compl	-6 2					
	2003						
8	# of Services	5,029	-	101,516	49,892	156,437	100
9	Miles	95.2	0 0	1,922.7	944 9		
10	Repl/Added	**-55.4**		**36.6**	**233.5**		
11	per year	-18 5		12 2	77 8		
12	Yrs to Compl						

Data Source Annual Report to TRA Pipeline Safety Dept Exhibit MDC AR 7100)

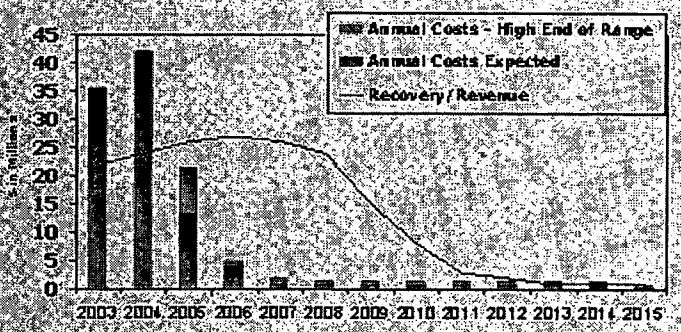
UPS = Unprotected Steel
CI = Cast Iron
PS = Protected Steel

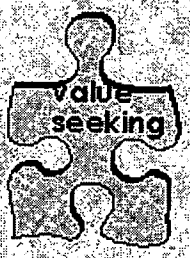
Chattanooga Gas Company
Expenditures - Bare Steel and Cast Iron Pipeline Replacement Program

Docket No.
Exhibit___(RR
Schedule 1

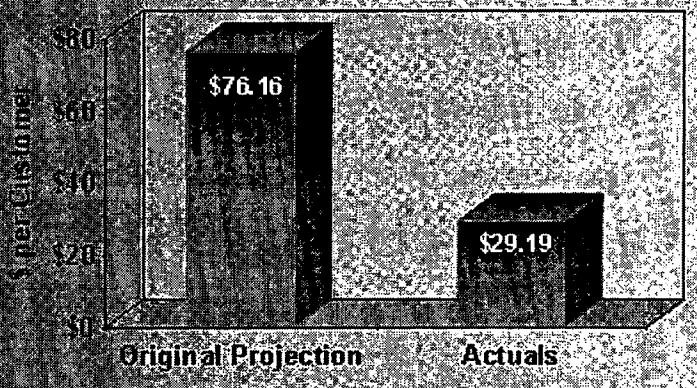
1	2	3	4	5	6	7
Calendar Year	Feet Replaced	Miles Replaced	Average $/ft	Total Install Capital$	Cost of Removal	Total Annual Expenditure
FY 2004	47,520	9	$50.94	$2,420,489	$104,799.00	$2,525,288
FY 2005	58,080	11	$51.65	$3,000,000	$200,000.00	$3,200,000
FY 2006	52,800	10	$55.50	$3,018,312	$446,710.18	$3,465,022
FY 2007	52,800	10	$60.59	$3,199,411	$473,512.79	$3,672,924
FY 2008	52,800	10	$62.31	$3,289,960	$486,914.09	$3,776,874
FY 2009	52,800	10	$64.02	$3,380,509	$500,315.40	$3,880,825
FY 2010	52,800	10	$65.74	$3,471,059	$513,716.70	$3,984,776
FY 2011	52,800	10	$67.45	$3,561,608	$527,118.01	$4,088,726
FY 2012	52,800	10	$69.17	$3,652,158	$540,519.31	$4,192,677
FY 2013	52,800	10	$70.88	$3,742,707	$553,920 62	$4,296,627
FY 2014						
Total	528,000	100		$32,736,213	$4,347,526	$37,083,739

Environmental Recovery Program

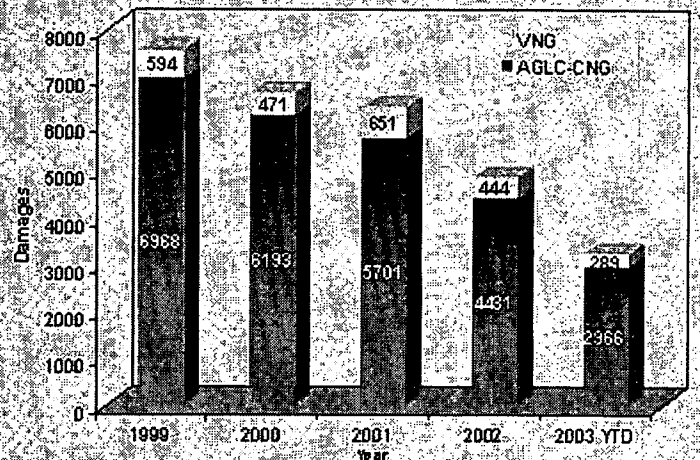




Pipeline Replacement



Total 3rd Party Damages



AGL Resources

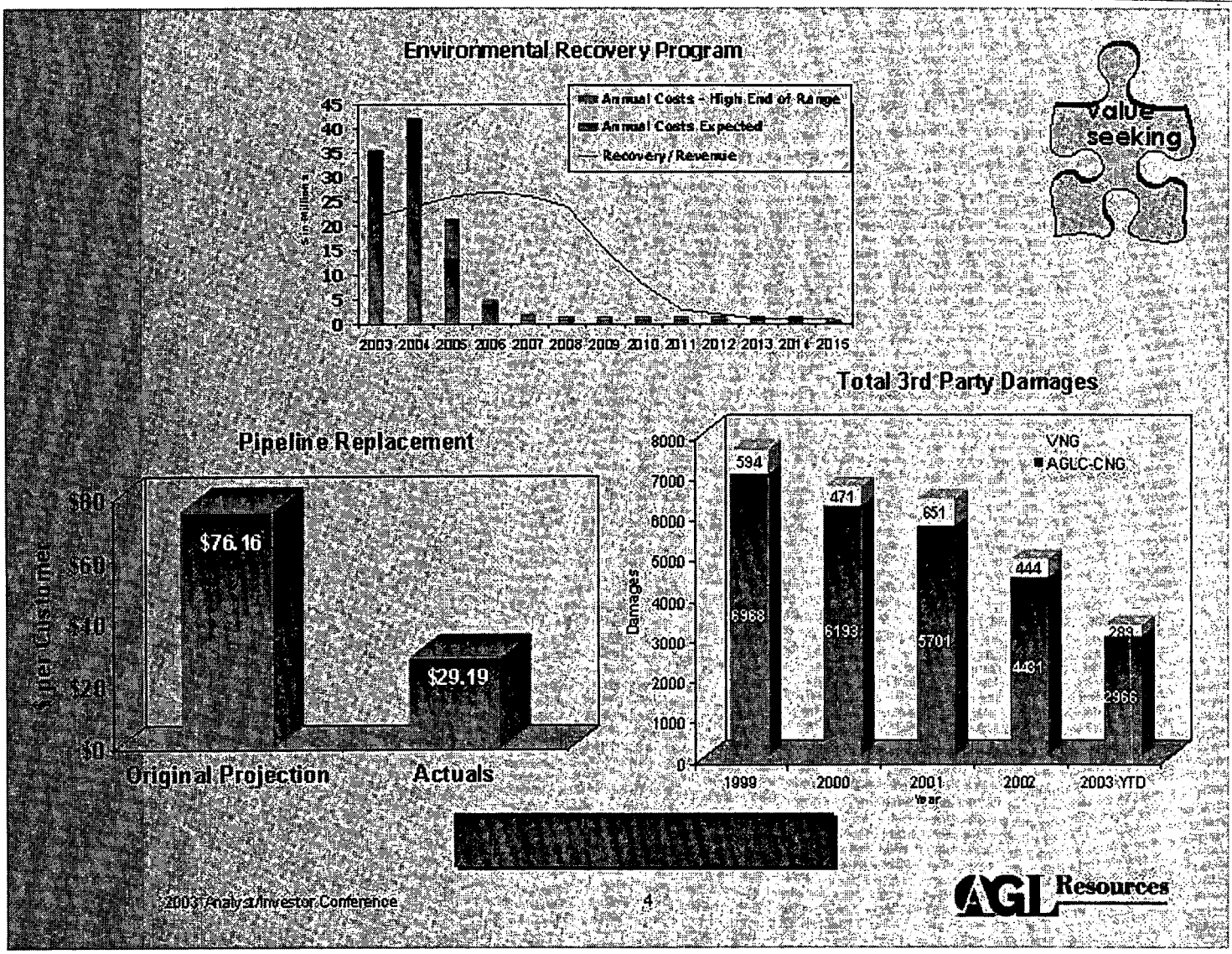

Environmental Recovery Program
Annual Costs - High End of Range
Annual Costs Expected
Recovery / Revenue
$ millions
45
40
35
30
25
20
15
10
5
0
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015
Value seeking
Pipeline Replacement
$ per Customer
$80
$60
$40
$20
$0
$76.16
$29.19
Original Projection
Actuals
Total 3rd Party Damages
Damages
8000
7000
6000
5000
4000
3000
2000
1000
0
VNG
AGLC-CNG
594
471
651
444
289
6968
6193
5701
4431
2966
1999
2000
2001
2002
2003 YTD
Year
2003 Analyst/Investor Conference
4
AGL Resources

EXHIBIT MDC GP SC 2

July 29, 2003

To: All Commissioners
Deborah Flannagan
Tom Bond
Nancy Tyer

From: Tony Wackerly, Utilities Analyst

Subject: DOCKET NO. 8516-U: **Atlanta Gas Light Company Pipe Replacement Program.** Consideration of Staff's Recommendation on Atlanta Gas Light Company's Request for a Declaratory Ruling.

During its Second Quarter Audit of the Atlanta Gas Light Company (AGLC) Pipeline Replacement Rider, Gas Staff discovered that right-of-way charges that the Company had booked as expenses to the Rider are actually rate base items. These expenses were related to the possible replacement of the East Point Line. In addition, Staff discovered that the Company also intended to book certain anticipated expenses to the Rider though these anticipated charges should be treated as rate base items. The charges in question were not for costs of replacing pipes. Instead, they were related to a pressure improvement agreement between Atlanta Gas Light Company and Southern Natural Gas and capital expenditures for new right-of-ways that will not be used for the pipe replacement program. The Company's funding for these types of items comes through base rates, and the Company was prepared to enter into an agreement with Southern Natural Gas for a pressure improvement program without informing the Commission of its intensions.

After the audit, Staff met with the Company numerous times, and using discovery, to gather information on the proposed agreement between Atlanta Gas Light Company and Southern Natural Gas for pressure improvement. Staff learned that AGLC began the right-of-way project as early as April 2001 with these associated costs going to the rider each year, but abandoned this effort when Southern Natural Gas agreed to work with the Company on a pressure improvement program. At Staff's request, the Company produced three options for the replacement of the East Point Line:

Option-A: Replace the East Point Line in its present location at $26 million.
Option-B: Build a new pipeline from Riverdale to Sewell Road at $20 million.
Option-C: Enter into a pressure improvement agreement with Southern Natural Gas to move or rebuild an existing tapping station from Sewell Road to Ben Hill at a cost of $4.0 million, SNG charges to AGLC will be $2.5 million, and pipe insertion in the old East Point Line at $2.9 million. With the right-of-way expense of $3.3 million already incurred from abandoning Option-B, this will bring the total to $12.7 million in total costs that the Company wants to charge to the Pipe Replacement Rider.

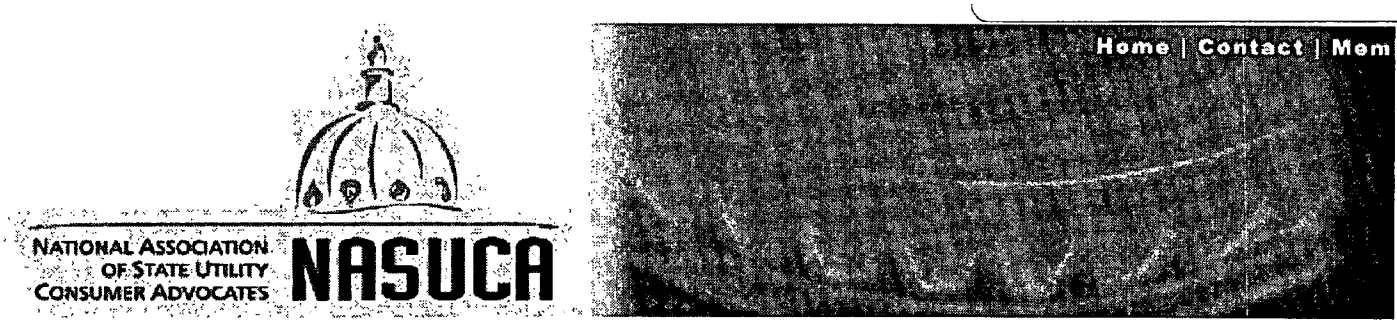
EXHIBIT MDC GP SC 1
04 - 00034

Executive Summary

DOCKET NO. 8516-U: **Atlanta Gas Light Company Pipe Replacement Program: Staff's Audit Report:** Consideration of Staff's Recommendation on the Pipe Replacement Surcharge for Cost Year-5.

Staff recommends the following: First, Staff recommends the Cost Year-5 surcharge to be set at $1.11 per customer. This is a result of Staff and the Company reaching a mutual agreement that the average Corrosion Leak Repair will be set as a fixed cost of $1,064 per corrosion leak for the duration of the Pipe Replacement Program. Second, Staff further recommends ending the Pipe Replacement Rider and rolling it into base rates. The reason for this action is to prevent rate base items from being recovered as pipe replacement items, and it will prevent decisions from being made based on recovery mechanism rather than financial and engineering prudence. The rolling of the Pipe Replacement Rider into base rates will not affect the Pipe Replacement Program from a safety perspective, nor does it prevent the Company from completing the program within the 10-year time frame as prescribed in the Stipulation.

EXHIBIT MDC N
04 - 0003



National Association of State Utility Consumer Advocates
RESOLUTION

Discouraging State Regulatory Commissions from Adopting Automatic Adjustment Charges for Water Company Infrastructure Costs

WHEREAS, certain regulated water companies have recently proposed mechanisms for automatically increasing water rates, prior to regulatory review, based upon isolated items of expense related to infrastructure projects; and WHEREAS, the National Association of State Utility Consumer Advocates (NASUCA) believes that public interest is still best served by rate of return regulation of investor-owned water companies and that such automatic adjustment mechanisms contradict several sound rate of return ratemaking principles, including the matching principle, because increases to items of rate base are recognized far outside of the test year from which all other rate base, as well as revenues, expenses, and cost of capital items that are used when calculating rates, allowing 'piecemeal ratemaking' and preventing the recognition of any simultaneous offsetting reductions in other items; and

WHEREAS, automatic adjustment mechanisms also circumvent regulatory review of increases to rate base for prudence and reasonableness; and

WHEREAS, automatic adjustment mechanisms further create bad public policy by eliminating the built-in regulatory incentive to control costs between rate cases and, generates incentives to increase spending in order to avoid reduction of the surcharge which occurs if the water company's authorized return is reached; and

WHEREAS, when an automatic adjustment clause is adopted, rate stability is reduced and proper price signals are distorted by frequent rate increases, and no convincing evidence has been shown to support the claim that the frequency of rate case proceedings is reduced by such clauses; and

WHEREAS, special incentives are not needed in order ensure adequate water quality, pressure, and a proper reduction of service interruptions; and

WHEREAS, automatic adjustment mechanisms can inappropriately reward water

companies that have imprudently fallen behind in infrastructure improvements; and

WHEREAS, it is inappropriate to tilt the regulatory balance against consumers and shift business risk away from water companies simply for the purpose of creating an incentive for these companies to fulfill their basic obligation to provide safe and adequate service;

THEREFORE, BE IT RESOLVED, that NASUCA strongly recommends state legislatures and state public utility commissions avoid the implementation of automatic adjustments charges for water company infrastructure costs; and

BE IT FURTHER RESOLVED, that NASUCA authorizes its Executive Committee to develop specific positions and to take appropriate actions consistent with the terms of this resolution. The Executive Committee shall notify the membership of any action taken pursuant to this resolution.

Approved by NASUCA:

June, 1999, Baltimore, Maryland

Submitted By:

NASUCA Ad Hoc Water Committee

Christine Maloni Hoover, PA, Chair
Wes Blakley, IN
Robert Brabston, NJ
John Coffman, MO
Brian Gallagher, DE
Donald Rogers, MD
Dale Stransky, NV
James Warden, Jr., NY

National Association of State Utility Consumer Advocates
8380 Colesville Road, Suite 101, Silver Spring, MD 20910
Phone: (301) 589-6313 Fax: 589-6380
e-mail: nasuca@nasuca.org

The Directors, therefore, unanimously approved $686,049 which represents the thirteen (13) month test period average for this account, as the proper forecast for Accrued Interest on Customer Deposits Therefore, the Directors found after considering the adjustments described previously, that a Rate Base of $92,955,599 is calculated as illustrated in the following table.

COMPARATIVE RATE BASE CALCULATIONS

	Company[17]	Advocate[18]	AVI[19]	Authority
Additions:				
Plant in Service and CWIP	$140,014,935	$140,614,494	$140,014,935	$140,014,935
Acquisition Adjustment	13,355,565	0	0	0
Cash	2,373,422	2,373,422	0	2,373422
Materials and Supplies	453,221	346,273	453,221	453,221
Gas Inventories	5,419,144	6,659,404	5,419,144	5,419,144
Deferred Rate Case Expense	200,668	47,309	200,668	178,834
Prepayments	1,189,348	769,193	1,189,348	1,189,348
Other Accounts Receivable	92,028	138,738	92,028	92,028
Lead/Lag Study	1,736,716	756,038	-396,530	660,923
Total Additions	$164,835,047	151,704,871	$146,972,814	$150,381,855
Deductions:				
Accumulated Depreciation	$46,569,377	$46,478,394	$46,569,377	$46,569,377
Accu Amort of Acq Adj	4,196,041	0	0	0
Accumulated Deferred FIT	5,131,816	5,131,815	5,131,816	5,131,816
Customer Advances	384,855	384,974	384,855	384,855
Contributions in Aid of Const	1,908,645	1,858,651	1,908,645	1,908,645
Reserve for Uncollectibles	278,723	257,864	278,723	278,723
Other Reserves	549,562	409,201	549,562	549,562
Customer Deposits	3,766,190	1,917,229	3,766,190	1,917,229
Accrued Int on Cust Deposits	671,344	671,344	671,344	686,049
Total Deductions	$63,456,553	$57,109,472	$59,260,512	$57,426,256
Rate Base	$101,378,494	$94,595,399	$87,712,302	$92,955,599

17 Company Exhibit 5, Schedule 8, Page 1 of 4.
18 Consumer Advocate Pre-Filed Exhibit, Schedule 3
19 AVI Exhibit MPG-1

EXHIBIT MDC RB 2

Docket No. _____
Exhibit MJM-3
Schedule 1

Chattanooga Gas Company
Average Rate Base
For the Twelve Months Ending June 30, 2005 (Attrition Period)

Line No.		Attrition Period	
1	Utility Plant in Service	$164,561,353	(A)
2	Construction Work In Progress	3,544,977	(A)
3	Working Capital Requirement	13,225,473	(B)
		$181,331,803	
	Less		
4	Accumulated Provision For Depreciation	$71,307,914	(A)
5	Accumulated Deferred Income Taxes	12,012,158	(A)
	Contributions in Aid of Construction	2,161,125	(A)
7	Customer Advance For Construction	286,394	(A)
8	Total Deductions	$85,767,591	
9	Rate Base	$95,564,212	

(A) Rate base work papers

(B) MJM-3, Schedule 2, Line 12

EXHIBIT MDC GA SS 1

Docket No. 15295-U

IN RE: Adoption of Commission Utility Rule Chapter 515-7-7-.04(d) and 515-7-7-.05(f)

ORDER ADOPTING RULES

All interested parties are hereby notified pursuant to Ga. Laws 1964, pp. 338, 342, as amended (Official Code of Georgia Annotated ("O.C.G.A.") § 50-13-4) that the Georgia Public Service Commission ("Commission") has considered and adopted amendments to its rules regarding service quality standards for the electing distribution company. These amendments shall become effective as provided by law twenty days after its adoption at the Commission's Administrative Session on November 4, 2003, and subsequent filing with the Secretary of State.

BY THE COMMISSION:

Whereas, during Administrative Session on November 4, 2002, the Commission approved the adoption of amendments to Utility Rule Chapter 515-7-7-.04(d) and 515-7-7-.05(f);

Whereas, copies of written notices of the proposed rules previously were mailed to all utilities subject to the jurisdiction of this Commission, and to all interested persons on the mailing list of the Commission pursuant to O.C.G.A. § 50-13-4(a)(1); and

Whereas, copies of said notices were furnished to the Legislative Counsel of the State of Georgia, pursuant to said O.C.G.A. § 50-13-4(e); and

Whereas, the Commission received comments from parties regarding the proposed rules contained in the rule chapter that were duly considered,

THEREFORE IT IS ORDERED, that effective November 4, 2003, the present Utility Rule Chapter 515-7-7.04(d) and 515-7-7-.05(f) are hereby approved and adopted as shown below:

RULES
OF THE
GEORGIA PUBLIC SERVICE COMMISSION
515-7 GAS UTILITIES

CHAPTER 515-7-7
SERVICE QUALITY STANDARDS FOR THE ELECTING DISTRIBUTION COMPANY

TABLE OF CONTENTS

515-7-7-.04 Service Quality Standards: Customer Service, Billing, and Metering.
515-7-7-.05 Service Quality Standards: Marketer Services.

515-7-7-.04 Service Quality Standards: Customer Service, Billing, and Metering.
Every EDC shall be required to meet service quality standards to ensure high quality service to natural gas customers, including marketers, in Georgia in regards to customer service, billing, and metering. Specifically, every EDC shall assure that:

d. The call center response times shall not fall below the established benchmarks.

Authority Ga. Law: O.C.G.A. § 46-4-158.1(a)(1).

515-7-7-.05 Service Quality Standards: Marketer Services
Every EDC shall be required to meet service quality standards to improve the efficiency of the marketer services that are offered to all certified marketers. In addition, these same services quality standards shall also apply to services provided by the EDC to the Regulated Provider, unless the Commission specifically provides otherwise. Specifically, every EDC shall assure that:

f. The call center response time to marketers shall not fall below the established benchmark; and

Authority Ga. Law: O.C.G.A. § 46-4-158.1(a)(1).

ORDERED FURTHER, that said adopted amendments to the rules having been published as provided in O.C.G.A. § 50-13-3(b) shall be filed with the Administrative Procedure Act Division of the Secretary of State as provided in O.C.G.A. § 50-13-6(b).

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further order or orders as this Commission may deem just and proper.

The above action by the Commission during its Administrative Session on the 4th day of November 2003.

Reece McAlister Executive Secretary	Robert B. Baker, Jr. Chairman
Date	Date

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

SERVICE QUALITY STANDARDS FOR THE ELECTING DISTRIBUTION COMPANY	)))	**DOCKET NO. 15295-U**

ATLANTA GAS LIGHT COMPANY'S FILING SERVICE STANDARDS

In compliance with the Final Order of the Georgia Public Service Commission ("Commission") in the above docket ("Order"), Atlanta Gas Light Company ("AGLC" or the "Company") hereby respectfully files reporting data for the service standards adopted by the Commission in this proceeding.

AGLC is providing reports for the standards contained in Joint Recommendation numbered sections 1 (Meter Reading Accuracy), 2 (Meter Reading Timelinesss), 3 (Appointment Attainment), 4 (EBB), 5 (Response to the Commission), 6 (Call Center Response), and 7 (Forecasting).

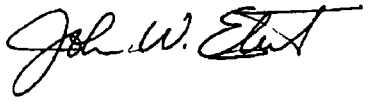
Further, AGLC is providing reports for Leak Response Time (Joint Recommendation section 10). This section details the monthly leak response times with respect to the Service Leak Call Standard for AGLC's Field Service Representatives and the Distribution Leak Call Standard for AGLC distribution personnel. The response times will be aggregated on an annual average basis for comparison to the annual standards. AGLC is also providing the leak response summary information for each service area.

Lost and Unaccounted for Gas (Joint Recommendation 6) has separate reporting requirements that are detailed in the Commission's order in Docket 15527-U. The Company will continue to report such information in that docket. For the standard on Acquiring and Managing Interstate Capacity (Joint Recommendation section 8), the Company will continue to comply with O.C.G.A. § 46-4-155 (e) and the Commission's approved capacity plan. No report on this standard is necessary.

This filing is providing March information for the standards that have one-month reporting requirements. The meter reading data for the standards is being filed on a 60 day lag. Monthly data will be updated each month and two-month average data will be updated every other month.

This 1st day of May, 2004.

Respectfully submitted,



John W. Ebert
Associate General Counsel
AGL Resources Inc.
10 Peachtree Place, Suite 1000
Atlanta, GA. 30309

CERTIFICATE OF SERVICE

I, John W. Ebert, certify that I have this day served the within and foregoing in Docket No. 15295-U regarding Atlanta Gas Light Company's Filing for Service Standards upon the parties to this proceeding, by depositing same in the United States mail, stamped and addressed as follows:

Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334

Jeffrey Stair
Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334

L. Craig Dowdy
McKenna, Long & Aldridge
303 Peachtree St , NE
Suite 5300
Atlanta, GA 30308

Kristy Holley, Director
Consumer Utility Counsel Division
Governors Office of Consumer Affairs
47 Trinity Ave, SW
Atlanta, GA 30334

Charles B Jones, III
Sutherland Asbill & Brennan LLP
999 Peachtree Street, NE, Suite 2300
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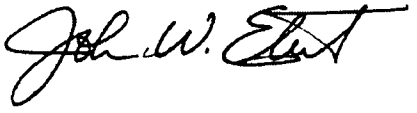


Atlanta Gas Light Company

Leak Response Service Standards

From 01/01/04 to 03/31/04

	CIS to Arrival								Distribution Notified to Arrival							
Service Center	Leaks	0-30	Percent	0-59	Percent	Over 60	Percent	Avg Times	Leaks	0-30	Percent	0-59	Percent	60 and over	Percent	Avg Times
Athens	480	399	83 13%	479	99 79%	1	0 21%	21 06	9	9	100 00%	9	100 00%	0	0 00%	17 4
Atlanta	5059	2984	58 98%	4762	94 13%	297	5 87%	30 54	296	131	44 26%	265	89 53%	25	8 45%	36 2
Augusta	1104	851	77 08%	1084	98 19%	20	1 81%	23 62	26	16	61 54%	25	96 15%	1	3 85%	30 3
Baxley	0	0	0 00%	0	100 00%	0	0 00%	0 0	0	0	0 00%	0	0 00%	0	0 00%	0 0
Brunswick	219	141	64 38%	214	97 72%	5	2 28%	26 88	16	13	81 25%	15	93 75%	1	6 25%	25 1
Calhoun	150	89	59 33%	144	96 00%	6	4 00%	28 78	8	2	25 00%	8	100 00%	0	0 00%	37 8
Carrollton	336	221	65 77%	336	100 00%	0	0 00%	25 45	15	12	80 00%	15	100 00%	0	0 00%	20 7
Cherokee	639	428	66 98%	634	99 22%	5	0 78%	26 46	33	15	45 45%	31	93 94%	2	6 06%	30 9
Chickamauga	132	68	51 52%	132	100 00%	0	0 00%	30 21	5	4	80 00%	4	80 00%	1	20 00%	39 4
Clayton	2529	1576	62 32%	2446	96 72%	83	3 28%	28 28	75	46	61 33%	69	92 00%	5	6 67%	31 4
Conyers	988	778	78 74%	978	98 99%	10	1 01%	23 24	28	17	60 71%	25	89 29%	2	7 14%	30 8
Cumming	1352	800	59 17%	1297	95 93%	55	4 07%	29 33	22	18	81 82%	22	100 00%	0	0 00%	22 2
Douglasville	715	418	58 46%	703	98 32%	12	1 68%	29 78	22	11	50 00%	21	95 45%	1	4 55%	32 5
Eastman	0	0	0 00%	0	100 00%	0	0 00%	0 00	0	0	0 00%	0	0 00%	0	0 00%	0 0
Griffin	404	263	65 10%	397	98 27%	7	1 73%	25 64	14	10	71 43%	13	92 86%	1	7 14%	25 4
Gwinnett	1572	1109	70 55%	1558	99 11%	14	0 89%	25 17	47	21	44 68%	41	87 23%	4	8 51%	34 6
Hall County	251	121	48 21%	246	98 01%	5	1 99%	31 45	11	8	72 73%	11	100 00%	0	0 00%	25 5
Jasper	0	0	0 00%	0	0 00%	0	100 00%	0 0	0	0	0 00%	0	0 00%	0	0 00%	0 0
Jesup	112	87	77 68%	110	98 21%	2	1 79%	21 56	29	24	82 76%	27	93 10%	2	6 90%	22 4
Macon	948	703	74 16%	921	97 15%	27	2 85%	24 16	31	22	70 97%	29	93 55%	2	6 45%	26 6
Marietta	2497	1581	63 32%	2409	96 48%	88	3 52%	27 81	115	59	51 30%	113	98 26%	2	1 74%	30 3
Milledgeville	195	126	64 62%	195	100 00%	0	0 00%	26 77	11	7	63 64%	11	100 00%	0	0 00%	25 0
Newnan	538	337	62 64%	524	97 40%	14	2 60%	28 72	17	13	76 47%	16	94 12%	0	0 00%	24 6
Peachtree	1281	905	70 65%	1255	97 97%	26	2 03%	25 25	67	32	47 76%	62	92 54%	5	7 46%	33 3
Rome	442	302	68 33%	437	98 87%	5	1 13%	25 98	7	7	100 00%	7	100 00%	0	0 00%	17 1
Savannah	1242	749	60 31%	1190	95 81%	52	4 19%	28 88	61	47	77 05%	58	95 08%	3	4 92%	26 9
Valdosta	219	161	73 52%	219	100 00%	0	0 00%	21 74	10	9	90 00%	10	100 00%	0	0 00%	18 6
Vidalia	132	84	63 64%	127	96 21%	5	3 79%	27 68	2	0	0 00%	1	50 00%	1	50 00%	47 0
Waycross	107	88	82 24%	104	97 20%	3	2 80%	20 92	5	3	60 00%	5	100 00%	0	0 00%	27 0
Totals	23643	15369	65 00%	22901	96 86%	742	3 14%	27 5	982	556	56 62%	913	92 97%	58	5 91%	31 2
YTD Totals	23643	15369	65 00%	22901	96 86%	742	3 14%	27 5	982	556	56 62%	913	92 97%	58	5 91%	31 2

Atlanta Gas Light Company

Leak Response Service Standards - Over 120 Minutes

From 01/01/04 to 03/31/04

Service Center	Address	City	Field Order Number	Date Recieved CIS	Arrival Date	CIS to Arrival	Dist Notified To Arrival	Distribution Notified	Distribution Arrival
Atlanta	2479 ABNER TER NW # 134	ATLANTA	5011278	1/3/2004 11 50 45 AM	1/3/2004 1 51 44 PM	120 98			
	Comments	Weekend, multiple Leak Orders in a short period of time							
Atlanta	1039 REGENT ST SW	ATLANTA	5504340	1/3/2004 12 20 45 PM	1/3/2004 2 28 36 PM	127 83			
	Comments	Weekend, multiple Leak Orders in a short period of time							
Atlanta	3758 WALDROP-HILLS DR LOT 26C	DECATUR	5229601	1/7/2004 8 11 14 PM	1/7/2004 10 31 40 PM	140 43			
	Comments	Multiple Leak Orders on Weeknight							
Atlanta	2942 EMBER DR	DECATUR	5930947	1/28/2004 3 00 24 PM	1/28/2004 6 55 53 PM	235 48			
	Comments	System Error, steps are being taken to determine the cause							
Atlanta	1428 MIDVIEW DR	DECATUR	5085397	1/30/2004 5 48 11 PM	1/30/2004 8 02 31 PM	134 33			
	Comments	Multiple Leak Orders on Weeknight							
Atlanta	1915 DERRILL DR	DECATUR	5314768	1/30/2004 5 59 12 PM	1/30/2004 8 56 58 PM	177 77			
	Comments	Multiple Leak Orders on Weeknight							
Atlanta	462 HEMLOCK DR	PINE LAKE	5931313	1/31/2004 5 08 03 PM	1/31/2004 7 18 16 PM	130 22			
	Comments	Weekend, multiple Leak Orders in a short period of time							
Atlanta	3291 BONWAY DR	DECATUR	5894253	1/31/2004 5 34 16 PM	1/31/2004 8 02 57 PM	148 68			
	Comments	Weekend, multiple Leak Orders in a short period of time							
Atlanta	3839 NORTHSTRAND DR	DECATUR	5043396	2/4/2004 5 05 34 PM	2/4/2004 7 16 49 PM	131 25			
	Comments	Multiple Leak Orders on Weeknight							
Atlanta	4758 E PONCE-DE-LEON AVE	STONE MOUNTAIN	5519217	2/13/2004 7 45 30 PM	2/13/2004 10 04 34 PM	139 07			
	Comments	Multiple Leak Orders on Weeknight							

Atlanta	4083 EMERALD-LAKE DR	DECATUR	5013404	2/23/2004 6 41 46 PM	2/23/2004 9 26 15 PM	164 48					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	2873 LEISURE-SPRINGS CIR	DECATUR	5801547	2/23/2004 7 24 08 PM	2/23/2004 10 05 41 PM	161 55					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	1897 CANTERBURY ST	DECATUR	5420168	2/23/2004 7 26 15 PM	2/23/2004 10 03 21 PM	157 1					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	4886 GARDEN-HILLS DR LOT 19A	STONE MOUNTAIN	5114075	2/23/2004 7 39 11 PM	2/23/2004 11 09 04 PM	209 88					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	3140 HICKMAN DR NW # 202	ATLANTA	5342658	3/7/2004 6 06 36 PM	3/7/2004 10 09 39 PM	243 05					
	Comments	Weekend, multiple Leak Orders in a short period of time									
Atlanta	233 OAKCLIFF CT NW	ATLANTA	5168491	3/7/2004 6 33 05 PM	3/7/2004 7 08 53 PM	35 8	145	3/7/2004 7 20 00 PM	3/7/2004 9 45 00 PM		
	Comments	Call Out for Distribution Weekend									
Atlanta	322 BRIARHILL LN NE	ATLANTA	5344451	3/7/2004 7 59 28 PM	3/7/2004 10 20 06 PM	140 63					
	Comments	Weekend, multiple Leak Orders in a short period of time									
Atlanta	613 GLENDALE RD	SCOTTDALE	5562064	3/7/2004 8 45 29 PM	3/7/2004 11 08 51 PM	143 37					
	Comments	Weekend, multiple Leak Orders in a short period of time									
Atlanta	4426 HUGH-HOWELL RD SUITE E3	TUCKER	5787125	3/19/2004 6 05 52 PM	3/19/2004 8 25 11 PM	139 32					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	944 FOREST PATH LOT 59A	STONE MOUNTAIN	5756572	3/19/2004 7 30 53 PM	3/19/2004 10 34 10 PM	183 28					
	Comments	Multiple Leak Orders on Weeknight									
Atlanta	1935 PINEDALE PL	DECATUR	5701780	3/21/2004 5 01 08 PM	3/21/2004 7 40 37 PM	159 48					
	Comments	Weekend, multiple Leak Orders in a short period of time									
Atlanta	4498 GINGERWOOD CT	STONE MOUNTAIN	5359124	3/21/2004 6 03 13 PM	3/21/2004 10 15 39 PM	252 43					
	Comments	Weekend, multiple Leak Orders in a short period of time									

Atlanta	1680 EASTGATE DR LOT 1B	STONE MOUNTAIN	5287311	3/21/2004 6 25 13 PM	3/21/2004 8 34 44 PM	129 52				
	Comments	Weekend, multiple Leak Orders in a short period of time								
Atlanta	19 E LAKE DR SE	ATLANTA	5336943	3/21/2004 6 55 42 PM	3/21/2004 9 43 56 PM	168 23				
	Comments	Weekend, multiple Leak Orders in a short period of time								
Atlanta	548 THURMOND ST NW # 2	ATLANTA	5429869	3/23/2004 12 24 45 PM	3/23/2004 4 26 08 PM	241 38				
	Comments	System Problem, steps are being taken to determine the cause								
Chattanooga	8613 CLEARWOOD RD	CHATTANOOGA	5183972	1/3/2004 5 13 02 PM	1/3/2004 7 16 44 PM	123 7				
	Comments	Call Out on Weekend, multiple Leak Orders								
Clayton	4910 CAMPBELLTON RD SW # B	ATLANTA	5260722	2/24/2004 5:57 04 PM	2/24/2004 8 11 48 PM	134 73				
	Comments	Multiple Leak Orders on Weeknight								
Conyers	7307 MEADOW-POINTE DR LOT 915	STONE MOUNTAIN	5912828	2/9/2004 6 23 20 PM	2/9/2004 8 24 21 PM	121 02				
	Comments	Multiple Leak Orders on Weeknight								
Jesup	98 JAMES LN MIDWAY	MIDWAY	5690124	3/15/2004 8 36 30 PM	3/15/2004 10 51 01 PM	134 52				
	Comments	Multiple Leak Orders on Weeknight								
Savannah	205 W 35TH ST # UPP	SAVANNAH	5365960	1/19/2004 9 07 32 PM	1/19/2004 11 24 36 PM	137 07				
	Comments	Multiple Leak Orders on Weeknight								
Savannah	JACKSON BLVD & JACKSON WOODS CT	SAVANNAH	5191989	2/15/2004 2 39 04 PM	2/15/2004 2 51 06 PM	12 03	140	2/15/2004 2 55 00 PM	2/15/2004 5 15 00 PM	
	Comments	Call Out for Distribution on the Weekend								

Atlanta Gas Light Company

Leak Response Service Standards

From 03/01/04 to 03/31/04

	CIS to Arrival			Distribution Notified to Arrival	
Service Center	Leaks	Avg. Times		Leaks	Avg Times
Athens	158	20 0		8	16 8
Atlanta	1712	30 1		130	36 8
Augusta	324	21 6		11	30 5
Brunswick	64	26 2		6	26 2
Calhoun	41	33 7		4	44 0
Camden	0	0 0		0	0 0
Carrollton	118	25 6		4	20 0
Cedartown	0	0 0		0	0 0
Cherokee	197	24 0		14	32 6
Chickamauga	44	32 5		1	25 0
Clayton	843	28 1		27	31 6
Conyers	294	21 3		8	26 8
Cumming	429	29 1		8	25 9
Douglasville	242	27 2		8	34 4
Eastman	0	0 0		0	0 0
Griffin	127	25 6		6	23 2
Gwinnett	546	24 1		23	41 7
Hall County	91	32 0		7	25 4
Jesup	33	22 5		13	25 8
Macon	301	23 3		10	33 0
Marietta	733	26 7		58	29 3
Milledgeville	73	26 5		5	27 4
Newnan	167	27 1		4	23 5
Peachtree	416	24 1		20	28 9
Rome	143	25 4		4	17 0
Savannah	348	28 4		14	22 4
Valdosta	76	22 9		7	18 4
Vidalia	36	26 9		1	33 0
Waycross	34	25 5		3	20 3
Totals	7,590	26 8		404	31 6

Electing Distribution Company Service Quality Measure Compliance Report

AVERAGE TWO-MONTH MEASURES	2003			2004						2005			
	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug
METER READING ACCURACY	99 60%	99 69%	99 73%	99 61%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Firm Meter Readings Issued	2,939,183	2,920,427	2 964,825	3,093,832									
Firm Meter Readings Canceled	9,276	6,426	5,036	8 452									
NCONS	2,382	2,734	3,081	3 693									
	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug
METER READING TIMELINESS	99 92%	99 91%	99 90%	99 88%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Number of Timely Meters Read	2,936,801	2,917,693	2,961,744	3,090 139									
Total Number of Meters Read	2 939,183	2,920,427	2,964,825	3,093,832									
	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug
APPOINTMENT ATTAINMENT	96 72%	94 42%	92 54%	95 56%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Number of Scheduled Appointments	60,626	77,640	79,820	60,182									
Number of Scheduled Appointments Met	58,639	73,309	73,864	57,509									
EBB AVAILABILITY	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug
Total Hours in Month	1,488 00	1,464 00	1,464 00	1,440 00									
Customer Information System	98 73%	98 83%	99 73%	99 68%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Hours of Scheduled Maintenance	348 00	340 25	342 75	332 25									
Hours of Unplanned Outages	14 52	13 14	3 00	3 50									
Gas Operating System	99 96%	99 66%	100 00%	100 00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Hours of Scheduled Maintenance	126 00	119 00	120 00	119 00									
Hours of Unplanned Outages	0 50	4 58	0 00	0 00									
Marketer Interface Application	99 96%	99 81%	100 00%	100 00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Hours of Scheduled Maintenance	126 00	119 00	120 00	125 00									
Hours of Unplanned Outages	0 50	2 58	0 00	0 00									
Eneract	98 95%	99 25%	100 00%	99 74%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Hours of Scheduled Maintenance	126 00	119 00	120 00	119 00									
Hours of Unplanned Outages	14 26	10 14	0 00	3 50									
	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug
RESPONSIVENESS TO THE COMMISSION	100 00%	100 00%	100 00%	100 00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Urgent/Non-urgent Complaints	14	23	30	23									
Number Acknowledged in One/Five Day(s)	14	23	30	23									

MONTHLY MEASURES	2003						2004						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
CALL CENTER RESPONSE TIME	92 79%	92 70%	91 21%	96 18%	95 60%	93 59%	96 98%	94 41%	93 90%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Number of Calls	91,845	91,200	98,371	121,311	106,629	119,193	96,740	96,695	100,745				
Number of Calls answered in 180 seconds	85,222	84,542	89,724	116,677	101,937	111,553	93,818	91,290	94,600				
FORECASTING	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Firm Demand Forecast Accuracy	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Number of Days	31	31	30	31	30	31	31	29	31				
Number of Days Followed Process	31	31	30	31	30	31	31	29	31				
Monthly Net Percentage	-0 02%	0 55%	-0 24%	-2 27%	-3 43%	-1 76%	-1 78%	2 27%	1 56%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Forecast Demand	4,247,763	4,183,981	4,319,178	6,498,659	12,005,828	29,577,784	30,717,213	28,135,314	12,570,514				
Actual Demand	4,248,455	4,160 765	4,329,437	6,646,178	12,417,693	30,098,913	31,263,498	27,495,673	12,374,909				

Electing Distribution Company Service Quality Measure Compliance Report (Addendum)

MONTHLY MEASURES	2003						2004						
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
CALL CENTER RESPONSE TIME													
Average Speed of Answer	31	34	39	18	20	31	15	26	28				
Number Calls Offered	91,845	91,200	98,371	121,311	106,629	119,193	96,740	96,695	100 745				
Number of Calls Abandoned	2,878	2,827	3,798	2,367	2,454	3,583	1,617	2,828	2,903				
Percentage of Calls Abandoned	3 13%	3 10%	3 86%	1 95%	2 30%	3 01%	1 67%	2 92%	2 88%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Electing Distribution Company Service Quality Measure Compliance Report

MONTHLY MEASURES	2004												
LEAK RESPONSE TIME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Average
Average FSR Leak Response Time	28 4	27 1	26 8										27 5
Average Distribution Leak Response Time	30 5	31 3	31 6										31 2

EXHIBIT MDC CSPR

2002 Customer Service Performance Report

Pennsylvania Electric & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services

III. Conclusion.. 35

Appendix A

Table 1A - EDC Survey Results 37
Table 1B - EDC Survey Results (continued) 38
Table 2 - Overall Satisfaction EDC Credit/Collection Calls v. Other Calls 39
Table 3 - Contacting an EDC 40
Table 4A - Consumer Ratings of EDC Representatives 41
Table 4B - Consumer Ratings (continued) 42
Table 5A - Premise Visit from an EDC Field Representative 43
Table 5B - Premise Visit (continued) 44
Table 6 - Characteristics of 2002 EDC Survey Participants... . . 45
Table 7 - Average Number of Residential Customers.... 46

Appendix B

Table 1 - Overall Satisfaction NGDC Credit/Collection Calls vs. Other Calls 47
Table 2 - Contacting an NGDC... 48
Table 3 - Premise visit from an NGDC Field Representative . .. 49
Table 4 - Characteristics of 2002 NGDC Survey Participants 50
Table 5 - Average Number of Residential Customers 51

Introduction

This is the first comprehensive report of the Public Utility Commission (Commission) that presents quality of service data for both the Electric Distribution Companies (EDCs) and the major National Gas Distribution Companies (NGDCs) Last year, the Commission produced two separate reports This is the fourth year EDC customer-service performance statistics are available and the second year NGDC data is provided This report fulfills the requirements of 52 Pa Code § 54 156 of the EDC reporting requirements and 52 Pa Code § 62 37 of the NGDC reporting requirements Both provide for the Commission to annually produce a summary report on the customer-service performance of the EDCs and NGDCs using the statistics collected as a result of the reporting requirements

The Electricity Generation Customer Choice and Competition Act and *The Natural Gas Choice and Competition Act* require the EDCs and NGDCs to maintain, at a minimum, the levels of customer-service that were in existence prior to the effective dates of the acts In response, the Commission took steps to ensure the continued provision of high-quality customer service through the implementation of regulations that require the EDCs and the NGDCs to report statistics on important components of customer service, including telephone access to the company, billing frequency, meter reading, timely response to customer disputes, the proper response to customer disputes and payment arrangement requests, compliance with customer service rules and regulations; and interaction with customers in a prompt, courteous and satisfactory manner (§§ 54 151-54 156 for EDCs and §§ 62 31-62 37 for NGDCs)

The Commission adopted the final rulemaking establishing *Reporting Requirements for Quality of Service Benchmarks and Standards* for the EDCs on April 23, 1998 The EDCs began reporting the required data to the Commission in August 1999 for the first six months of the year and followed up with a report on annual activity in February 2000 Beginning in February 2001, the EDCs began submitting annual data on telephone access, billing, meter reading and response to customer disputes The companies began surveying customers who had initiated an interaction with their EDC in January 2000 and have continued the survey each year since then

The Commission adopted the final rulemaking establishing *Reporting Requirements for Quality of Service Benchmarks and Standards* for the NGDCs on January 12, 2000 As per the regulations, NGDCs that serve more than 100,000 residential customers began reporting the required data to the Commission in August 2001 for the first six months of that year and followed up with a report on annual activity in February 2002 Beginning in February 2003, the NGDCs filed their first annual reports on telephone access, billing, meter reading and response to customer disputes The companies began their surveys of customers who had initiated an interaction with the companies in January 2002 This report contains the first compilation of NGDC survey data NGDCs that serve fewer than 100,000 residential accounts are not required to report statistics on the various measures required of the larger companies The smaller NGDCs must conduct mail surveys of customers who contact them and report the survey results to the Commission The smaller NGDCs surveyed their customers in 2002 and sent the results to the Commission in 2003

The Bureau of Consumer Services (BCS) has summarized the information supplied by the EDCs and NGDCs, including survey data, into the charts and tables that appear on the following pages The data for PECO Energy (PECO) appears with that of the EDCs The company is unable to report information separately for its electric and natural gas accounts, as a result, PECO combines statistics for both in its annual report to the Commission The BCS has reported PECO consumer complaint and payment arrangement request data with that of the electric industry for many years Likewise, the BCS reports PECO's quality of service data with that of the other EDCs The report does not include statistics from Philadelphia Gas Works (PGW) PGW data will not be included in the annual customer service performance report until 2005 [1]

The reporting requirements of § 54 155 and § 62 36 include a provision whereby BCS is to report to the Commission various statistics associated with informal consumer complaints and payment arrangement requests that consumers file with the Commission The BCS is to report a "justified consumer complaint rate," a "justified payment arrangement request rate," "the number of informally verified infractions of applicable statutes and regulations," and an "infraction rate" for the EDCs and NGDCs These statistics are also important indicators of service quality The BCS has calculated and reported these rates for a number of years in the annual report, *Utility Consumer Activities Report and Evaluation Electric, Gas, Water and Telephone Utilities (UCARE)* The BCS will report the 2002 data in the 2002 report that the Commission will release later this year The report offers detailed descriptions of each of these measures as well as a comparison with performance statistics from the previous year Access to the 2002 *Utility Consumer Activities Report and Evaluation* and the *2002 Report on Pennsylvania's Electric and Natural Gas Distribution Companies Customer Service Performance* will be available on the Commission's Web site http //puc paonline com

[1] The Commission assumed regulatory responsibility over PGW on July 1, 2000, and did not require PGW to file a restructuring plan until July 1 2002 Further PGW is not required to comply with Chapter 56 regulations until September 2003 The company will begin reporting quality of service statistics for 2004

I. Company-Reported Performance

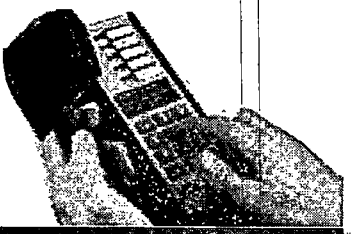
In accordance with *Reporting Requirements for Quality of Service Benchmarks and Standards* (quality of service reporting requirements), the EDCs and the NGDCs reported statistics for 2002 regarding telephone access, billing, meter reading and disputes not responded to within 30 days For each of the required measures, the companies report data by month and include a 12-month average This report presents PECO Energy (PECO) statistics with the EDCs although PECO's statistics include data for both the company's electric and natural gas accounts With the exception of the telephone access statistics and the small business bill information, the required statistics directly relate to the regulations in 52 Pa Code § 56 *Standards and Billing Practices for Residential Utility Service*

A Telephone Access

The quality of service reporting requirements for both the EDCs and the NGDCs include telephone access to a company because customers must be able to easily contact their EDC or NGDC with questions, complaints and requests for service, and to report service outages and other problems

In order to produce an accurate picture of telephone access, the companies must report three separate measures of telephone access The three separate measures avert the possibility of masking telephone access problems by presenting only one or two parts of the total access picture 1) percent of calls answered within 30 seconds, 2) average busy-out rate, and 3) call abandonment rate For example, a company may report that it answers every call in 30 seconds or less If only this statistic is available, one might conclude that the access to the company is very good However, if this company has only a few trunk lines into the company's call distribution system, once these trunks are at capacity, other callers receive a busy signal when they attempt to contact the company Thus, a large percentage of customers cannot get through to the company and telephone access is not very good at all Therefore, it is important to look at both percent of calls answered within 30 seconds and busy-out rates, to get a clearer picture of the telephone access to the EDC or NGDC

Further, the call abandonment rate indicates how many customers drop out of the queue of customers waiting to talk to a company representative A high call abandonment rate is most likely an indication that the length of the wait to speak to a company representative is too long Statistics on call abandonment are often inversely related to statistics measuring calls answered within 30 seconds The 2000-2002 EDC figures presented later in this report conform to the inverse relationship In addition, the 2001-2002 data reported by the NGDCs also conform to this relationship For the most part, the companies answering a high percent of calls within 30 seconds had low call abandonment rates and those answering a lower percent of calls within 30 seconds had higher call abandonment rates



Attempted contacts to a call center initially have one of two results. They are either "received" by the company or they receive a busy signal and thus are not "received" by the company Calls in the "busy-out rate" represent those attempted calls that received a busy signal or message, they were not "received" by the company because the company lines or trunks were at capacity

For the calls that are "received" by the company, the caller has several options One option is to choose to speak to a company representative When a caller chooses this option, the caller enters a queue to begin a waiting period until a company representative is available to take the call Once a call enters the queue, it can take one of three routes it will either be abandoned (the caller chooses not to wait and disconnects the call), it will be answered within 30 seconds, or it will be answered in a time period that is greater than 30 seconds The percent of those calls answered within 30 seconds is reported to the Commission The percent that are answered in more than 30 seconds is the inverse of this percent Thus, if 80 percent are answered within 30 seconds, 20 percent are answered in more than 30 seconds

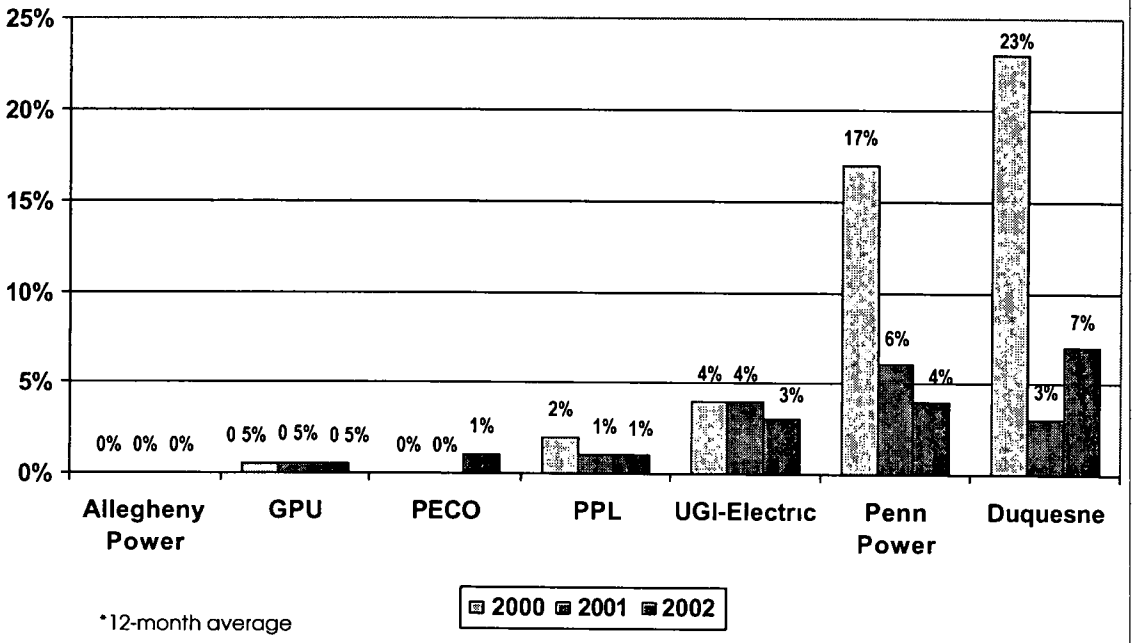
This report presents the EDC and NGDC statistics on telephone access in the following three charts

- Busy-out rate
- Call abandonment rate
- Percent of calls answered within 30 seconds

1. Busy-Out Rate

The Commission's Regulations at § 54 153(b)(1)(ii) require that the EDCs are to report to the Commission the average busy-out rate for each call center or business office, as well as a 12-month cumulative average for the company Similarly, § 62 33(b)(ii) requires the NGDCs to report the average busy-out rate Each regulation defines busy-out rate as the number of calls to a call center that receive a busy signal divided by the total number of calls received at a call center For example, a company with a 10-percent average busy-out rate means that 10 percent of the customers who attempted to call the company received a busy signal (and thus did not gain access) while 90 percent of the customer calls were received by the company If the company has more than one call center, it is to supply the busy-out rates for each center as well as a combined statistic for the company as a whole The chart below presents the combined busy-out rate for each major EDC during 2000, 2001 and 2002 The second chart presents the combined busy-out rate for each major NGDC during 2001 and 2002

Electric Distribution Companies
Busy-Out Rate*
2000 – 2002



*12-month average

The 2002 results show that the average busy-out rate for five of the EDCs was either lower or the same as in 2001 Duquesne's busy-out rate increased in 2002 Duquesne attributes the increase to a brief period when a major storm struck the company's service territory and caused extensive damage and outages

Natural Gas Distribution Companies
Busy-Out Rate*
2001 - 2002

Company	2001	2002
Columbia	1%**	0%
Dominion Peoples*	Statistic Not Available#	0%
NFG	9%	1%
Equitable	18%***	3%
PG Energy	17%****	5%
UGI-Gas#	Statistic Not Available#	Statistic Not Available#

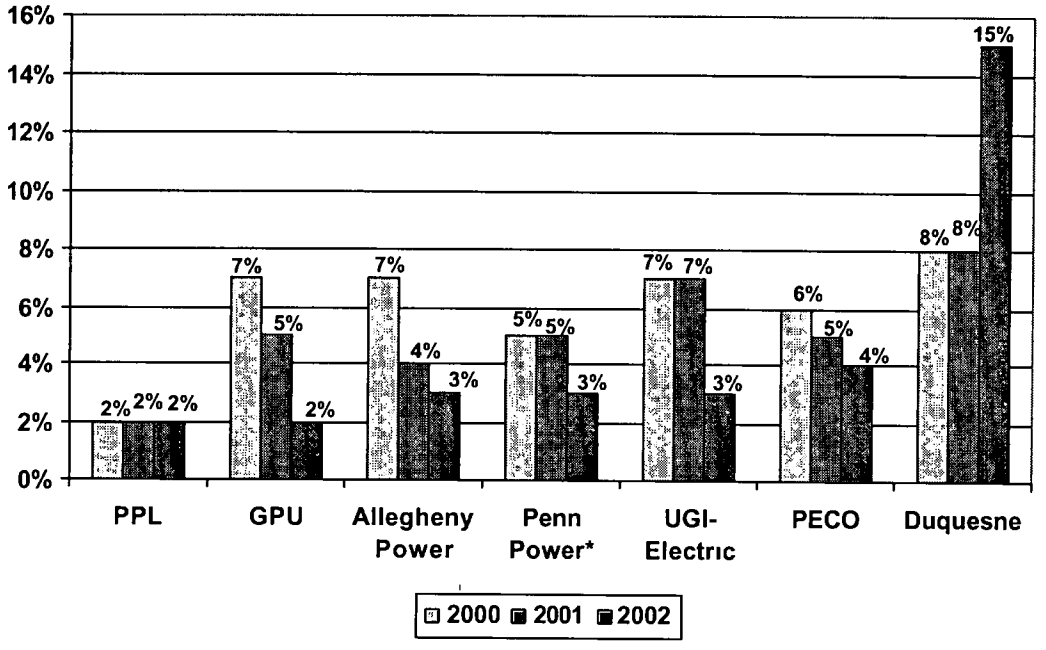
* 12-month average
** Columbia s actual overall 2001 statistics are not available BCS calculated this statistic based on data from Columbia s individual call centers
*** Equitable s 2001 data is for the second six months of 2001 only Neither the 2001 nor 2002 data include calls to the company s emergency call number
**** PG Energy s 2001 data is for July through December only
# The Commission granted these companies a temporary waiver of the section that requires reporting this statistic

UGI-Gas was still not able to capture the busy-out rate for its call centers in 2002 UGI-Gas requested a waiver of § 62 33(1)(ii) until it is able to supply this data The company reports that it expects to be able to report this information in the near future All the other NGDCs were able to report this statistic for 2002 Data is not available for calls to Equitable's emergency number.

2 Call Abandonment Rate

Consistent with the regulations, the EDCs and NGDCs are to report to the Commission the average call abandonment rate for each call center, business office, or both The call abandonment rate is the number of calls to a company's call center that were abandoned divided by the total number of calls the company received at its call center or business office (§ 54 152 and § 62 32) For example, an EDC with a 10 percent call abandonment rate means that 10 percent of the calls received were terminated by the customer prior to speaking to an EDC representative As the time that customers spend "on hold" increases, they have a greater tendency to hang up, raising the call abandonment rates If the EDC or NGDC has more than one call center, it is to supply the call abandonment rates for each center as well as a combined statistic for the company as a whole The chart below presents the combined call abandonment rate for each major EDC during 2000, 2001 and 2002

Electric Distribution Companies
Call Abandonment Rate*
2000-2002

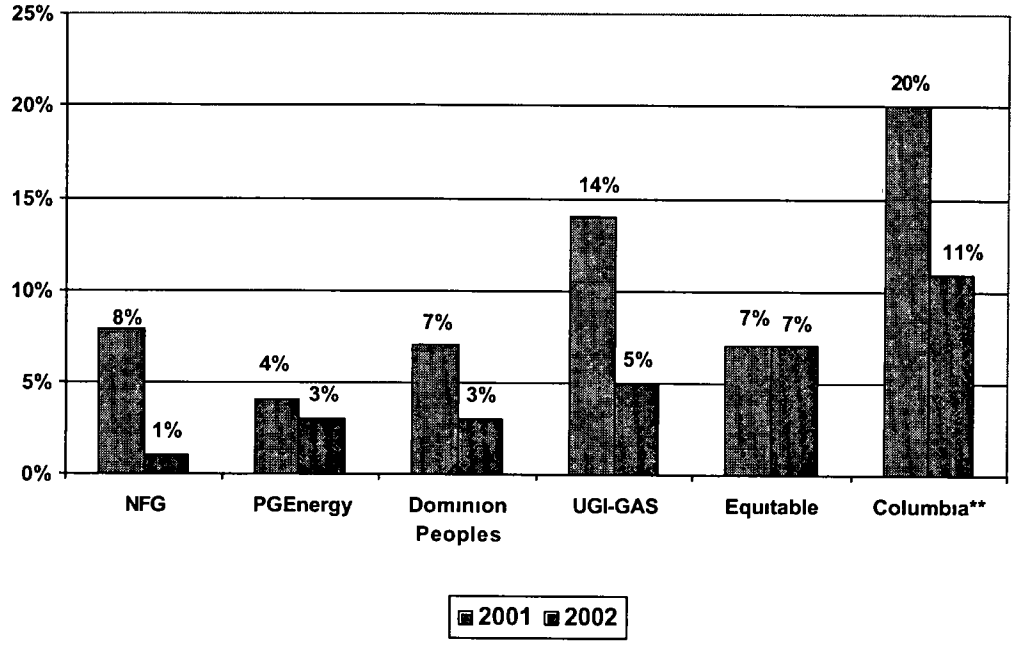


* Penn Power s telecommunications package is not able to count calls as "abandoned" until after the call has been "received (in a queue waiting to speak to a representative) for more than 30 seconds Thus calls abandoned before 30 seconds have elapsed are not included in this figure Statistics for the other EDCs include all abandoned calls

The above statistics illustrate that all but one of the EDCs either reduced their call abandonment rates from 2001 to 2002 or maintained their 2001 rates Only one company's rate was higher in 2002 than in 2001 Allegheny Power attributes its reduction in call abandonment rate to the use and increased understanding of improved technology Duquesne attributes the increase it experienced in average call abandonment rate to technology failures in its telephone equipment The company resolved the problem in October and as a result, the company's call abandonment rate improved considerably during the last two months of 2002

The chart on the following page presents the 2002 call abandonment rates for the major NGDCs

Natural Gas Distribution Companies
Call Abandonment Rate*
2001-2002

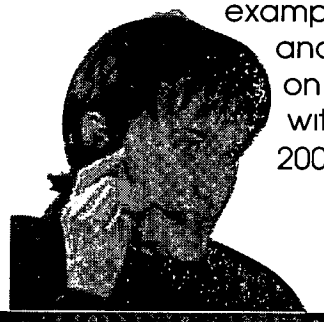


* 12-month average
** Columbia s actual overall 2001 statistics are not available The BCS calculated this statistic based on information from Columbia s individual call centers

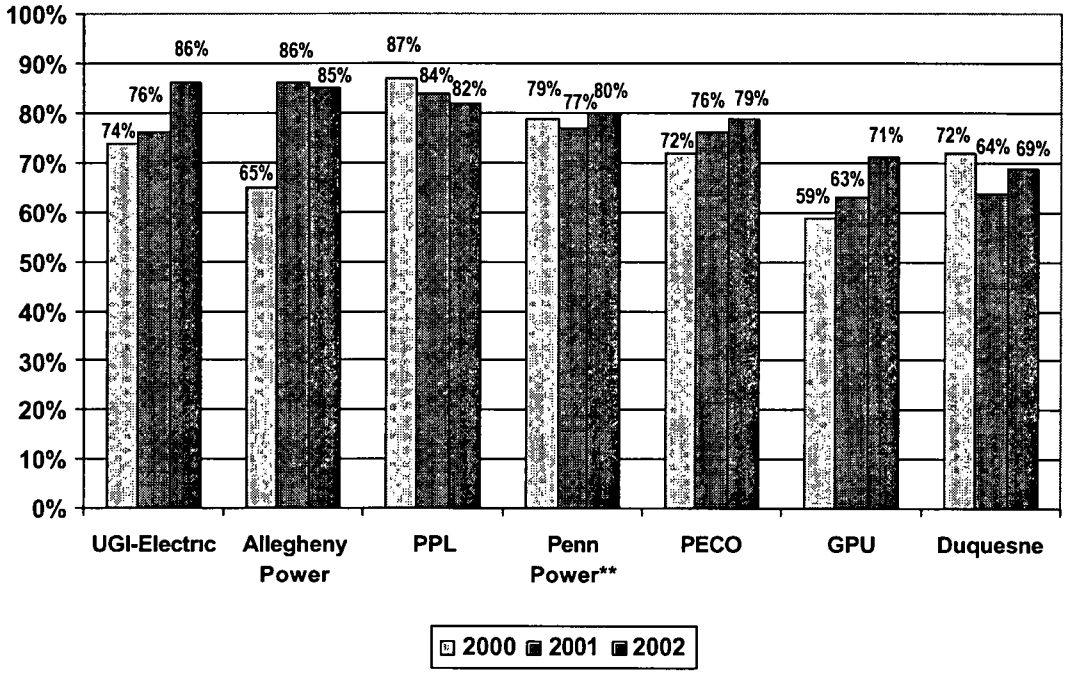
Five of the NGDCs reduced their call abandonment rates in 2002 while one maintained its 2001 rate NFG credits its improvement in this and the other telephone access measures to a decline in call volume in 2002 and to steps the company took to improve resources in the company's call center

3 Percent of Calls Answered Within 30 Seconds

Pursuant to the quality of service reporting requirements at § 54 153(b) and § 62 33(b), each EDC and major NGDC is to "take measures necessary and keep sufficient records" to report the percent of calls answered within 30 seconds or less at the company's call center The section specifies that "answered" means a company representative is ready to render assistance to the caller An acknowledgement that the consumer is on the line does not constitute an answer If a company operates more than one call center (a center for handling billing disputes and a separate one for making payment arrangements, for example), the company is to provide separate statistics for each call center and a statistic that combines performance for all call centers The chart on the following page presents the combined percent of calls answered within 30 seconds for each of the major EDCs in Pennsylvania during 2000, 2001 and 2002



Electric Distribution Companies
Percent of Calls Answered Within 30 Seconds*
2000-2002



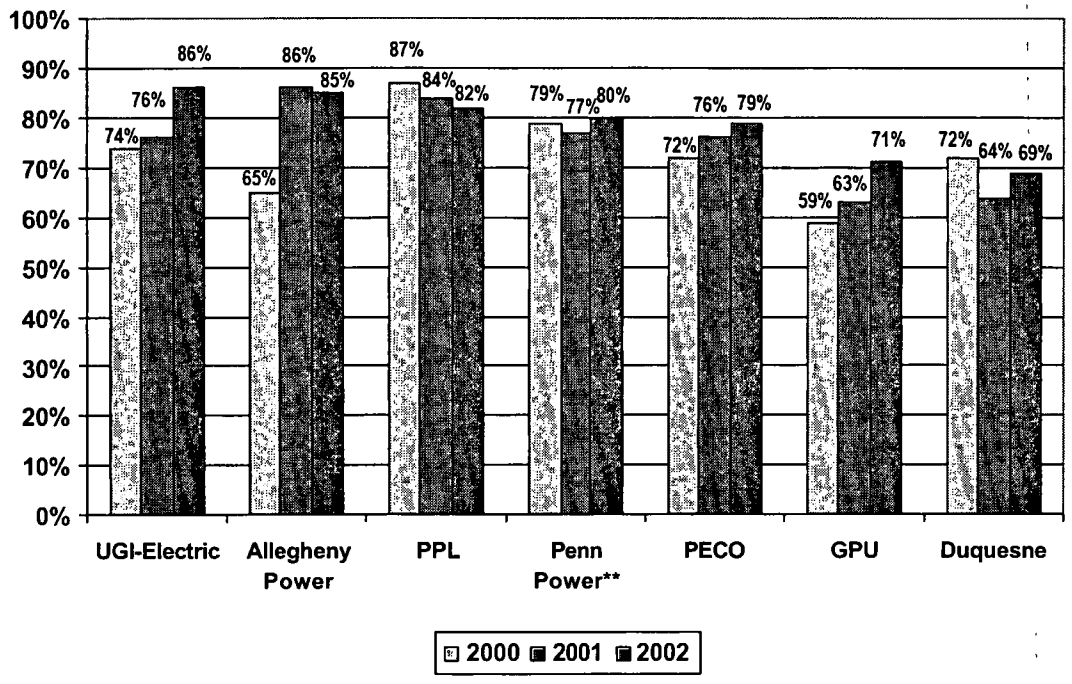
* 12-month average

** Penn Power s telecommunications package is not able to distinguish the difference between an answered call and an abandoned call until the call has been "received" (in queue waiting to speak to a representative) for more than 30 seconds As a result this statistic represents calls that were answered and/or abandoned within 30 seconds Statistics for the other EDCs represent answered calls only

The 2002 results give evidence of improved access for Duquesne, GPU, PECO, Penn Power and UGI-Electric Allegheny Power attributes its slight decrease to the fact that some fully trained and experienced telephone representatives moved to other positions within the company Duquesne expects continued improvement in telephone access Its performance improved from 2001 to 2002 in spite of some technological failures in September that impacted callers' ability to contact Duquesne The company worked out the problems and predicts its ability to accurately forecast call volume to schedule staff and continued training will result in further improvement in 2003

Although GPU's average annual telephone access to its call center improved in 2002, access to the company decreased considerably in August as compared to March through July statistics The company said losing summer temporary help, combined with employee training and the transition to a new computer system that took place from August through the end of the year, adversely affected overall center performance According to the company, a learning curve for the representatives and the new computer environment decreased performance and thus affected the percentage of calls answered within 30 seconds

Electric Distribution Companies
Percent of Calls Answered Within 30 Seconds*
2000-2002



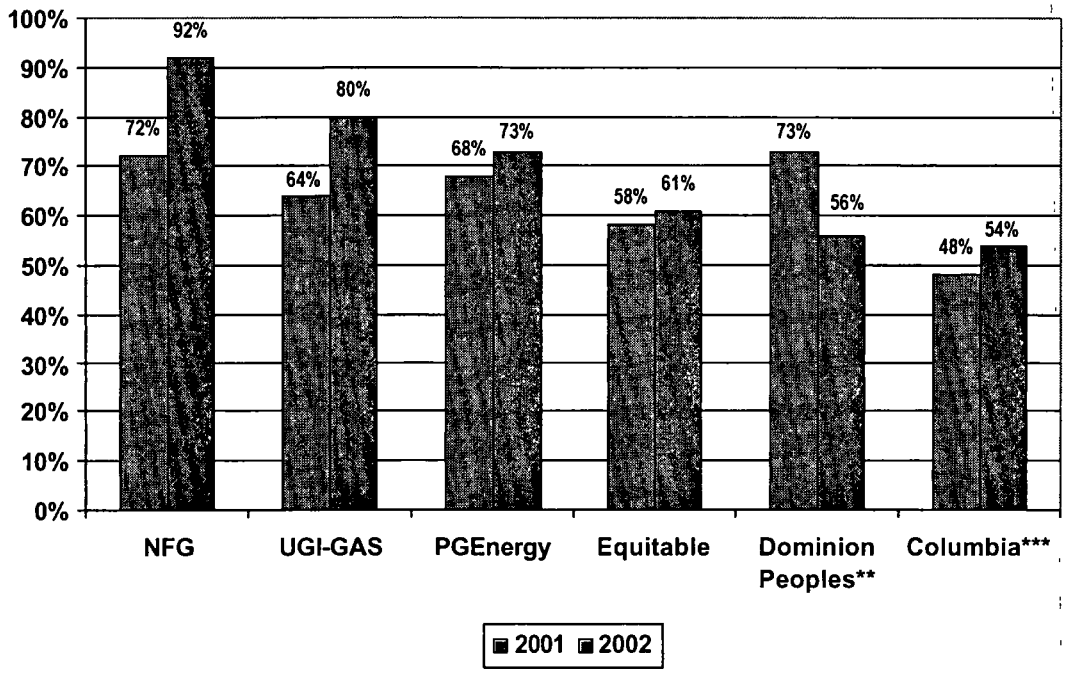
* 12-month average

** Penn Power's telecommunications package is not able to distinguish the difference between an answered call and an abandoned call until the call has been "received" (in queue waiting to speak to a representative) for more than 30 seconds As a result, this statistic represents calls that were answered and/or abandoned within 30 seconds Statistics for the other EDCs represent answered calls only

The 2002 results give evidence of improved access for Duquesne, GPU, PECO, Penn Power and UGI-Electric. Allegheny Power attributes its slight decrease to the fact that some fully trained and experienced telephone representatives moved to other positions within the company. Duquesne expects continued improvement in telephone access. Its performance improved from 2001 to 2002 in spite of some technological failures in September that impacted callers' ability to contact Duquesne. The company worked out the problems and predicts its ability to accurately forecast call volume to schedule staff and continued training will result in further improvement in 2003.

Although GPU's average annual telephone access to its call center improved in 2002, access to the company decreased considerably in August as compared to March through July statistics. The company said losing summer temporary help, combined with employee training and the transition to a new computer system that took place from August through the end of the year, adversely affected overall center performance. According to the company, a learning curve for the representatives and the new computer environment decreased performance and thus affected the percentage of calls answered within 30 seconds.

Natural Gas Distribution Companies
Percent of Calls Answered Within 30 Seconds*
2001-2002



* 12-month average
** Dominion Peoples' January-June data for its contracted call center is reported as percent answered within 20 seconds in 2001
*** Columbia's actual overall 2001 statistics are not available The BCS calculated this statistic base on data from Columbia's individual call centers

As with call abandonment rates, the percent of calls answered within 30 seconds varies depending on call volume and the number of employees available to take calls. For example, Equitable reports that enhanced collection efforts throughout 2002 resulted in a call volume increase. However, the company stated it focused on improving representative handling time so its telephone access rates did not deteriorate. Columbia has been working to improve telephone access to its company by implementing various new technologies and initiatives within its call center.

Dominion Peoples' service level slid from 73 percent in 2001 to 56 percent in 2002. Dominion made a management decision to reduce its service level and established a goal of answering 50 percent of calls within 30 seconds. The company claims that customer satisfaction did not decrease as a result and the company saved money by reducing positions in its call center.

B. Billing

Pursuant to 66 Pa.C.S. §1509 and *Standards and Billing Practices for Residential Utility Service* (§ 56. 11), a utility is to render a bill once every billing period to all customers. The customer bill is often the only communication between the company and a customer, thus underscoring the need to produce and send this very fundamental statement to customers at regular intervals. The failure of a customer to receive a bill each month frequently generates consumer complaints to the company and sometimes to the Commission. It also adversely affects collections performance.

1. Number and Percent of Residential Bills Not Rendered Once Every Billing Period

Pursuant to § 54.153(b)(2)(i) and § 62.33(b)(2)(i), the EDCs and major NGDCs shall report the number and percent of residential bills that the company failed to render pursuant to § 56.11. The table below presents the average monthly percent of residential bills that each major EDC failed to render once every billing period during 2000, 2001 and 2002.

Electric Distribution Companies
Number and Percent* of Residential Bills
Not Rendered Once Every Billing Period

Company	2000		2001		2002	
	Number	Percent	Number	Percent	Number	Percent
Duquesne	0	0%	0	0%	0	0%
Penn Power	3	00%	3	00%	1	00%
UGI-Electric	4	01%	8	01%	4	01%
GPU	1,631	18%	1,046	11%	141	01%
Allegheny Power	55	01%	88	01%	102	02%
PPL	907	08%	499	04%	470	04%
PECO	8,056**	47%**	9,120**	53%**	1,125	07%

* 12-month average
** Reported numbers are higher than actual numbers due to computer errors caused by rebilling previously billed accounts

PECO attributes the significant decrease in the number of bills it did not render to the installation of automated meter reading devices at residential properties, as well as to revisions to the computer program that analyzes the meter readings. GPU also significantly reduced the number of unbilled accounts. The company explains that the reduction is a direct result of system enhancements and the completion of the merger reorganization.

Natural Gas Distribution Companies
Number and Percent* of Residential Bills
Not Rendered Once Every Billing Period

Company	2001		2002*	
	Number	Percent	Number	Percent
PG Energy	0	0%	0	0%
Equitable	6	.00%	7	00%
Columbia	52	.00%	9	00%
NFG	28	.02%	21	00%
UGI-Gas	14	.01%	16	01%
Dominion Peoples	938	.30%	352	.11%

* 12-month average

Residential billing performance was stable for many of the NGDCs. Dominion Peoples improved its performance from 2001 to 2002. The company attributes the improvement to the implementation of several management reporting tools that focus on improving its ability to bill all accounts each month.

2. Number and Percent of Bills to Small Business Customers Not Rendered Once Every Billing Period

Both the EDC and the NGDC quality of service reporting requirements require the companies report the number and percent of small business bills the companies failed to render in accordance with 66 Pa.C.S. §1509. The reporting requirements at § 54.152 define a small business customer as a person, sole proprietorship, partnership, corporation, association or other business that receives electric service under a small commercial, industrial or business rate classification. In addition, the maximum registered peak load for the small business customer must be less than 25 kilowatt hours within the last 12 months. Meanwhile, the NGDC reporting requirements at § 62.32 define a small business customer as a person, sole proprietorship, partnership, corporation, association or other business whose annual gas consumption does not exceed 300 thousand cubic feet (mcf). The tables on the following page show the average number and percent of small business customers the major EDCs and NGDCs did not bill according to statute.

Electric Distribution Companies
Number and Percent* of Bills to Small Business
Customers Not Rendered Once Every Billing Period

Company	2000		2001		2002	
	Number	Percent	Number	Percent	Number	Percent
Duquesne	0	0%	0	0%	0	0%
Penn Power	0	0%	3	.00%	1	00%
UGI-Electric	1	.01%	0	.01%	1	.02%
GPU	560	.50%	300	27%	94	.08%
PPL	784	47%	316	.19%	231	.12%
Allegheny Power	92	.12%	110	.14%	137	.17%
PECO	3,009**	1.66%**	3,840**	2 12%**	880	49%

* 12-month average
** Reported numbers are higher than actual numbers due to computer errors caused by rebilling previously billed accounts

As with residential bills, PECO attributes the significant decrease in the number of bills not rendered to its installation of automated meter reading devices and to revisions to the computer program that analyzes the meter readings. Similarly, GPU reports that system enhancements and the completion of the merger reorganization were responsible for the reduction in unbilled small business accounts. PPL reports that it closely monitored small business accounts in 2002 to decrease the number of bills not rendered once every billing period.

Natural Gas Distribution Companies
Number and Percent* of Bills to Small Business
Customers Not Rendered Once/Billing Period

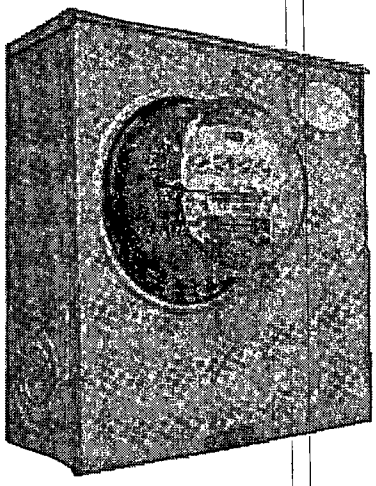
Company	2001		2002	
	Number	Percent	Number	Percent
PG Energy	0	0%	0	0%
Equitable	2	.00%	2	.00%
Columbia	40	.08%	10	0%
UGI-Gas	3	.01%	4	.02%
NFG	5	06%	3	.03%
Dominion Peoples	131	69%	44	.16%

* 12-month average

The above table presents the average monthly number and percent of bills to small business customers that each major NGDC failed to render once every billing period during 2002. As with residential bills, Dominion Peoples explains that it made enhancements to management reporting tools to bill all accounts each month.

C. Meter Reading

Regular meter reading is important to produce accurate bills for customers who expect to receive bills based on the amount of service they have used. The Commission's experience is that the lack of actual meter readings generates complaints to companies, as well as to the Commission. In both of the Final Rulemaking Orders establishing *Reporting Requirements for Quality of Service Benchmarks and Standards* (L-00000147 and L-970131), the Commission stated its concern that regular meter reading may be one of the customer service areas where EDCs and NGDCs might reduce service under competition. The quality of service reporting requirements include three measures of meter reading performance that correspond with the meter-reading requirements of the Chapter 56 regulations at § 56.12(4)(ii), § 56.12(4)(iii) and § 56.12(5)(i).



1. Number and Percent of Residential Meters Not Read By Company or Customer in Six Months

Pursuant to § 56.12(4)(ii), a utility may estimate the bill of a residential ratepayer if utility personnel are unable to gain access to obtain an actual meter reading. However, at least every six months, the utility must obtain an actual meter reading or ratepayer supplied reading to verify the accuracy of prior estimated bills. The quality of service reporting requirements at § 54.153(b)(3)(i) require EDCs to report the number and percent of residential meters for which they have failed to comply with § 56.12(4)(ii). The results are compiled in the next table.

Electric Distribution Companies
Number and Percent* of Residential Meters Not Read
By Company or Customer in 6 Months

Company	2000		2001		2002	
	Number	Percent	Number	Percent	Number	Percent
UGI-Electric	3	.005%	1	.000%	0	0%
Allegheny Power	52	.001%	76	010%	83	010%
PPL	46	.004%	270	.021%	270	021%
Duquesne	146	.028%	442	.083%	146	.028%
Penn Power	1	001%	14	.009%	8	.062%
GPU	1,322	139%	875	.097%	729	.083%
PECO	15,000	806%	13,956	722%	8,841	440%

* 12-month average

PPL began a major project in 2002 to replace all of its meters with Automatic Meter-Reading (AMR) equipment. By the end of December 2002, the company had installed over 400,000 new meters. As a result of this initiative, PPL expects the number of meters not read will decrease in 2003.

GPU reports the data it submitted for this measure is overstated due to a programming error. GPU contends the actual results would be a smaller percentage than reported and anticipates the problem should be corrected next year.

PECO is undergoing a mass installation of AMR meters in two counties, which historically have had hard to access meters. As a result, PECO has significantly improved its meter-reading performance. In addition, PECO reports its field representatives are installing AMR meters when they gain access to no-read customer properties.

Duquesne was successful in rectifying the failure in its telephonic communications system that it experienced in 2001. Duquesne's meter-reading performance returned to its prior level as reported in 2000.

Natural Gas Distribution Companies
Number and Percent* of Residential Meters Not Read
By Company or Customer In 6 Months

Company	2001		2002	
	Number	Percent	Number	Percent
PG Energy	30	.00%	7	.00%
Equitable	436	18%	380	16%
Dominion Peoples	2,901**	.90%	1,025	32%
Columbia	1,721	48%	1,084	.32%
NFG	432	.26%	626	.35%
UGI-Gas	1,705	.58%	2,288	.76%

* 12-month average
** Averages based on the 6-month averages (January-June and July-December)

The *Reporting Requirements for Quality of Service Benchmarks and Standards* at § 62.33(b)(3)(i) require the major NGDCs to report the number and percent of residential meters for which the company has failed to obtain an actual or ratepayer supplied meter reading within the past six months as required under § 56.12(4)(ii). The table above presents the data that the companies reported for 2001 and 2002. Four of the six gas companies improved performance from 2001 to 2002. The other two reported higher numbers for 2002 than they did for 2001. Dominion Peoples attributes its improvement to the development of reports in the company's new customer accounting management system, reinstatement of "no access" letters and increased emphasis by management on performance. As the footnote to the table indicates, Dominion was able to supply only a six-month average of meter reading data for the first half of 2001, but was able to report monthly data for the latter half of the year. As a result, the 2001 statistics for Dominion were calculated based on this limited information.

In the second quarter of 2002, Equitable added independent meter-reading contractors to the meter-reading department to improve performance. In addition, Equitable reports it regularly offers scheduled appointments and provides self-meter-reading cards to customers where access is a problem.

PG Energy notes in the second half of 2002, customers refused meter-reader access for its automated meter reading device installation program for hard to read meters. As a result, the number of meters not read as required increased slightly during the last six months of the year. UGI-Gas reports approximately 65 percent of its meters are located inside their customer's home. The company is hoping its recently developed plan to deal with non-access to meters will improve the company's ability to obtain timely meter readings in the future. UGI is using a three-pronged approach to access "hard-to-access" meters: 1) target these meters for remote meter reading devices; 2) notify customers with hard-to-access meters by mail a week ahead of their scheduled meter reading dates, requesting either access or a customer reading; and 3) obtain actual meter readings through the use of additional employees at times other than regularly scheduled reading times.

2. Number and Percent of Residential Meters Not Read In 12 Months

Pursuant to § 56.12 (4)(iii), a company may estimate the bill of a residential ratepayer if company personnel are unable to gain access to obtain an actual meter reading. However, at least once every 12 months, the company must obtain an actual meter reading to verify the accuracy of either the estimated or ratepayer supplied readings. The *Reporting Requirements for Quality of Service Benchmarks and Standards* at § 54.153(b)(3)(ii) require the EDCs to report the number and percent of residential meters for which they fail to meet the requirements of this section. The table below presents the statistics the EDCs submitted to the Commission for this measure.

Electric Distribution Companies
Number and Percent* of Residential Meters Not Read in 12 Months

Company	2000		2001		2002	
	Number	Percent	Number	Percent	Number	Percent
UGI-Electric	1	.002%	0	0%	0	0%
Penn Power	0	0%	3	.002%	0	0%
PPL	8	001%	1	000%	0	0%
Allegheny Power	4	001%	5	000%	5	.000%
Duquesne	36	006%	63	.012%	7	.001%
GPU	456	.048%	317	.035%	627	.070%
PECO	6,521	.350%	12,196	.633%	8,052	.400%

* 12-month average

As with the previous measure, GPU reports the data it submitted for this measure is overstated due to a programming error and contends the actual results would be a smaller percentage than reported. GPU expects to correct the problem next year with changes to the computer system that produces meter reading statistics. Also, in 2002, PECO significantly reduced the 12-month average number of meters not read according to § 56.12(4)(iii) when compared with the 12-month average of 2001. PECO attributes this improvement to its AMR meter installation project.

Natural Gas Distribution Companies
Number and Percent* of Residential Meters Not Read
In 12 Months

Company	2001		2002	
	Number	Percent	Number	Percent
PG Energy	0	0%	0	0%
Columbia	1,035	.29%	440	.13%
Dominion Peoples	824**	26%**	115	.04%
NFG	211	.13%	162	09%
UGI-Gas	602	20%	695	23%
Equitable	672	.29%	698	.30%

* 12-month average
** Averages based on the 6-month averages (January to June and July to December)

For the NGDCs, the quality of service reporting requirements at § 62.33(b)(3)(ii) require the major NGDCs to report the number and percent of residential meters for which the company failed to obtain an actual meter reading within the past 12 months. Equitable reports 26 percent of its residential customers have meters inside their premises. The company explains that meter readers attempt to obtain readings every other month but are often unable to gain access due to no one being home. PG Energy reports it had no meters that went unread for the past two years. As with meters not read in six months, Peoples attributed its improved performance in reading residential customer meters to its new customer accounting management system, reinstatement of "no access" letters and increased emphasis by management on performance.

3. Number and Percent of Residential Remote Meters Not Read in 5 Years

Pursuant to § 56.12(5)(i), a utility may render a bill on the basis of readings from a remote reading device. However, the utility must obtain an actual meter reading at least once every five years to verify the accuracy of the remote reading device. Under the quality of service reporting requirements at § 54.153(3)(iii) and § 62.33(b)(3)(iii), each EDC and major NGDC must report to the Commission the number and percent of residential remote meters for which it failed to obtain an actual meter reading under the timeframe described in Chapter 56. The tables on the following page show the data as reported by the major companies.

Electric Distribution Companies
Number and Percent* of Residential Remote Meters
Not Read in 5 Years

Company	2000		2001		2002	
	Number	Percent	Number	Percent	Number	Percent
Duquesne	0	0%	0	0%	0	0%
UGI-Electric	0	0%	0	0%	0	0%
GPU	0	0%	0	0%	9	.17%
PECO	438	19%	295	18%	74	23 44%
Allegheny Power**	N/A	N/A	N/A	N/A	N/A	N/A
Penn Power**	N/A	N/A	N/A	N/A	N/A	N/A
PPL**	N/A	N/A	N/A	N/A	N/A	N/A

* 12-month Average
** No remotely read meters

In its 2002 report to the Commission, GPU noted the company had a project to obtain an actual read for each residential remote meter and to verify that the indices are synchronized. GPU is making special efforts to access the remaining unread meters by sending letters to customers, leaving door hangers and attempting to read them during normal cycle reading. PECO reports its goal is to have the number of unread remote meters at zero by the end of 2003. The company's "Hard To Access" team is aggressively pursuing these meters to read them and convert them to AMRs. As part of its mass installation of AMR meter program, PECO has reported that it is steadily replacing the number of remote meters at residential properties with "direct interrogation" devices. As a result, although the company is reducing the number of remote meters not read as required, the statistics show that these numbers represent an increasing percentage of the company's total number of remote meters.

Natural Gas Distribution Companies
Number and Percent* of Residential Remote Meters Not Read
In Five Years

Company	2001		2002	
	Number	Percent	Number	Percent
Columbia	0	0%	0	0%
Dominion Peoples	0	0%	0	0%
PG Energy	0	0%	0	0%
Equitable	70	.42%	104	.79%
NFG	67	2.50%	53	2 10%
UGI-Gas	1,739	10 50%**	806	5 04%

* 12-month average
** Percent revised from 2001 report based on correction by UGI-Gas For 2001, the company had incorrectly reported the percent based on its total number of residential meters rather than on the number of the company's remote residential meters

PG Energy notes, as of 2002, no residential remote meters have been in place for more than five years. Equitable reports it had installed a larger volume of remote devices throughout 1997, that were due for five-year readings in 2002. The company did not read all of them and thus the number and percent of meters not read as required increased from 2001 to 2002.

Last year, UGI-Gas accurately reported the number of residential meters not read in five years. However, the percentage figure that UGI reported was incorrect. UGI had calculated the percentage based on their total number of residential meters rather that on its number of residential remote meters. UGI has since corrected this error, and, as a result, the percentage figure in the above table has been revised from last year's quality of service report to represent the true percentage of remote meters that were not read as required by regulation.

D. Response to Disputes

When a ratepayer registers a dispute with a utility about any matter covered by Chapter 56 regulations, each utility covered by the regulations must issue its report to the complaining party within 30 days of the initiation of the dispute pursuant to § 56.151(5). A complaint or dispute filed with a company is not necessarily a negative indicator of service quality. However, a company's failure to promptly respond to the customer's complaint may be an indication of poor service. Further, to respond beyond the 30-day limit is an infraction of § 56.151(5) and the cause of complaints to the Commission.

1. Number of Residential Disputes that Did Not Receive a Response within 30 Days

The *Reporting Requirements for Quality of Service Benchmarks and Standards* at § 54.153(b)(4) and § 62.33(b)(4) require each EDC and major NGDC to report to the Commission the actual number of disputes for which the company did not provide a response within 30 days as required under the Chapter 56 regulations. The following two tables present this information as reported by the companies.

Electric Distribution Companies
Number of Residential Disputes That Did Not Receive a Response within 30 Days

Company	2000	2001	2002
Penn Power	4	3	1
UGI-Electric	8	8	7
PECO	295	156*	55
Duquesne	11	146	164
Allegheny Power	675	205	287
GPU	305	416	686
PPL	2,374	3,209	1,587

* Due to computer problems, PECO was not able to report this information for the first seven months of 2001 This number is from the latter five months of the year

GPU reports in the beginning of 2002, the number of disputes not handled within 30 days was high due to newer representatives who were not familiar with the company's winter high bill and dispute processes. The company provided extensive training to its representatives in July, and, as a result, GPU reports the number not handled within 30 days was drastically reduced.

Duquesne reports a marked increase in the number of complaints not issued within 30 days due to an increase in the volume of customer inquiries and complaints. Estimated bills and subsequent make-up bills were responsible for the increase. Duquesne further reports this problem ceased in the latter quarter of the year and the number of disputes not handled within the required number of days significantly decreased.

PPL made notable progress in reducing the number of disputes open over 30 days. PPL attributes the progress to process improvements, more training and increased communications.

PECO reports it continued to monitor disputes not closed timely in 2002. The company said it identified opportunities for improvement in cases involving the recent addition of e-bill options and the need to issue a company report when field visits are required at a customer's property to resolve a high bill dispute.

Natural Gas Distribution Companies
Number of Residential Disputes That Did Not Receive
A Response Within 30 Days

Company	2001	2002
PG Energy	0	0
NFG	22	5
Equitable	18	26
Columbia	220	96
UGI-Gas	301	160
Dominion Peoples	133	1,806

PG Energy reports it maintains a daily log of open disputes to ensure that all customers receive an initial response within 30 days. As a result, PG Energy reports it had no disputes opened greater than 30 days for the past two years.

In January 2002, Dominion Peoples reports it implemented a new online method for placing accounts in dispute status. According to the company, this more accurate means of establishing and tracking accounts initially provided for "somewhat inflated numbers" due to learning curve issues. Management placed considerable emphasis on employee education and process refinements to produce significant improvement during the second half of the year. Thus, for December, Dominion Peoples reports it had no disputes opened more than 30 days without a dispute report as compared to having had 497 such disputes in January.

UGI-Gas reduced customer disputes that went over the 30-day limit during 2002. In January 2002, UGI reported it had 34 disputes not issued a company report within 30 days. By November, the company reported no disputes that had gone beyond the 30-day limit. The company explains that both process and personnel changes took place during the year to yield improvement in handling disputes more promptly.

II. Customer Transaction Survey Results

In conformance with the *Reporting Requirements for Quality of Service Benchmarks and Standards* at § 54.154 for the EDCs and § 62.34 for the major NGDCs, the companies are to report to the Commission the results of telephone transaction surveys of customers who have had interactions with the company.

The purpose of the transaction surveys is to assess the customer's perception regarding this recent interaction. The regulations specify that the survey questions are to measure access to the company, employee courtesy, employee knowledge, promptness of the EDC or NGDC response or visit, timeliness of the company response or visit and satisfaction with the handling of the interaction.

The EDCs and NGDCs must carry out the transaction survey process using survey questionnaires and procedures that provide the Commission with uniform data to directly compare customer service performance among EDCs and NGDCs in Pennsylvania. A survey working group composed of EDC representatives and Commission staff designed the EDC survey questionnaire and survey procedures in 1999. The first surveys of EDC customers were conducted in 2000. In 2001, the NGDCs formed a survey working group to design the survey questionnaire and survey procedures. The NGDCs agreed to use the same basic survey as the EDCs with similar procedures. The survey of NGDC customers was conducted for the first time in 2002.

Both working groups decided that the focus of the surveys should be on residential and small business customers who have recently contacted their company. The working groups agreed that industrial customers and large commercial customers should not be included in the survey since these large customers have specific representatives within their respective companies with whom they discuss any problems, concerns and issues, and thus should be excluded from the survey. For both the EDCs and the NGDCs, the survey sample also excludes all transactions that result from company outbound calling programs or other correspondence. However, transactions with consumers who use a company's automated telephone system exclusively, as well as those who contact their company by personal visit are eligible to be surveyed.

In the three years of the EDC survey, six of the major EDCs used a common survey company. Technical limitations precluded the seventh company from using this survey company to conduct the survey of its customers. This EDC used a different independent research firm to conduct the survey and compile the results. However, the EDC used the same sampling and other survey procedures, as well as the same questionnaire. The EDCs agree the Commission and others can use the survey results to directly compare EDC customer service performance. All of the major NGDCs agreed to use one survey company to conduct the survey and compile survey results.

Each month, the EDCs and NGDCs randomly select a sample of transaction records for consumers who have contacted them within the past 30 days. The companies transmit the sample lists to the research firms. The research firms randomly select individual consumers from the sample lists. The survey firms contact individual consumers in the samples until they meet a monthly quota of completed surveys for each company.

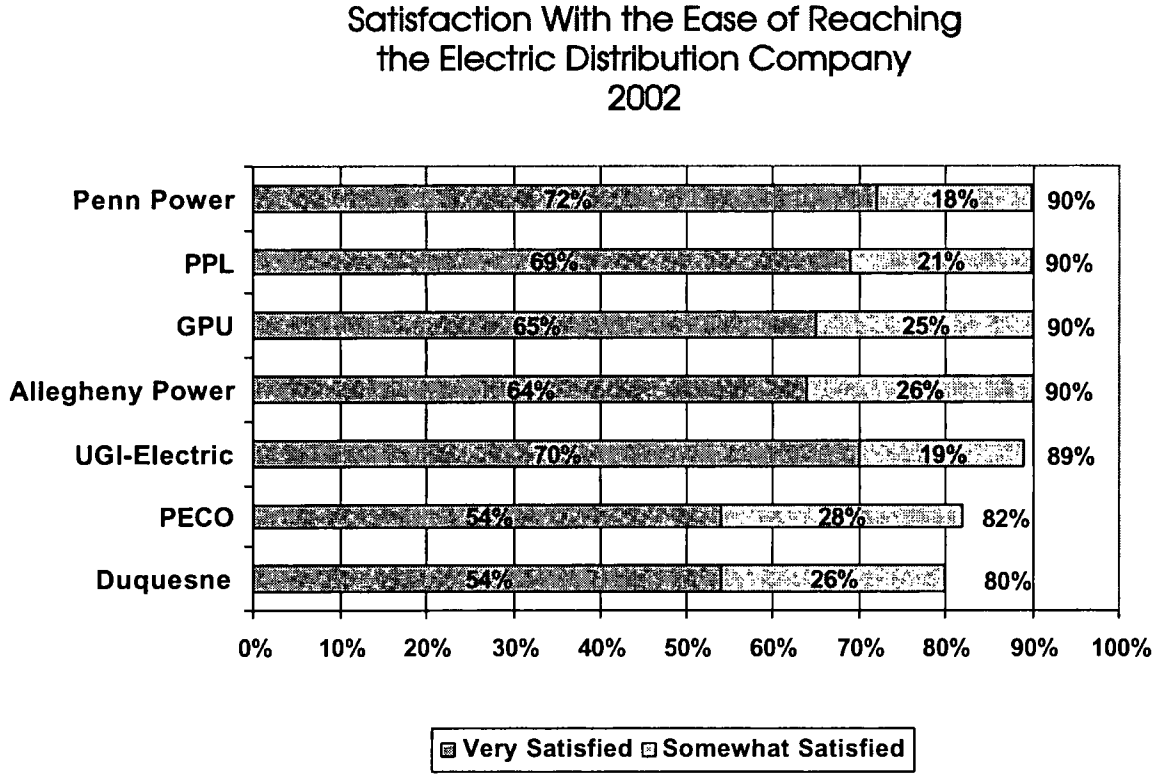
Each year, the survey firms complete approximately 700 surveys for each EDC or NGDC. With a sample of this size, there is a 95 percent probability the results have a statistical precision of plus or minus five percentage points of what the results would be if all customers who had contacted their EDC or NGDC had been surveyed. Thus, the sampling plan meets the requirements of § 54.154(5) and § 62.34(5) that specify that the survey results must be statistically valid within plus or minus 5 percent.

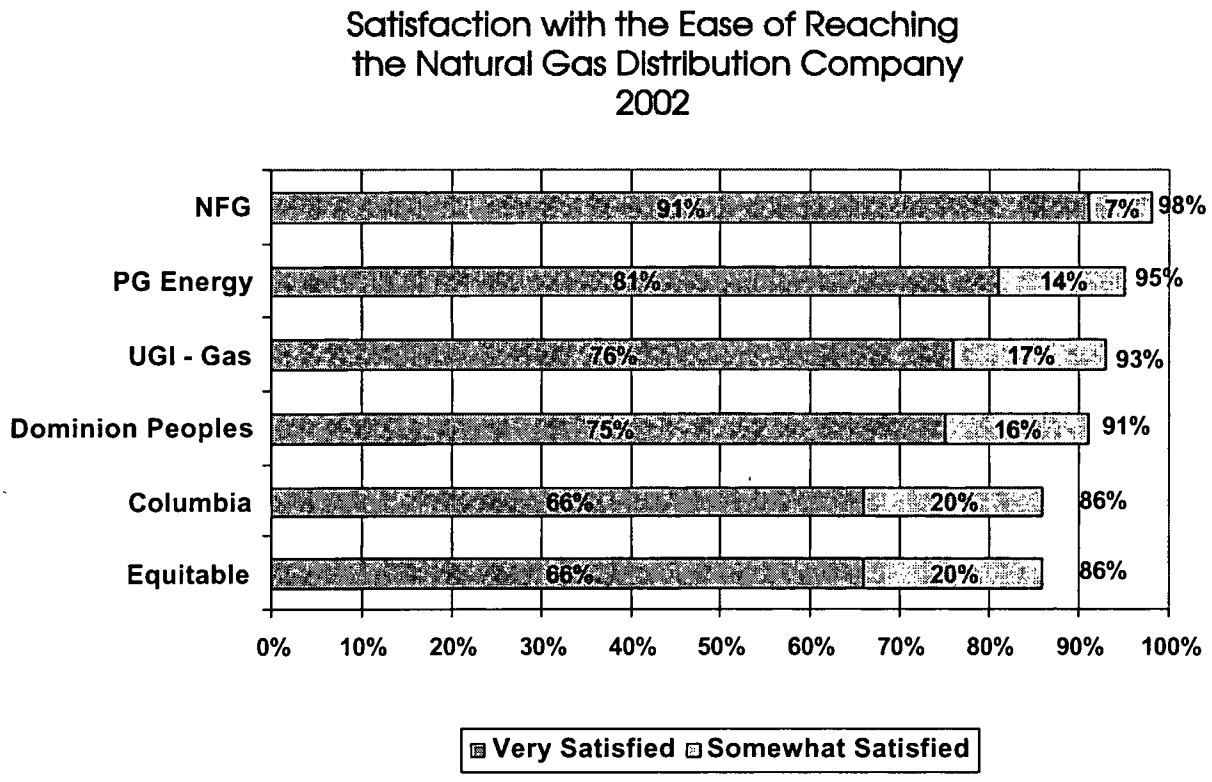
Survey working group members from both industries agreed the 700 completed surveys should include 200 contacts about credit and collection issues and 500 contacts about all other types of issues. Under this plan, the credit and collection contacts do not dominate survey results. Credit and collection contacts are from customers who need to make payment arrangements, customers who received termination notices or had service terminated, those who are requested to pay security deposits and others with bill payment problems. Consumer contacts about other issues include calls about billing questions and disputes, installation of service requests, metering problems, outage reporting, questions about choosing an alternative supplier and a variety of other reasons.

This report summarizes the 2000-2002 EDC survey data and the 2002 NGDC survey data into the charts and tables that appear later in this chapter and in the appendices. For the EDCs, the chapter presents the results from the 2002 surveys while Appendix A presents a comparison of results from the past three years. Appendix A also includes additional details of the EDC survey results. Last year was the first year that the NGDCs conducted a survey; as a result there are no tables offering comparison data from prior years for the gas companies. However, Appendix B presents detailed results from the 2002 survey. Both Appendix A and B provide information about the number and type of consumers who participated in the 2002 surveys as well as the average number of residential customer each EDC and NGDC serves. In all charts and tables related to the surveys, "don't know" and "refused" responses to survey questions were removed from the analysis.

A. Reaching the Company

One of the first survey questions each of the surveys asks the consumer, "How satisfied were you with the ease of reaching the EDC or the NGDC?" The bar charts that follow present the percent of consumers who indicated satisfaction with the initial stage of their contact with the company. The Commission believes a company should offer reasonable telephone access to its customers. Customers must be able to readily contact their company with questions, complaints, requests for service and to report service outages and other service problems. For 2002, the average of the percents of EDC customers who responded that they were either "satisfied" or "somewhat satisfied" with the ease of reaching the company is 87 percent. Survey results from the 2001 and 2000 surveys are available in Appendix A, Table 1. For NGDCs, the average of the percents of NGDC consumers who responded that they were either ""satisfied" or "somewhat satisfied" with the ease of reaching the company is 92 percent.

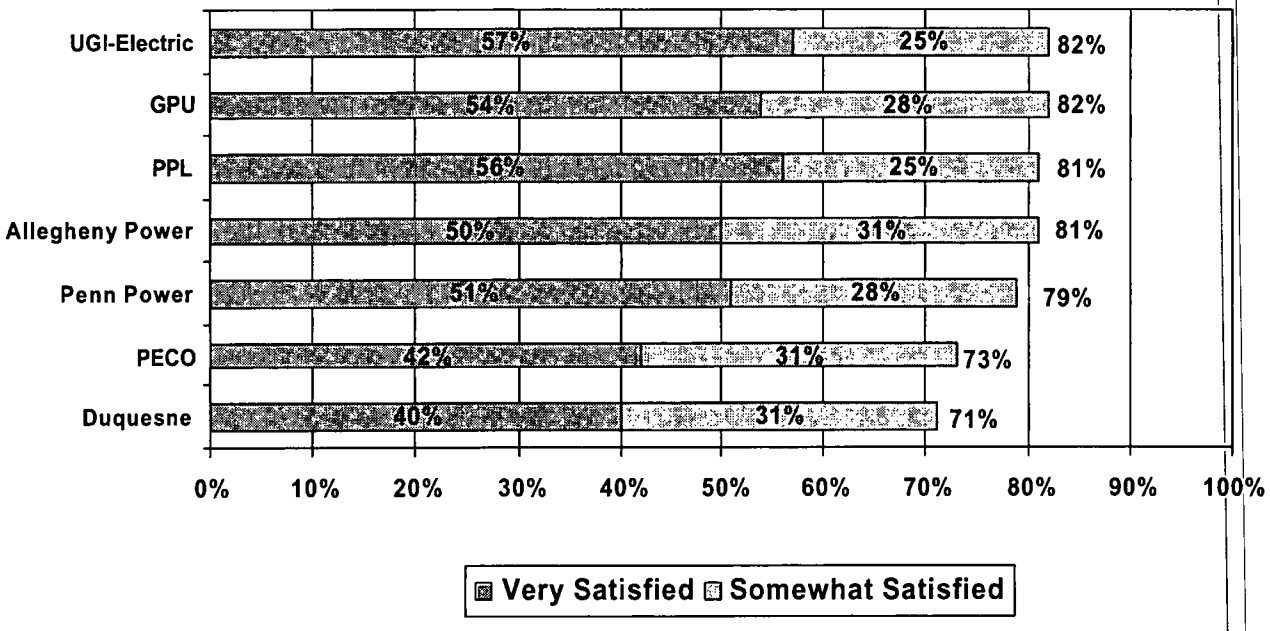




B. Automated Phone Systems

Survey interviewers ask consumers other questions about the preliminary stages of their contact with the EDC or NGDC. All EDCs and all but one of the NGDCs use an automated telephone system to filter calls to save time and money when dealing with consumer calls. (NFG does not use an automated telephone system at its call center.) The surveys ask consumers several questions about their experience with using the automated systems. The charts that follow present the level of satisfaction consumers expressed about using the EDCs' or NGDCs' automated telephone systems.

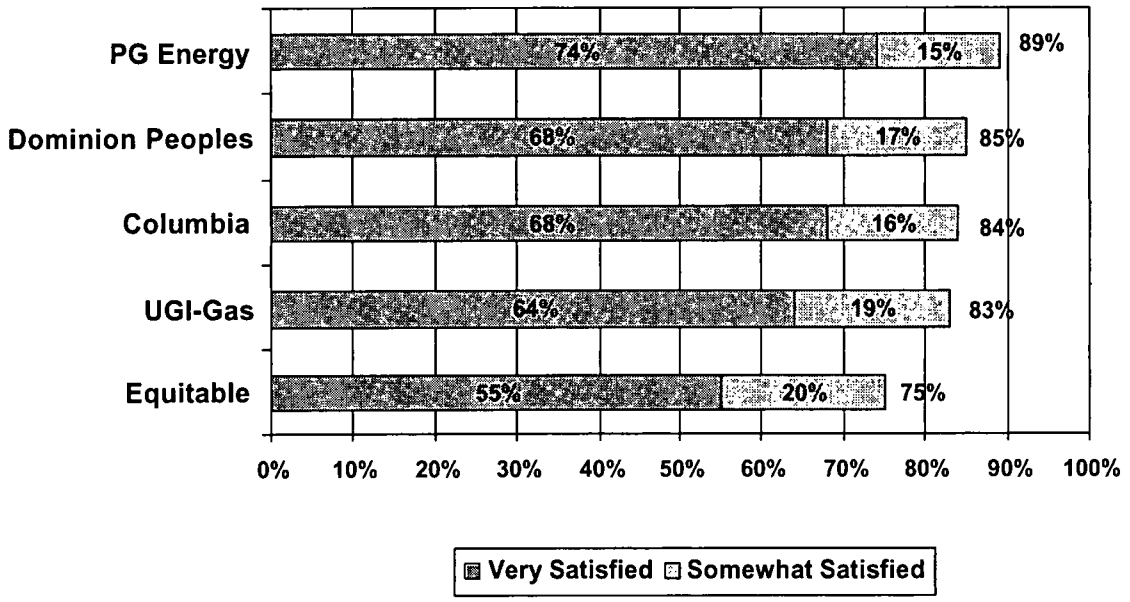
Satisfaction With Using an Electric Distribution Company's Automated Phone System 2002



On average, 78 percent of EDC consumers reported being either satisfied or somewhat satisfied with the EDCs' automated phone system. Appendix A, Table 3 presents other details of consumers' perceptions of using their EDCs' automated phone systems.

The chart on the following page presents the survey findings regarding the perceptions of NGDC consumers regarding the NGDC telephone systems. It shows, for the major NGDCs, 83 percent of NGDC consumers reported satisfaction with using the automated systems. NFG does not use an automated phone system to route consumer calls so NFG is not included in the chart. Appendix B, Table 2 presents other details of customers' perception of using the NGDCs' automated systems.

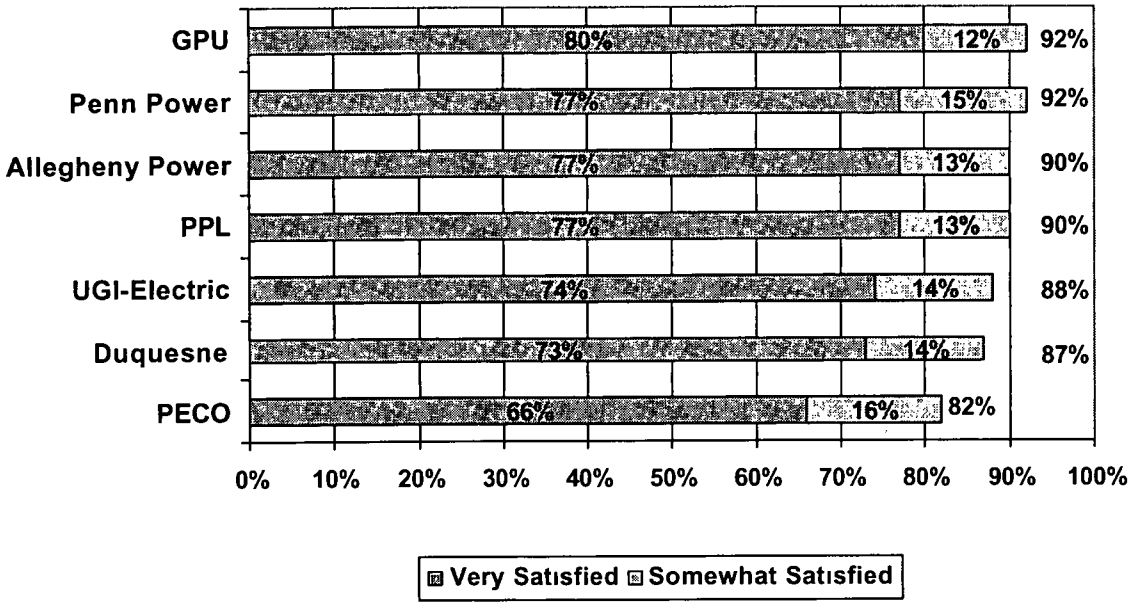
Satisfaction With Using a Natural Gas Distribution Company's Automated Phone System
2002



C. Company Representatives

As indicated in Appendix A, Table 6, an average of 89 percent of surveyed EDC customers indicated they had spoken with a company representative during their most recent interaction with the company. Appendix B, Table 4 shows, on average, 97 percent of NGDC consumers indicated they spoke with an NGDC representative during the most recent interaction they had with the company. Each consumer who indicated that they had spoken with a company representative was asked the following question: "Thinking about your conversation, how satisfied were you with the way in which the company representative handled your contact?" The following tables show the consumers' level of satisfaction with this interaction.

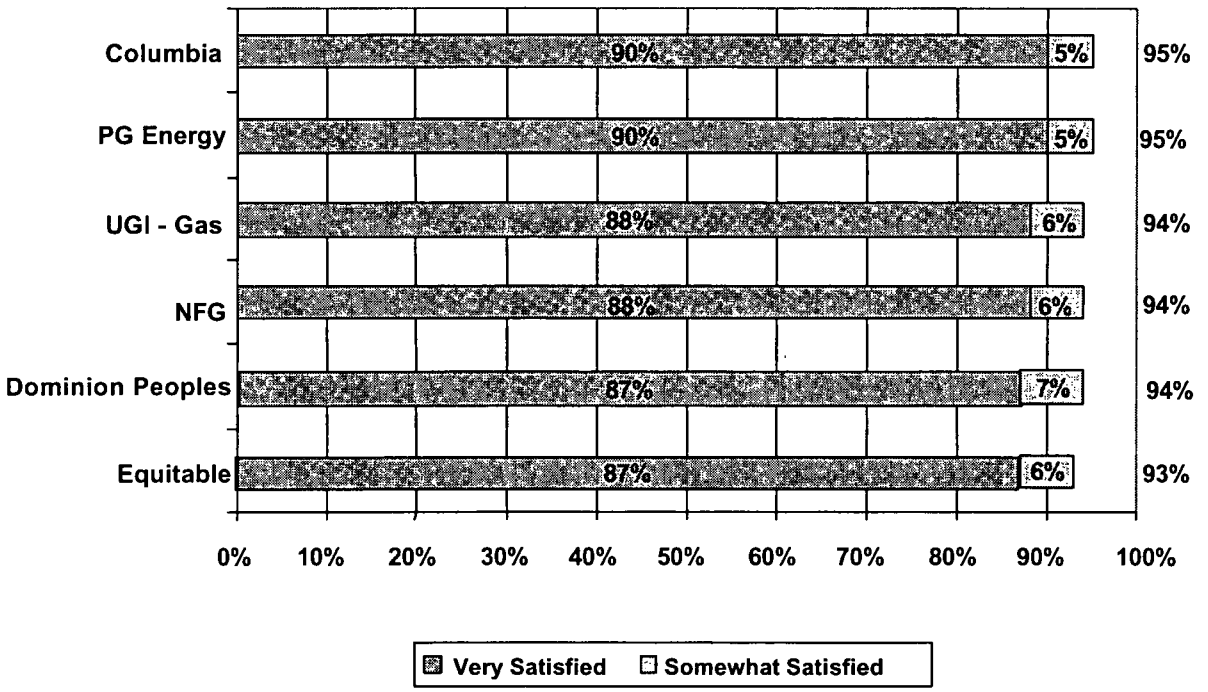
Satisfaction with the Electric Distribution Company Representative's Handling of the Contact 2002



On average in 2002, 89 percent of EDC consumers indicated being either "somewhat satisfied" or "very satisfied" with the way the company representative handled the consumer contact. Appendix A, Table 1B provides results from 2000 through 2002 regarding consumer satisfaction with how EDC representatives handled the contact to the EDC.

The following chart shows that in 2002, on average, 94 percent of NGDC consumers indicated they were either "somewhat satisfied" or "very satisfied" with the way the company representative handled the interaction.

Satisfaction with the Natural Gas Distribution Company Representative's Handling of the Contact 2002



A consumer's overall rating of satisfaction with the company representative's handling of the contact may be influenced by several factors, including the courtesy and knowledge of the representatives. The reporting requirements specify the transaction survey questionnaire must measure consumers' perceptions of employee courtesy and knowledge. The following tables show the EDC and NGDC consumers' 2002 ratings of these attributes of the company representatives with whom they interacted. Appendix A, Tables 4A and 4B provide a comparison of 2000, 2001 and 2002 ratings of the EDC representatives.

Consumer Ratings of
Electric Distribution Company Representatives
2002

Company	Call Center Representative's Courtesy		Call Center Representative's Knowledge	
	Somewhat Courteous	Very Courteous	Somewhat Knowledgeable	Very Knowledgeable
GPU	8%	87%	15%	79%
Penn Power	9%	88%	15%	78%
Allegheny Power	9%	86%	18%	73%
PPL	8%	85%	18%	76%
UGI-Electric	11%	78%	19%	73%
Duquesne	12%	81%	23%	67%
PECO	13%	76%	21%	65%
Average	**10%**	**83%**	**18%**	**73%**

On average, 93 percent of consumers indicated the company person they spoke with was either "very courteous" or "somewhat courteous" with the vast majority indicating the representative was "very courteous." An average of 91 percent rated the company representative as "very knowledgeable" or "somewhat knowledgeable"; the vast majority gave a "very knowledgeable" rating.

Consumer Ratings of
Natural Gas Distribution Company Representatives
2002

Company	Call Center Representative's Courtesy		Call Center Representative's Knowledge	
	Somewhat Courteous	Very Courteous	Somewhat Knowledgeable	Very Knowledgeable
Columbia	4%	92%	8%	88%
Equitable	4%	93%	9%	86%
UGI-Gas	5%	91%	8%	87%
PG Energy	5%	91%	10%	85%
Dominion Peoples	6%	91%	12%	82%
NFG	5%	89%	9%	85%
Average	**5%**	**91%**	**9%**	**86%**

In the first year of the survey, on average, 96 percent of consumers rated NGDC representatives as either "very courteous" or "somewhat courteous." In addition, 95 percent of NGDC consumers rated company representatives as either "very knowledgeable" or "somewhat knowledgeable."

Consumer Ratings of Electric Distribution Company Representatives 2002

Company	Call Center Representative's Courtesy		Call Center Representative's Knowledge	
	Somewhat Courteous	Very Courteous	Somewhat Knowledgeable	Very Knowledgeable
GPU	8%	87%	15%	79%
Penn Power	9%	88%	15%	78%
Allegheny Power	9%	86%	18%	73%
PPL	8%	85%	18%	76%
UGI-Electric	11%	78%	19%	73%
Duquesne	12%	81%	23%	67%
PECO	13%	76%	21%	65%
Average	**10%**	**83%**	**18%**	**73%**

On average, 93 percent of consumers indicated the company person they spoke with was either "very courteous" or "somewhat courteous" with the vast majority indicating the representative was "very courteous." An average of 91 percent rated the company representative as "very knowledgeable" or "somewhat knowledgeable"; the vast majority gave a "very knowledgeable" rating.

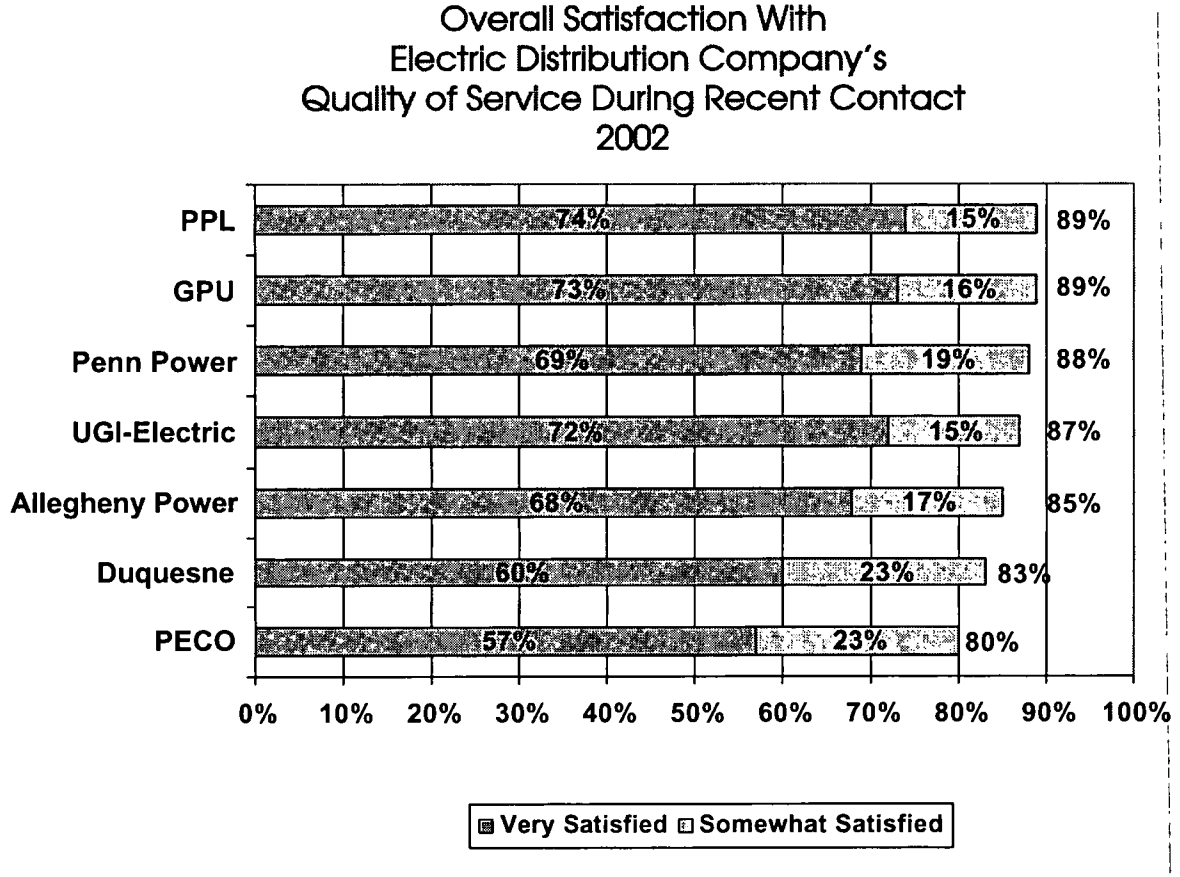
Consumer Ratings of Natural Gas Distribution Company Representatives 2002

Company	Call Center Representative's Courtesy		Call Center Representative's Knowledge	
	Somewhat Courteous	Very Courteous	Somewhat Knowledgeable	Very Knowledgeable
Columbia	4%	92%	8%	88%
Equitable	4%	93%	9%	86%
UGI-Gas	5%	91%	8%	87%
PG Energy	5%	91%	10%	85%
Dominion Peoples	6%	91%	12%	82%
NFG	5%	89%	9%	85%
Average	**5%**	**91%**	**9%**	**86%**

In the first year of the survey, on average, 96 percent of consumers rated NGDC representatives as either "very courteous" or "somewhat courteous." In addition, 95 percent of NGDC consumers rated company representatives as either "very knowledgeable" or "somewhat knowledgeable."

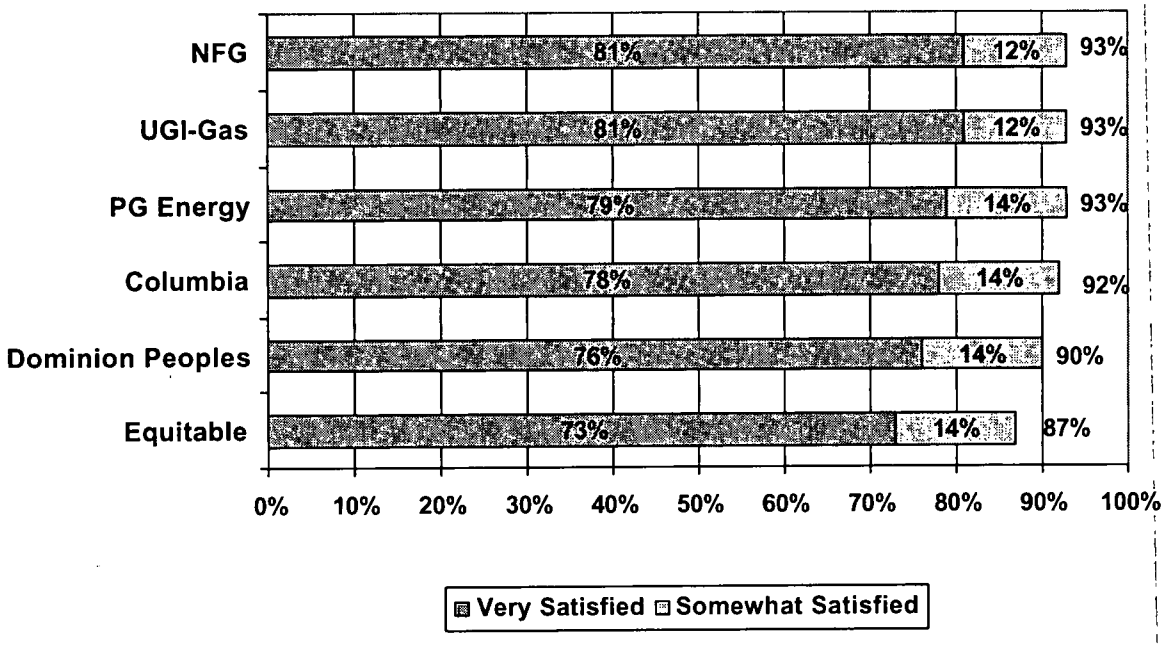
D. Overall Satisfaction

Consumers use a variety of factors to determine their overall level of satisfaction with a utility company. The ease of reaching the company may be the beginning factor. Other factors include the use of the company's automated telephone system, the wait to speak to a company representative and the courtesy and knowledge of that representative. If a field visit is part of the interaction, this, too, would affect the consumer's overall assessment. The tables that follow present the 2002 survey findings regarding overall satisfaction with EDC and NGDC quality of service.



The chart above presents the results of the responses to the question, "Considering all aspects of recent contact with the company, how satisfied were you with the quality of service provided by the company?" In 2002, the EDC industry average showed that 86 percent of consumers were satisfied (68 percent very satisfied) with the overall quality of service they received from their EDCs. Appendix A, Table 1B provides 2000, 2001 and 2002 results regarding EDC overall customer satisfaction.

Overall Satisfaction with Natural Gas Distribution Company's Quality of Service During Recent Contact 2002



In 2002, the first year of the NGDC survey, the industry average for overall satisfaction with NGDC service is 91 percent (78 percent were very satisfied). The above chart shows the percent of consumers who indicated satisfaction in response to the question: "Considering all aspects of recent contact with the NGDC, how satisfied were you with the quality of the service provided by the NGDC?"

As indicated in the introduction to the section on customer surveys, the companies and survey firms divided consumer contacts into credit and collection contacts and contacts about other matters. Members of both working groups had expressed concern that the satisfaction level of consumers who had contacted the companies about credit and collection issues would negatively influence the overall satisfaction ratings. However, for the EDCs, the opposite proved to be true in all three years that the survey has been conducted. For all EDCs in 2002, a greater percentage of customers who contacted the EDC about credit and collection issues responded that they were either "very satisfied" or "somewhat satisfied" than the consumers who contacted the EDC about other issues. Appendix A, Table 2 presents the level of satisfaction by these two categories of contacts as well at the overall satisfaction level for each of the EDCs.

Although the NGDC survey results show there was a two percentage point difference between consumers who contacted the NGDCs about credit and collection issues as compared with those who contacted the companies about other matters, this difference is not statistically significant. The results are similar for the individual NGDCs. For four of the six NGDCs, a slightly lower percentage of consumers who contacted the company about credit and collection issues reported being "very or somewhat satisfied" than consumers who contacted these companies about billing or service problems, connect/disconnect requests, choice questions or miscellaneous issues. For one company, the credit and collection group gave the company a higher rating than the others. The sixth company's, overall satisfaction ratings were the same in both categories. However, given the 95 percent confidence level of the survey results, only differences of more than five percentage points are significant. Thus, there is no difference in satisfaction levels between consumers who contacted a NGDC about collection issue and those who contacted the companies about other matters. Appendix B, Table 1 presents the 2002 overall satisfaction levels of NGDC consumers who contacted the NGDCs about credit and collection and non-credit and collection issues.

III. Conclusion

This report fulfills the Commission's responsibility to summarize the quality of service statistics that the EDCs and NGDCs reported to the Commission. The companies will continue to report data annually to the Commission. The telephone access, billing, meter-reading and dispute data is due to the Commission on February 1 of each year. On April 1 of each year, the Commission is to receive the results of the customer surveys conducted during the previous year. The BCS report, *Utility Consumer Activities Report and Evaluation*, will again provide statistics associated with 2002 consumer complaints and payment arrangement requests filed with the Commission by the customers of the major EDCs and NGDCs.

The Commission uses three sources of data to obtain as complete a picture as possible of the quality of customer service experienced by customers of the major electric and gas companies. The first source is the company itself that reports telephone access statistics, number of bills not rendered monthly to residential and commercial customers, meters not read according to Chapter 56 regulations, and disputes not handled within 30 days. The Commission uses consumer complaints and payment arrangement requests filed with the Commission by the customers of the EDCs and NGDCs as a second source of data. As noted in the introduction, 2002 data on informal complaint and payment arrangement requests filed with the Commission will be reported in the Commission's annual *UCARE* report in October 2003. Finally, the Commission uses the results of the surveys of the companies' customers who have had customer-initiated contacts with the companies. This latter source of information tells the Commission about the ease of contacting the companies, the consumers' view of the knowledge and courtesy of the companies' customer service representatives, as well as the consumers' overall satisfaction with the way the company handled the contacts.

All of this information allows the Commission to monitor the quality of the EDCs' and NGDCs' customer service performance. As the Commission fulfills its responsibility to ensure that the level of service quality provided to customers does not deteriorate under competition, in the near future it will move toward the establishment of benchmarks and standards regarding the various measures presented in this report. The establishment of benchmarks and standards for performance will be the subject of a separate proceeding. In the meantime, the Commission will keep close watch on the data drawn from its various sources of information regarding this important aspect of company performance.

The survey results show, for the most part, customers are satisfied with the service they receive from their companies. The comparison of 2000, 2001 and 2002 survey results indicates no apparent deterioration in EDC service to customers during that time period. On the other hand, the company-reported performance data indicates there is room for improvement on the part of Pennsylvania's major electric and gas companies. For example, the number of accounts not billed, meters not read and complaints not responded to within 30 days represent infractions of the Chapter 56 regulations. For some EDCs and NGDCs, performance on these measures has improved, but, for others, performance has either been stable or has deteriorated. In addition, although some companies have improved their telephone access statistics, access remains at a less than desirable level. As a result, customers of these companies contact the Commission to report access problems. The Commission closely monitors the company performance on these measures through their reported statistics and through complaints to the Bureau of Consumer Services.

The analysis provided by both the EDCs and the NGDCs regarding the company-reported statistics show the various measures prescribed by the reporting requirements are inter-related. Often, the level of performance on one of the measures directly affects a company's performance on one or more of the other measures. For example, if a company fails to obtain actual meter readings for long periods of time, it may underestimate the customers' usage. When the company does get actual reads, the make-up bills may cause the customers to call the company generating increased volumes of complaints. This may affect telephone access statistics. Further, as several companies have pointed out, an increased volume of complaints often leads to the companies not being able to handle the disputes in a timely manner and the failure to issue reports to the disputes within the required 30-day timeframe. Later, such behavior may influence customer survey results and generate consumer complaints with the Commission. Finally, Commission review of the complaints may generate high justified consumer complaint rates as well as high infraction rates.

In the near future, the Commission plans to propose quality of service benchmarks and standards for the various measures included in the reporting requirements. Once the Commission sets criteria, the companies and others will be able to judge their customer-service performance by comparing themselves with the benchmarks and standards set in regulation.

Appendix A

EDC Survey Results

2000/2001/2002

Table 1A

Company	Satisfaction with Ease of Reaching the Company*			Satisfaction with Using EDC's Automated Phone System*		
	2000	2001	2002	2000	2001	2002
Allegheny Power	87%	90%	90%	77%	79%	81%
Duquesne	83%	81%	80%	73%	71%	71%
GPU	84%	89%	90%	77%	79%	82%
PECO	86%	80%	82%	77%	73%	73%
Penn Power	92%	90%	90%	80%	81%	79%
PPL	88%	91%	90%	79%	81%	81%
UGI-Electric	90%	90%	89%	83%	79%	82%
Average	**87%**	**87%**	**87%**	**78%**	**78%**	**78%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of their recent contact with the EDC.

Appendix A

EDC Survey Results (continued)

2000/2001/2002

Table 1B

Company	Satisfaction with EDC Representative's Handling of Contact*			Overall Satisfaction with EDC Quality of Service*		
	2000	2001	2002	2000	2001	2002
Allegheny Power	89%	93%	90%	89%	87%	85%
Duquesne	85%	87%	87%	82%	80%	83%
GPU	90%	93%	92%	86%	88%	89%
PECO	82%	83%	82%	79%	76%	80%
Penn Power	95%	93%	92%	90%	90%	88%
PPL	86%	90%	90%	85%	90%	89%
UGI-Electric	89%	88%	88%	88%	87%	87%
Average	**88%**	**89%**	**89%**	**86%**	**85%**	**86%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of their recent contact with the EDC.

Appendix A

EDC Survey Results (continued)

2000/2001/2002

Table 1B

Company	Satisfaction with EDC Representative's Handling of Contact*			Overall Satisfaction with EDC Quality of Service*		
	2000	2001	2002	2000	2001	2002
Allegheny Power	89%	93%	90%	89%	87%	85%
Duquesne	85%	87%	87%	82%	80%	83%
GPU	90%	93%	92%	86%	88%	89%
PECO	82%	83%	82%	79%	76%	80%
Penn Power	95%	93%	92%	90%	90%	88%
PPL	86%	90%	90%	85%	90%	89%
UGI-Electric	89%	88%	88%	88%	87%	87%
Average	**88%**	**89%**	**89%**	**86%**	**85%**	**86%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of their recent contact with the EDC.

Appendix A

Overall Satisfaction: EDC Credit/Collection Calls vs. Other Calls*

2000/2001/2002

Table 2

Company	Credit/Collection			Other			Overall		
	2000	**2001**	**2002**	**2000**	**2001**	**2002**	**2000**	**2001**	**2002**
Allegheny Power	95%	92%	88%	86%	86%	84%	89%	87%	85%
Duquesne	83%	85%	89%	81%	78%	80%	82%	80%	83%
GPU	89%	90%	89%	84%	88%	88%	86%	88%	89%
PECO	81%	76%	80%	78%	76%	79%	79%	76%	79%
Penn Power	95%	95%	92%	88%	88%	86%	90%	90%	88%
PPL	84%	92%	90%	85%	90%	88%	85%	90%	89%
UGI-Electric	91%	89%	88%	87%	85%	87%	88%	87%	87%
Average	**88%**	**88%**	**88%**	**84%**	**84%**	**85%**	**86%**	**85%**	**86%**

* Other calls include all categories of contacts to an EDC other than those related to credit and collection. Other calls include contacts about trouble or power outages, billing matters, connect/disconnect requests, customer choice and miscellaneous issues such as requests for rate information or name and address changes.

Appendix A

Contacting an EDC

2000/2001/2002

Table 3

Company	Ease of Using EDC's Automated Telephone System*			Satisfaction w/Choices offered by Automated Telephone System**			Satisfaction w/Wait to Speak to an EDC Representative**		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
Allegheny Power	87%	87%	85%	84%	85%	84%	84%	89%	86%
Duquesne	83%	79%	80%	78%	75%	77%	81%	76%	75%
GPU	87%	89%	87%	84%	84%	86%	84%	85%	87%
PECO	84%	82%	82%	84%	77%	77%	83%	78%	80%
Penn Power	86%	84%	86%	86%	86%	85%	92%	93%	91%
PPL	86%	89%	86%	84%	86%	84%	84%	88%	89%
UGI-Electric	89%	89%	87%	88%	83%	84%	86%	87%	86%
Average	**86%**	**86%**	**85%**	**84%**	**82%**	**82%**	**85%**	**85%**	**85%**

* Percent of customers who answered "very easy to use" or "somewhat easy to use" when asked how easy it was to use the EDC's automated telephone system

** Percent of customers who answered either "very satisfied" or "somewhat satisfied" to questions about satisfaction with how well the choices of the automated telephone system fit the nature of the customer's call and how satisfied they were with the amount of time it took to speak to a company representative.

Appendix A

Consumer Ratings of EDC Representatives

2000/2001/2002

Table 4A

Company	Call Center Representative's Courtesy					
	Somewhat Courteous			Very Courteous		
	2000	2001	2002	2000	2001	2002
Allegheny Power	8%	6%	9%	88%	89%	86%
Duquesne Light	13%	13%	12%	78%	80%	81%
GPU	10%	9%	8%	85%	89%	87%
PECO	14%	13%	13%	77%	77%	76%
Penn Power	5%	8%	9%	93%	88%	88%
PPL	9%	7%	8%	85%	87%	85%
UGI-Electric	10%	11%	11%	83%	81%	78%
Average	**10%**	**10%**	**10%**	**84%**	**84%**	**83%**

Appendix A

Consumer Ratings of EDC Representatives

2000/2001/2002

Table 4A

Company	Call Center Representative's Courtesy					
	Somewhat Courteous			Very Courteous		
	2000	2001	2002	2000	2001	2002
Allegheny Power	8%	6%	9%	88%	89%	86%
Duquesne Light	13%	13%	12%	78%	80%	81%
GPU	10%	9%	8%	85%	89%	87%
PECO	14%	13%	13%	77%	77%	76%
Penn Power	5%	8%	9%	93%	88%	88%
PPL	9%	7%	8%	85%	87%	85%
UGI-Electric	10%	11%	11%	83%	81%	78%
Average	**10%**	**10%**	**10%**	**84%**	**84%**	**83%**

Appendix A

Consumer Ratings of EDC Representatives (continued)

2000/2001/2002

Table 4B

Company	Call Center Representative's Knowledge					
	Somewhat Knowledgeable			Very Knowledgeable		
	2000	2001	2002	2000	2001	2002
Allegheny Power	16%	16%	18%	77%	77%	73%
Duquesne Light	21%	19%	23%	67%	71%	67%
GPU	16%	18%	15%	75%	77%	79%
PECO	21%	25%	21%	66%	62%	65%
Penn Power	13%	14%	15%	82%	79%	78%
PPL	19%	17%	18%	73%	77%	76%
UGI-Electric	18%	18%	19%	76%	74%	73%
Average	**18%**	**18%**	**18%**	**74%**	**74%**	**73%**

Appendix A

Premise Visit from an EDC Field Representative

2000/2001/2002

Table 5A

Company	Overall Satisfaction w/Way Premise Visit Handled*			Satisfaction that Work Completed Promptly*			Field Rep's Courtesy**		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
Allegheny Power	87%	93%	85%	79%	80%	72%	89%	100%	93%
Duquesne Light	85%	93%	91%	80%	85%	85%	93%	95%	89%
GPU	93%	92%	92%	80%	84%	88%	98%	96%	100%
PECO	87%	86%	86%	73%	73%	63%	97%	96%	94%
Penn Power	94%	95%	88%	82%	86%	77%	100%	100%	100%
PPL	88%	91%	92%	82%	86%	76%	96%	100%	93%
UGI-Electric	94%	91%	89%	89%	83%	82%	98%	95%	96%
Average	**90%**	**92%**	**89%**	**81%**	**82%**	**78%**	**97%**	**97%**	**95%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of the field visit.

** Percent of consumers who described the company field representative as "very courteous" or "somewhat courteous" when asked about their perceptions about various aspects of the field representative's visit to the consumer's home or property.

Appendix A

Premise Visit from an EDC Field Representative (continued)

2000/2001/2002

Table 5B

Company	Field Rep's Knowledge**			Field Rep's Respect for Property**			Satisfaction that Work Completed in a Timely Manner*		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
Allegheny Power	100%	100%	91%	92%	94%	91%	85%	83%	83%
Duquesne Light	96%	96%	97%	93%	93%	87%	80%	89%	87%
GPU	98%	98%	95%	96%	90%	96%	89%	91%	92%
PECO	90%	95%	91%	93%	89%	89%	79%	79%	76%
Penn Power	100%	97%	100%	100%	95%	96%	88%	87%	82%
PPL	100%	94%	96%	95%	96%	94%	85%	91%	74%
UGI-Electric	92%	95%	98%	95%	93%	98%	92%	91%	89%
Average	**97%**	**96%**	**95%**	**95%**	**93%**	**93%**	**85%**	**87%**	**83%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of the field visit.

** Percent of consumers who described the company field representative as "very knowledgeable" or "somewhat knowledgeable" and "very respectful" or "somewhat respectful" when asked about their perceptions about various aspects of the field representative's visit to the consumer's home or property.

Appendix A

Characteristics of 2002 EDC Survey Participants

Table 6

EDC	Consumers Surveyed	% Residential Consumers	% Commercial Consumers	% Who Used EDC's Automated Phone System	% Who Spoke with a Company Representative	% Who Needed a Premise Visit
Allegheny Power	703	94%	6%	87%	92%	13%
Duquesne Light	700	98%	2%	84%	78%	19%
GPU	700	97%	3%	81%	93%	13%
PECO	704	93%	7%	74%	93%	23%
Penn Power	708	94%	6%	54%	87%	15%
PPL	710	96%	4%	81%	81%	11%
UGI-Electric	700	94%	6%	74%	97%	19%
Average	**703**	**95%**	**5%**	**76%**	**89%**	**16%**

Appendix A

Characteristics of 2002 EDC Survey Participants

Table 6

EDC	Consumers Surveyed	% Residential Consumers	% Commercial Consumers	% Who Used EDC's Automated Phone System	% Who Spoke with a Company Representative	% Who Needed a Premise Visit
Allegheny Power	703	94%	6%	87%	92%	13%
Duquesne Light	700	98%	2%	84%	78%	19%
GPU	700	97%	3%	81%	93%	13%
PECO	704	93%	7%	74%	93%	23%
Penn Power	708	94%	6%	54%	87%	15%
PPL	710	96%	4%	81%	81%	11%
UGI-Electric	700	94%	6%	74%	97%	19%
Average	**703**	**95%**	**5%**	**76%**	**89%**	**16%**

Appendix A

Average Number of Residential Customers

2002

Table 7

Electric Distribution Company	Average Number of Residential Customers
Duquesne	525,886
GPU	948,479
PECO	1,385,738
Penn Power	134,965
PPL	1,136,612
UGI-Electric	54,142
Allegheny Power	594,576

Appendix A

Average Number of Residential Customers

2002

Table 7

Electric Distribution Company	Average Number of Residential Customers
Duquesne	525,886
GPU	948,479
PECO	1,385,738
Penn Power	134,965
PPL	1,136,612
UGI-Electric	54,142
Allegheny Power	594,576

Appendix B

Overall Satisfaction: NGDC Credit/Collection Calls vs. Other Calls

2002

Table 1

Company	Credit/Collection	Other*	Overall
Columbia	92%	92%	92%
Dominion Peoples	92%	89%	90%
Equitable	83%	89%	87%
NFG	91%	94%	93%
PG Energy	91%	93%	93%
UGI-Gas	90%	94%	93%
Average	**90%**	**92%**	**91%**

* Other calls include all categories of contacts to an NGDC other than those related to credit and collection. Other calls include contacts about reliability and safety, billing matters, connect/disconnect requests, customer choice and miscellaneous issues such as requests for rate information or name and address changes.

Appendix B

Contacting an NGDC

2002

Table 2

Company	Ease of Using NGDC's Automated Telephone System*	Satisfaction w/Choices Offered by Automated Telephone System**	Satisfaction w/Wait to Speak to an NGDC Representative**
Columbia	90%	89%	88%
Dominion Peoples	87%	88%	91%
Equitable	82%	81%	88%
NFG	N/A	N/A	99%
PG Energy	93%	93%	94%
UGI-Gas	90%	89%	94%
Average	**88%**	**88%**	**92%**

* Percent of customers who answered "very easy to use" or "somewhat easy to use" when asked how easy it was to use the NGDC's automated telephone system.

** Percent of customers who answered either "very satisfied" or "somewhat satisfied" to questions about satisfaction with how well the choices of the automated telephone system fit the nature of the customer's call and how satisfied they were with the amount of time it took to speak to a company representative.

Appendix B

Premise Visit from an NGDC Field Representative

2002

Table 3

Company	Overall Satisfaction With Way Premise Visit Handled*	Satisfaction that Work Completed Promptly*	Field Rep's Courtesy**	Field Rep's Knowledge**	Field Rep's Respect for Property**	Satisfaction that Work Completed in a Timely Manner*
Columbia	97%	87%	100%	97%	99%	95%
Dominion Peoples	98%	89%	99%	98%	99%	95%
Equitable	100%	87%	100%	100%	100%	96%
NFG	96%	94%	94%	96%	99%	95%
PG Energy	99%	94%	99%	98%	100%	96%
UGI-Gas	99%	93%	99%	97%	100%	94%
Average	**98%**	**91%**	**99%**	**98%**	**100%**	**95%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of the field visit.

** Percent of consumers who described the field representative as "very courteous," or "somewhat courteous" "very knowledgeable," or "somewhat knowledgeable" and "very respectful" or "somewhat respectful" when asked about their perceptions about various aspects of the field representative's visit to the consumer's home or property.

Appendix B

Premise Visit from an NGDC Field Representative

2002

Table 3

Company	Overall Satisfaction With Way Premise Visit Handled*	Satisfaction that Work Completed Promptly*	Field Rep's Courtesy**	Field Rep's Knowledge**	Field Rep's Respect for Property**	Satisfaction that Work Completed in a Timely Manner*
Columbia	97%	87%	100%	97%	99%	95%
Dominion Peoples	98%	89%	99%	98%	99%	95%
Equitable	100%	87%	100%	100%	100%	96%
NFG	96%	94%	94%	96%	99%	95%
PG Energy	99%	94%	99%	98%	100%	96%
UGI-Gas	99%	93%	99%	97%	100%	94%
Average	**98%**	**91%**	**99%**	**98%**	**100%**	**95%**

* Percent of consumers who answered either "very satisfied" or "somewhat satisfied" when asked how satisfied they were with this aspect of the field visit.

** Percent of consumers who described the field representative as "very courteous," or "somewhat courteous" "very knowledgeable," or "somewhat knowledgeable" and "very respectful" or "somewhat respectful" when asked about their perceptions about various aspects of the field representative's visit to the consumer's home or property.

Appendix B

Characteristics of 2002 NGDC Survey Participants

Table 4

EDC	Consumers Surveyed	% Residential Consumers	% Commercial Consumers	% Who Used NGDC's Automated Phone System	% Who Spoke with a Company Representative	% Who Needed a Premise Visit
Columbia	700	95%	5%	70%	95%	17%
Dominion Peoples	708	97%	3%	69%	95%	50%
Equitable	710	98%	2%	75%	98%	20%
NFG	732	98%	2%	N/A*	99%	15%
PG Energy	706	96%	4%	56%	97%	58%
UGI-Gas	716	97%	3%	65%	98%	18%
Average	**712**	**97%**	**3%**	**67%**	**97%**	**30%**

* NFG does not use an automated system.

Appendix B

Average Number of Residential Customers

2002

Table 5

Natural Gas Distribution Company	Average Number of Residential Customers
Columbia	348,625
Dominion Peoples	322,041
Equitable	230,348
NFG	195,229
PG Energy	138,836
UGI-Gas	255,731

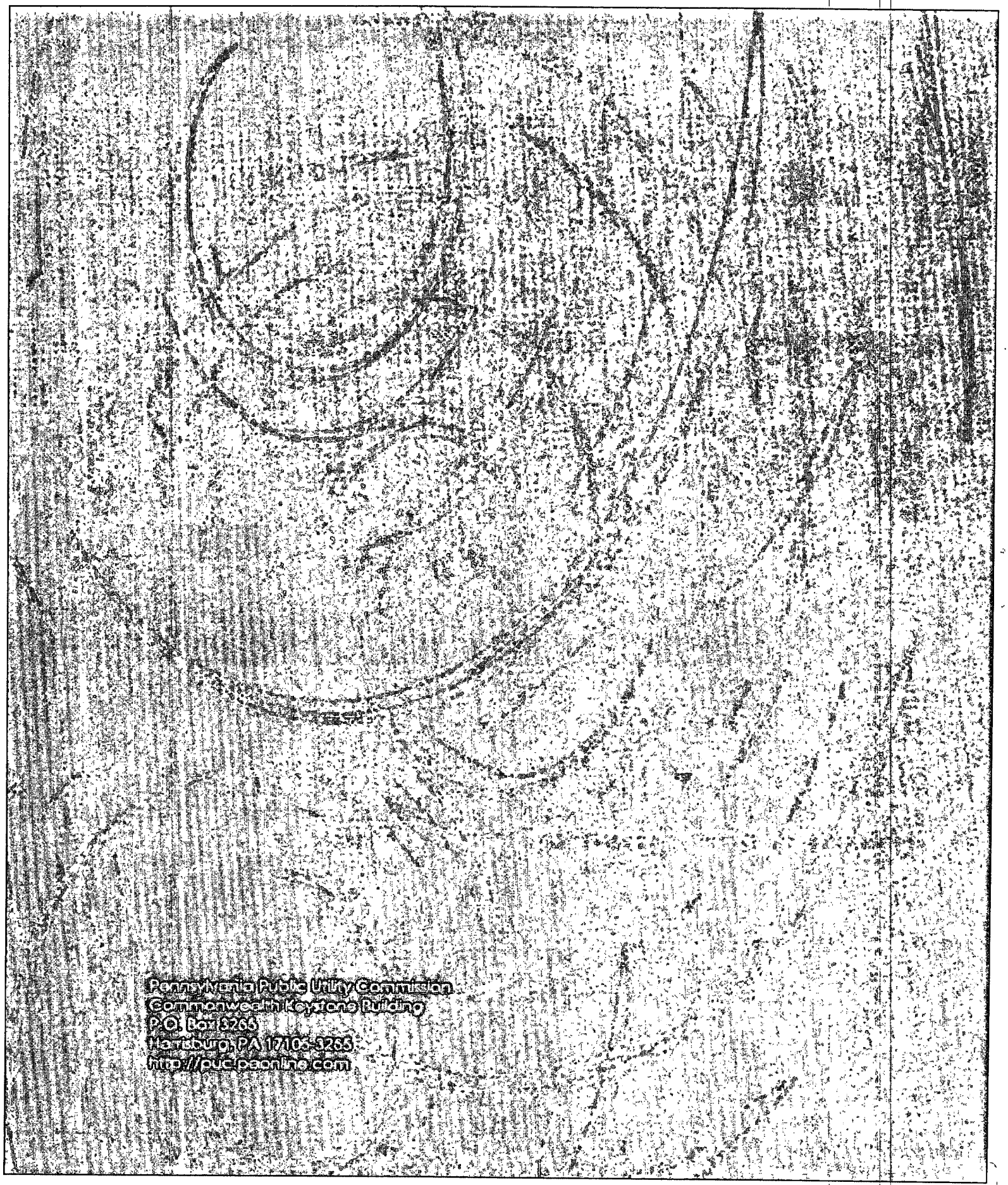
Appendix B

Average Number of Residential Customers

2002

Table 5

Natural Gas Distribution Company	Average Number of Residential Customers
Columbia	348,625
Dominion Peoples	322,041
Equitable	230,348
NFG	195,229
PG Energy	138,836
UGI-Gas	255,731


Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265
http://puc.paonline.com

invigorated by the debate and the creativity it engenders Central to our culture change process, honesty is the framework through which all of our discourse at AGL takes place

We've talked about value a great deal already, but I'll stress it again because we stress it every day with our employees We look to our employees to ask themselves every single day they're on the job "How can I add value today?" And they do Our employees are not afraid to come to management and say, "I think we could do this better " That attitude that says, "we're never quite there," has led to remarkable improvements across our business Consider the following

- Leak response time (dramatically reduced amount of time it takes to respond to emergency leak calls)
- Appointment attainment percentages (have increased our on-time percentage significantly)
- Payment history improvement (SouthStar) (have maintained consistent market share while aggressively reducing our bad debt expense and improving our collections process)
- Hold and handle times at Customer Care Center
- Unit cost per new meter
- Consistently low VaR calculations
- How we file our 10-Q's simultaneous with our earnings release and financial statements each quarter – another example of our commitment to the investment community to provide as much earnings visibility and transparency as possible

I could say that, in light of recent corporate scandals, our third value of working "inside the lines" should stand out in importance, but it always has at AGL Resources We will never undertake actions that could be deemed questionable to the people who make the rules around our business There is no value in that We will continue to work inside the lines in every decision we consider and in the implementation of every practice In fact, we recently sent out a revised copy of our code of business conduct, and to ensure that these principles and practices are top-of-mind for each employee in the company, we created this calendar to serve as a daily reminder of what we stand for and how we conduct business

Our fourth value is to embody what we call a "generosity of spirit " In 2002, our employees contributed more than 32,000 volunteer hours to the communities we live in – and that is just counting the hours that they report in our V-Force volunteer initiative Many contribute even more on their own time The list of activities we support is diverse and, I hope, representative of the needs of the communities we serve We are starting work on our third Habitat for Humanity project this year – we've committed to doing five over a five-year period Our employees in several states participate in walks for the American Cancer Society, the March of Dimes, and various AIDS organizations Virginia employees leap into icy waters in the Polar Plunge for Special Olympics, and Chattanooga employees support the Chamblis Home for Children In Texas, we support the Depelchin Home for Children The list goes on and on, as does our employees' commitment to their families, neighbors and communities I see this generosity of spirit every day, in voice mails, emails, newsletters, and conversations with employees There's no meanness in this company We help one another through life's vicissitudes – and we have enough energy left over to help those we don't even know Our community involvement motto is apt "We put our energy here, at AGL Resources "

On that note, I'd like to recognize one employee in particular as our V-Force Volunteer of the Year He's here today, but I don't think he knows he's being recognized for this award nothing like surprising people! This employee has given countless hours of his time and energy toward so many worthwhile projects that it's hard to list them all I'm going to ask Timothy Dasher, who is a meter reader from our Savannah service center, to join me at the podium to accept the award as the AGL Resources Volunteer of the Year

Tim, the list of volunteer accomplishments is pretty long! One thing I should tell you all about Tim is that he is actually a fairly new addition to the AGL family He started working for us in September of last year And in just a short time period, he already has made his spirit of volunteerism felt in our company Last fall, when the Savannah employees had a toy drive for Backus Children's Hospital, which is part of the Children's Miracle Network, Tim brought in 386 toys! He and his family participated in the Diabetes Walk in October,

and he is now the captain of his team for the March of Dimes crusade, and has participated in a number of recent events to support this worthy cause Tim, we are extremely proud of your volunteer spirit and, in recognition of your efforts, I would like to present you with this clock and a certificate for $500, for you to donate to the charity of your choice

And that's a perfect lead-in to the final group I want to mention, which is the one that makes it all happen our employees Twenty-two hundred of the most committed individuals with whom I've had the privilege to work People who go the extra mile We seem to ask more and more of them, given the realities of the economy, the expectations from the financial community, and our own drive to be a great company And they keep delivering It is because of this *quality* of contributions by our employees that I can stand up here today and talk about what a successful year we had in 2002 and how we're going to do it again in 2003

With that in mind, and reflecting on what I said earlier about our commitment to the highest standards of ethics and corporate governance, I have challenged our management team to think about the "prism through which we view the world " We all are laser-focused on results, but we must also remain vigilant about the way in which we achieve those results and both the short- and long-term effects of our actions as a company As you watch our progress and the milestones of our accomplishments, you will continue to see that this is an unwavering commitment – and that all of our achievements are made within the scope of these values and principles

Last year in our annual report we introduced the concept that the value was "here" at AGL Resources Our success in 2003 is about continuing to find the value

As we clearly outlined in our annual report just published a month or so ago, it is in developing better relationships with our markets and other constituencies It is in strengthening our finances It is in flawlessly executing our business plans And, finally, the value of this company is in expanding our assets and using them wisely – and safely

Every day we are working hard to show you that the real value is *still* here at AGL Resources

Thank you for your continued ownership in, and support of, our company

Sincerely,

Paula

Paula G Rosput

Chairman, President and Chief Executive Officer

AGL Resources

PRESENTATION TO AGL RESOURCES' SHAREHOLDERS
ANNUAL SHAREHOLDER MEETING
April 16, 2003, 10:30 a.m.

Good morning, ladies and gentlemen I am extremely pleased to be hosting this year's annual meeting at the site of our new Atlanta headquarters building This is indeed an historic occasion It's been more than 40 years since all of our Atlanta corporate employees have been together in a state-of-the art headquarters Today is also historic because we are here to review what was an extraordinary year 2002 was for our company

It was a year in which we posted the highest earnings per share in our history It was a year in which our stock achieved the highest price in its history This winter, we broke all previous records for peak-day send-out in all three of our utilities Furthermore, we have now exceeded all previous records for the number of customers connected to our utility systems As we sit here, nearly 1 9 million customers are enjoying the benefits of being served by our utility systems So despite the challenges we faced during the year, as a nation and as an industry, your company emerged stronger and healthier than ever before

Our success during these difficult times is no accident It is a result of hard work, paying attention to the details, and staying the course in implementing a business plan that works Those of you who have followed this management team for the last three-plus years know we work ceaselessly to deliver superior returns to you, our shareholders

I want to do three things in my remarks today First, I'll review with you the goals we established for 2002 and the progress we made in achieving those goals Then, I will share with you the goals we have set for ourselves for 2003 and how we plan to achieve them Along the way, I will try to update you on some of the challenges we face in the natural gas sector Finally, I will talk a little about our corporate values A number of you thought – and were probably right – that there was a time in the late 1990's when we "lost our way " I want to assure you that as we have achieved business success in the more recent past, we are also a company with a soul So I will share with you the values which we embrace and which are the core of the way we conduct our business

The first goal we set for ourselves in 2002 was to "improve earnings " The measure of our success in achieving this goal is clear We reported $1 84 per share for the year, a 19 percent increase over the previous year – and, as I mentioned earlier, record earnings results for our company We surpassed Wall Street's expectations in each and every quarter of 2002

When we held our annual investor meeting with Wall Street representatives just before the beginning of 2002, I sensed from a few of our analysts a bit of implied criticism "Show us your strategy," they seemed to be saying "Show us that AGL is more than a company of tactics " While we typically listen closely to the feedback we get from our analysts, I have to admit we largely ignored these sentiments because we realized that with the growing turbulence in the energy sector, day-in and day-out execution was going to be *the* critical success factor

So rather than trot out a "new and improved" strategy, we told Wall Street that we were going to stay with the course we had set – to stay in our energy and infrastructure businesses We were just going to execute in these businesses with precision So, beyond the numbers, what I'm most proud of is the *way* in which we achieved these results We did it the hard way – by sticking to our fundamental business plan, by focusing on the details at every level of management, by making every employee accountable for their results, by keeping a relentless focus on improvement

The strong earnings improvement was reflected in the performance of our stock in 2002 We achieved a record-high share price of $25 00 in December 2002, and finished the year at $24 30 – 6 percent higher than our closing price for the previous year

We delivered a total return to shareholders of nearly 11 percent for the year, far outpacing our industry peers and the broad market, as measured by the S&P 500 Our relative performance against our industry peers is

even more compelling when you consider that nearly all the utilities with whom we compare ourselves are, like AGL, consistent dividend-paying stocks, with an average yield close to our current yield of 4 5 percent The point is that many of these stocks suffered significant declines in their share price and performed poorly on a total return basis, despite being buoyed by the dividend

Our core earnings trajectory has gone from $1 36 in 2000, to $1 54 in 2001, and $1 84 in 2002 This level of earnings growth represents a 16 percent compound annual growth rate, compared with an average compound annual growth rate for our industry peers of negative 1 percent

Our stock price performance over the three-year period has significantly outpaced that of our peers and the overall market And in terms of three-year total return, AGL has delivered a 67 percent return to shareholders, compared with 28 percent for our peer group and negative 38 percent for the S&P 500 So while our 2002 results are impressive, they reflect a pattern of success that we have been able to sustain over a significant period of time

It's also interesting to compare our results to broad industry Our stock has held its own very well against many of the blue-chip companies in our economy We have been trading in the range of 90 to 95 percent of our 52-week high the past few weeks, while most of the major stocks in the Dow Jones Industrial Average have not fared so well Even the perennial investor favorites such as IBM (80%), Wal-Mart (86%) – even Microsoft (87%) – have struggled in getting back to their 52-week high trading levels

Looking at our industry specifically, we see the same trend AGL continues to outperform its peer group – and in some cases, by a substantial margin – with respect to how the stock has fared relative to its high over the past year

Turning to our second goal for 2002, we said we wanted to "change the regulatory paradigm " In simple terms, we wanted to improve our relationships with the regulators in each of our three utility service areas

More than the relationship, we wanted to change the framework where every time we had some earnings success, regulators would feel compelled to seek to reduce our rates We needed to create a paradigm where both the regulators and the company would operate under the same incentives to be efficient and where the sharing between shareholders and customers was well-understood and fair We accomplished more in this area in one year than I ever imagined we could

In Georgia, our largest service area, we entered last year in the midst of a rate review by the Georgia Public Service Commission In late April, we reached a settlement with the Commission that in our view was favorable for the company while providing significant immediate and ongoing benefits for consumers in the state As part of the settlement, we reduced rates in Georgia by $10 million, although the earnings impact was substantially offset by a negotiated change in our depreciation rates going forward Importantly, the settlement also put in place a performance-based rate plan that provides incentives for the company to grow the business and achieve or surpass its authorized return levels, because doing so will benefit both the shareholders and customers through an innovative sharing arrangement when our returns exceed certain levels It's fair to say that the settlement was good for all parties involved – the "give and take" with the Georgia commission throughout the process has led to a more cooperative and constructive regulatory relationship here than we have had in many, many years

In Virginia, our second-largest service area, we also achieved a significant regulatory "win" for both the company and its customers Since acquiring Virginia Natural Gas in late 2000, we have had some challenges around the seasonality of the earnings that business generates Obviously, as with most utilities that have seasonal operations, when it was colder-than-normal by a certain factor in Virginia, we usually made more money, as you would expect But the problem was that when it was warmer-than-normal by that same factor, our earnings were reduced by disproportionately larger amounts

Our solution in Virginia was to seek a weather normalization adjustment (WNA) that would introduce more predictability in VNG's earnings and cash flows, while stabilizing the unpredictable price fluctuations for customers during the winter heating season We were successful in working with the Virginia State Corporation Commission toward this goal, and our WNA program was approved in September 2002 and implemented during the November billing cycle The program has been well-received in Virginia and already

has provided significant benefits to customers through credits on their bills, while enabling the company to better predict its cash flows and earnings contributions from VNG

Customers in Georgia and Virginia benefited from our success in 2002, as well, through our contributions to the Universal Service Fund in Georgia and asset management refunds in Virginia Our asset management business, Sequent Energy Management, works closely with our utilities to maximize the value of our pipeline capacity and storage assets Our success in understanding and capturing the value of otherwise idle or underutilized utility assets has enabled these sharing arrangements that are benefiting customers in our utility service areas Across the three jurisdictions, Sequent's activities resulted in credits to customers or contributions to the Universal Service Fund of nearly $3 million in 2002, and our asset management activities for the past two years have contributed more than $10 million in customer benefits Meanwhile, Sequent has been allowed to grow and flourish and is now one of the most active asset management and trading partners in the southeast

The third major goal we outlined for 2002 was to accelerate the development of our dark fiber telecommunications business, AGL Networks

When I spoke to you last year, we had just completed the purchase of a then-incomplete 175-mile Atlanta network from a bankrupt telecommunications company and we were in the process of signing up the initial anchor tenants for the network We've now signed contracts with such Fortune 500 companies as Sprint and AT&T, and with a number of academic institutions and enterprise customers such as Emory University, Morehouse School of Medicine, and Turner Broadcasting System

In 2003, we will continue to focus our efforts on selling the remainder of our Atlanta capacity while building relationships with customers in our newest market, Phoenix, Arizona Using the business plan developed in Atlanta, and by working with one of our anchor tenants in Atlanta who needed similar dark fiber services in Phoenix, AGL Networks acquired a 60-mile network in that city in December of 2002 To facilitate the sale of remaining capacity, we've opened an office in Phoenix, and have hired an experienced sales manager to lead our marketing efforts there

I also stated last year that I hoped that AGL Networks would "even contribute positively to our earnings in 2002," not an easy feat for a business unit in its first full year of operation We didn't quite get there, mainly because of timing of completing the network and the complications of contracting with customers But importantly, our network was, for the most part, paid for by the up-front cash received from a number of the subscribers Moreover, we became the *only* provider besides BellSouth who can provide a continuous network of service throughout the wider metropolitan Atlanta area We also were able to add a second city, Phoenix, to our holdings in 2002 So the delay in earnings was worth it to get the growth in the business But I'll give you a sneak preview of next week's earnings announcement by telling you that AGL Networks will be a positive contributor to earnings in the first quarter of 2003, and should be for the year 2003 as well

Before moving on to 2003, let me mention our increased ownership in Southstar, the joint venture that markets natural gas in Georgia under the trade name "Georgia Natural Gas " You may recall that in July 2001, we filed suit against Houston-based Dynegy Energy and Trade, alleging that Dynegy diverted revenue from the partnership In 2002, Dynegy was one of the energy merchants who collapsed in the aftermath of the Enron bankruptcy While our litigation position was vindicated by this turn of events, we became increasingly unsettled as we contemplated the effect of a possible default by Dynegy Dynegy's management was replaced in late 2002 and we were pleased that the new management agreed to sell its 20 percent share in SouthStar to us, as part of a settlement of the outstanding litigation The deal closed in March of this year, and we now have a 70 percent non-controlling interest in SouthStar, with Piedmont Natural Gas retaining its 30 percent ownership interest With our majority ownership, we hope that the partnership can now focus on improving the quality of SouthStar's customer base in Georgia, improving customer service, and enhancing the annuity quality of earnings coming out of this business going forward Even now, I'm proud of the change in direction that the partnership has taken Throughout this winter, Georgia Natural Gas' rates were among the lowest of the major marketers in Georgia We are now using the proceeds of asset management to defray price increases to retail customers

I said recently in a videotaped message to our employees that we climbed to the top of the mountain in 2002, only to find there was yet another mountain ahead of us

The implied message is that 2002 was an excellent year, in which we climbed to new heights But 2003 will be even more challenging, as I suspect there's an even bigger mountain to climb this year

We can expect to see a highly volatile gas maket at least over the next year At Sequent, we are using our expertise to try to stabilize prices to our Virginia and Tennessee utilities despite these extraordinary prices Over the longer term, we will have to devote significant effort to diversifying the pipelines and supply basins we access, including, in all likelihood, more involvement in the importation of liquefied natural gas to the U S This should be a logical and appropriate expansion to our traditional market area LNG expertise

With these challenges in mind, let's look at the goals we have established for 2003 We have identified four clear goals for the year, and, three full months into the year, we already are making significant progress in each area Our goals are outlined in the annual report, but I will describe them briefly for you

Our first goal for the year is to "strengthen ourselves financially " We took the first step for this goal in the first quarter of 2003 by completing our $137 million secondary equity offering, in which we issued an additional 6 4 million shares of AGL Resources stock

Our purchase of VNG in 2000 put a strain on our balance sheet, and our goal has been to reduce the leverage we're carrying While we were under no pressure from our rating agencies to do an equity offering, it provided us a chance to significantly reduce our debt-to-capitalization ratio, which was about 67 percent prior to the offering Post-offering, it is about 57 percent, and puts us more solidly in our ratings categories and ensures stability in maintaining our investment-grade credit ratings In fact, the offering also helped us accomplish something you rarely see in *any* industry these days – we received a ratings upgrade, from BBB+ to A-, by Fitch Ratings, following the offering completion

The timing was good for us to do the offering as well, since we were able to confirm for Wall Street that we were comfortable with consensus estimates for 2003 of $1 85 to $1 90, *after* taking into effect the approximately $0 10 per share dilution caused by the issuance of new shares The ability to meet our financial targets *and* satisfy Wall Street's expectations even after the dilutive effect of the offering signaled to us that it was the right time to shore up the balance sheet and improve the financial health of the company

Despite the expected initial decline in our stock price, our share price has recovered nicely and is now trading in the mid-$23 and higher range on very healthy volumes, evidencing good after-market support by the institutions who participated in the offering Among the largest shareholders of our company are some household names American Century Investments, Franklin Templeton Funds, Massachusetts Financial (MFS), Morgan Stanley, Bank of America Capital Management, Wellington Capital and TIAA-CREF Their ownership of our stock demonstrates their confidence in our strategy and the upside potential of our future performance

Our second goal, which in many ways is closely related to the first, is to grow around our existing assets We have the challenge of meeting the investment community's annual growth expectations of 5 to 7 percent, while operating solid, well-run utilities that only provide between 1 and 3 percent growth annually Population growth in the Southeast and in our Virginia territory is vibrant relative to the national average, but the faster-than-average growth in these regions has slowed somewhat with the economy So our challenge is always to get that top-line growth to the bottom line – made even more difficult because we already have some of the lowest-cost, most efficient operations in the country

What this means is that we have to find new sources of revenue growth And it's logical to look to our existing assets as a potential source for that new growth During this year, we already are at work finding ways to optimize the growth from our base assets, and we continue to look for new asset management opportunities at Sequent As the market and supply bases for natural gas evolve, our pipeline system can be expanded to facilitate better access for producers to markets In addition, the disproportionate demand for peak capacity offers us some unique investment opportunities on or around our pipeline, storage, and peaking facilities So our challenge is to mature some projects that have a wholesale character to them (such as interstate and/or intrastate pipeline projects), and which will add to our portfolio of assets in Georgia,

Virginia, and Tennessee Such additions can increase the property tax bases in the communities which we serve and can create badly-needed construction jobs Our utilities are focusing on increasing connected customers, including fostering economic development efforts across our service territories At the same time, AGL Networks continues to "sell, sell, sell" the dark fiber capacity available on both its Atlanta and Phoenix networks to fuel its growth

It is obviously the goal of any company to execute their business practices "flawlessly," so perhaps this seems a superfluous thing to set as a goal But, in our business, flawless execution is so vital Not only are we dealing with a potentially dangerous commodity, but it's a commodity that every one of our customers need every single day

Above and beyond the issue of safety and system reliability, it is our duty to you, our shareholders, to make sure we don't make any costly mistakes What does that mean? It means that we will avoid costly forays into information systems in the utilities unless the technologies are proven, we will enhance our capabilities to grow Sequent without any compromise to our strict risk management framework, we will extend our business systems discipline to SouthStar, and we will reduce our sales cycle time in the Networks business.

AGL Resources serves four distinct groups each and every day To our customers, we must continually seek to provide exemplary service and to improve those service levels in every way we can To our communities we operate in, we must give back in time and energy and philanthropy It is only through the support and consideration of these individuals that we can work successfully with our third group of stakeholders, our state and federal regulators With the successful meshing of customers, communities and regulators working with AGLR for the betterment of all, we can best serve you, the shareholder If the first three groups believe that we are as concerned over their wellbeing as we are about our own, our successes will continue The value will be apparent and Wall Street will continue to take notice

While you as shareholders of AGL Resources are certainly concerned about the financial and operating performance of the company, increasingly you all are becoming aware of the need to keep a close eye on the governance of the corporation

Many of you have been following the regulatory and financial reforms that have been enacted by Congress, the Securities and Exchange Commission, and the various stock exchanges in the wake of the accounting and insider trading scandals that have made headlines recently Corporate governance of publicly traded companies has changed dramatically in light of these new rules and regulations Once again, I am pleased to report that AGL Resources has been ahead of the curve on instituting many of these changes In fact, we implemented many of the new requirements before they were required by the oversight agencies

I would encourage you to take a look at the investor relations section of our website (aglresources com), which contains a comprehensive description of our corporate governance philosophy, policies and the composition and charters for each of our board committees

I feel very strongly that the combination of these corporate governance practices, combined with the level of management depth and experience we have at AGL, positions us well as one of the top-tier companies in the country when it comes to taking governance issues and actions seriously I can also assure you that the individuals on our Board challenge the entire management, challenge me, and do not allow management to pre-empt the Board's role in reviewing and approving major corporate initiatives and results

Let me address, in one last moment, not just AGL's head, but its heart Each year, the officer and leadership teams meet to review the past year and to discuss our goals and strategies for the current year This year, we focused a substantial amount of time on determining what the values for AGL Resources will be going forward

As a result, we identified four key values which permeate everything we do in our business – and which will serve as the foundation for our future success

The first building block of our success is "honesty " With honest communications internally, with our customers and regulators, and with you, our shareholders, AGL Resources can create a work environment conducive to success Democracy and free speech in the work place bring their challenges But we are

EXHIBIT MDC PL

From: "Keener, James" <James_Keener@platts com>
To: "Michael Chrysler" <Michael Chrysler@state tn us>
Date: 5/7/2004 9 53 37 AM
Subject: RE 2003 Gas Company of the Year - 5th Annual Platts Global EnergyAwards Ceremony

Mr Chrysler
I believe the attached documents should be helpful regarding your questions about the Global Energy Awards If you need anything further, please let me know

All the best,

Jim Keener
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www platts com

-----Original Message-----
From Michael Chrysler [mailto Michael Chrysler@state tn us]
Sent Tuesday, May 04, 2004 12 52 PM
To Keener, James
Subject 2003 Gas Company of the Year - 5th Annual Platts Global EnergyAwards Ceremony

Mr Keener,

I am interested in obtaining a copy of available information regarding the parameters used in determining AGL Resources winner of your award, specifically

1 Can you provide public record of the metrics utilized in the selection process?

2 Can you provide the scope of utilities in the selection sample?

3 Can you provide source data of the metrics utilized?

4 Was Platts involved in the selection process or was that responsibility developed by a consultant to Platts?

I would appreciate your attention to this request

Sincerely,

Michael D Chrysler
Regulatory Analyst
Tennessee Office of Attorney General
Consumer Advocate & Protection Div
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How to Nominate

Nominations for the Global Energy Awards are being accepted for the following categories. Please refer to the category description pages of this piece or the Global Energy Awards Web site for additional information.

- Lifetime Achievement Award
- CEO of the Year
- Energy Company of the Year
- Industry Leadership Award
- Power Company of the Year
- Oil Company of the Year
- Gas Company of the Year
- Coal Company of the Year
- Petrochemicals Company of the Year
- Newcomer of the Year
- Energy Engineering Project of the Year
- Renewables Project of the Year
- Community Development Program of the Year
- Commercial Technology of the Year
- Advertising Campaign of the Year

Judging

The 2004 judging process relies on the expertise of an impartial panel of international energy experts, including energy ministers, national regulators, past and present heads of major energy companies, and leading academics and legislators.

The judges evaluate the entrants and select the finalists and winners based on the criteria listed in each category, taking into consideration the company's profile and financial performance in the designated time-frame.

The panel of judges will review all of the nominations and materials and select finalists by October 14, 2004. The finalists will be announced on October 14, 2004, on the Global Energy Awards Web site and in a press release issued by Platts. The winners will then be selected from the list of finalists at a special judging session held in London. The winners will be announced and their awards will be presented on stage at the festive awards ceremony to be held December 10, 2004, at The Plaza Hotel in New York City.

Rules and Requirements

Nominations may be submitted either directly from a company, from an involved individual, or from a third party. In each case, the nomination must be submitted on the official "Global Energy Awards Entry Form" available at www globalenergyawards com. Once you have filled out the official form, please send one (1) paper copy, along with your supporting materials, to:

Platts
2004 Global Energy Awards
Nominations
3333 Walnut Street
Boulder, CO 80301
USA

All requested information needs to be provided; we cannot consider incomplete nomination forms.

In the event that a third party nominates a company or individual, Platts will contact the nominated company or individual and ask the nominee to complete an official entry form and review the nomination for accuracy. If the company or individual fails to provide the required response by the specified date, the nomination will be excluded from competition.

The completed nomination form and supporting documents will be considered confidential and will only be used by Platts and its panel of judges.

Nominees must have significant involvement in the energy industry. All nominations for each category MUST be accompanied by the following:

- A "Global Energy Awards Entry Form" completed in its entirety. Multiple category entries are encouraged, but an individual entry form MUST accompany each entry. The nomination form is available online at www.globalenergyawards com.

- A summary, not to exceed 50 words, that explains the rationale behind the entry.

- After completing the online form, one paper copy of the nominating report is to be submitted to Platts Global Energy Awards 2003, 3333 Walnut Street, Boulder, CO 80301, USA. This paper copy, which may not exceed 500 words, should describe why your nominee exemplifies excellence in the selected category. The report should address the judging criteria specified for that category and describe outstanding accomplishments, the risks involved, significant obstacles that were overcome, and any other

pertinent information. Each nomination must also include a company profile detailing total revenue and profit for the award period (described in the overview of each category) and size of company.

- Supporting material is optional, except for nominations for the Marketing Campaign of the Year, which must include a 30-second commercial. Additional supporting materials may include marketing videos, brochures, advertisements, photographs, and other documents. We regret that no materials can be returned.

- Each nomination must include an image of 300 dpi or above for the nominated company's logo. For screen quality, we require Illustrator or PhotoShop RGB EPS files of the logo. Send the files on a floppy disk, Zip disk, or CD-ROM to the Global Energy Awards address (below) or e-mail the files to awards@platts.com.

- Entries for CEO of the Year must be accompanied by a high-resolution color photograph of the individual nominated. Send a file via e-mail to awards@platts com or send a glossy print to the Global Energy Awards address (below). Please label the back of the photo with the nominee's name. We regret that no nominating materials can be returned.

- All dollar amounts and financial statistics must be in U.S. dollars.

- Winners are expected to accept their awards on stage at the ceremony being held December 10, 2004, at The Plaza Hotel in New York City. All nominations must be accompanied by the name of the person who will be the accepting the award if that nominee is chosen as the winner.

- All nominations must be received no later than September 24, 2004, online at www globalenergyawards com. No extensions to this date will be granted

Direct all paper entries and questions to:
Platts
Global Energy Awards 2003
3333 Walnut Street
Boulder, CO 80301 USA
E-mail awards@platts com

next 35,000 megawatts are projected to take as little as 5 years The success of renewables is all the more urgent given increasing concern over climate change In this category, the judges looked for renewables manufacturers or energy companies with solid commercial solutions that make the dream of a world substantially powered by renewable energy a practical reality

Judging Criteria
- Reliability
- Practicality
- Commercial

Finalists
Austin Energy
Enmax Corp
FPL Group
Green Mountain Energy Co
Renewables Energy Group

POWER COMPANY OF THE YEAR

The power industry continues to face unprecedented challenges Events have combined to test companies and their managers as never before But the rewards are there for those firms prepared to show the leadership required to work through their industry's current difficulties Strategic knowledge, technical know-how, and a determination never to let the customer down were the corporate hallmarks for this award

Judges evaluated finalists' successful development and implementation of a strategic plan that optimizes performance and growth while taking an aggressive, proactive approach toward a radically altered business environment

Judging Criteria
- Technical innovation
- Customer care
- Competitive advantage
- Strategic thinking

Finalists
Ameren Corp
Calpine Corp
Eskom
FPL Group
MidAmerican Energy Co
PacifiCorp
RAO Unified Energy System of Russia
Southern Co

GAS COMPANY OF THE YEAR
The natural gas world includes exploration, drilling, production, gathering, processing, liquefaction, storage, transportation, distribution, and retail delivery Key issues include the merits of embracing innovative technologies in the search for new sources of supply, investing in infrastructure to minimize volatility, adopting new and innovative storage technologies, and employing new technologies to improve transport, processing, and production

In this category, the judges focused on overall performance rather than on a specific corporate activity Whether the finalist was engaged in exploration, production, processing, transportation, storage, or distribution was less important than the level of excellence achieved

Judging Criteria
- Sound technology
- Shareholder value
- Unparalleled performance

Finalists
AGL Resources
Kern River Gas Transmission Co
KeySpan Energy Delivery

Meter Services

	1998	1999	2000	2001	2002	2003
# of Meters Read						
Risers Inspected						
Estimates						
% Estimated						
Skips						
Re-reads						
Door Tags						
DNPs Worked						

Data Source
Response To CAPD Data Request

Construction Department

	1998	1999	2000	2001	2002	2003
Service Orders Received						
Service Orders Installed						
Backlog (Weeks)						
Damages						
Service Renewal/Relocate *						
Services Retired						
Survey Leaks						

Data Source
Response To CAPD Data Request

* = Does not include services renewed or retired from bare steel/cast iron replacement program

Customer Service

	1998	1999	2000	2001	2002	2003
# of Call Received (% Answered)						
Average Answer Time (Min)						
Length of Call (Min)						
After Call Processing time (%)						
Number of Walk-Ins						
Customr Call Backs						
Supervisor Referrals						
Cash Transaction Processed (Chattanooga)						

Data Source
Response To CAPD Data Request

Service Department

2001 Statistics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Orders Worked												
Appt Orders												
Appt Missed												
Emergency Ord												
Emerg Resp (min)												
Meters Set												
Appliances Instal												

Data Source
Response To CAPD Data Request

Service Department

2002 Statistics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Orders Worked												
Appt Orders												
Appt Missed												
Emergency Ord												
Emerg Resp (min)												
Meters Set												
Appliances Instal												

Data Source
Response To CAPD Data Request

Service Department

2003 Statistics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Orders Worked												
Appt Orders												
Appt Missed												
Emergency Ord												
Emerg Resp (min)												
Meters Set												
Appliances Instal												

Data Source
Response To CAPD Data Request

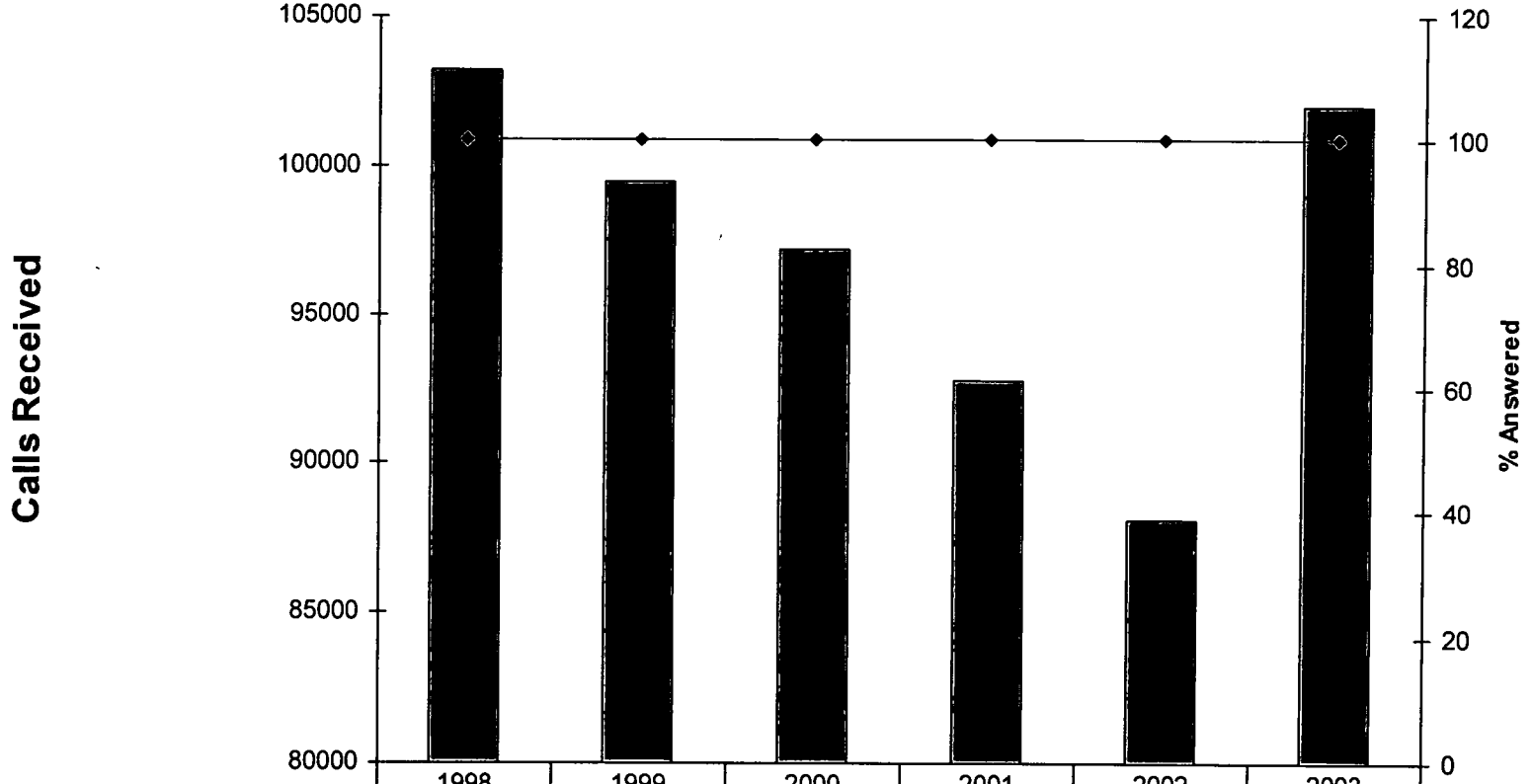
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 1

Service Quality Indicators - Customer Service

Number of Calls Received/% answered

1998 - 2003



	1998	1999	2000	2001	2002	2003
Calls Rec'd	103173	99466	97171	92766	88111	101993
% Answered	100	100	100	100	100	100

Year

Note Not tracked separately prior to 2001

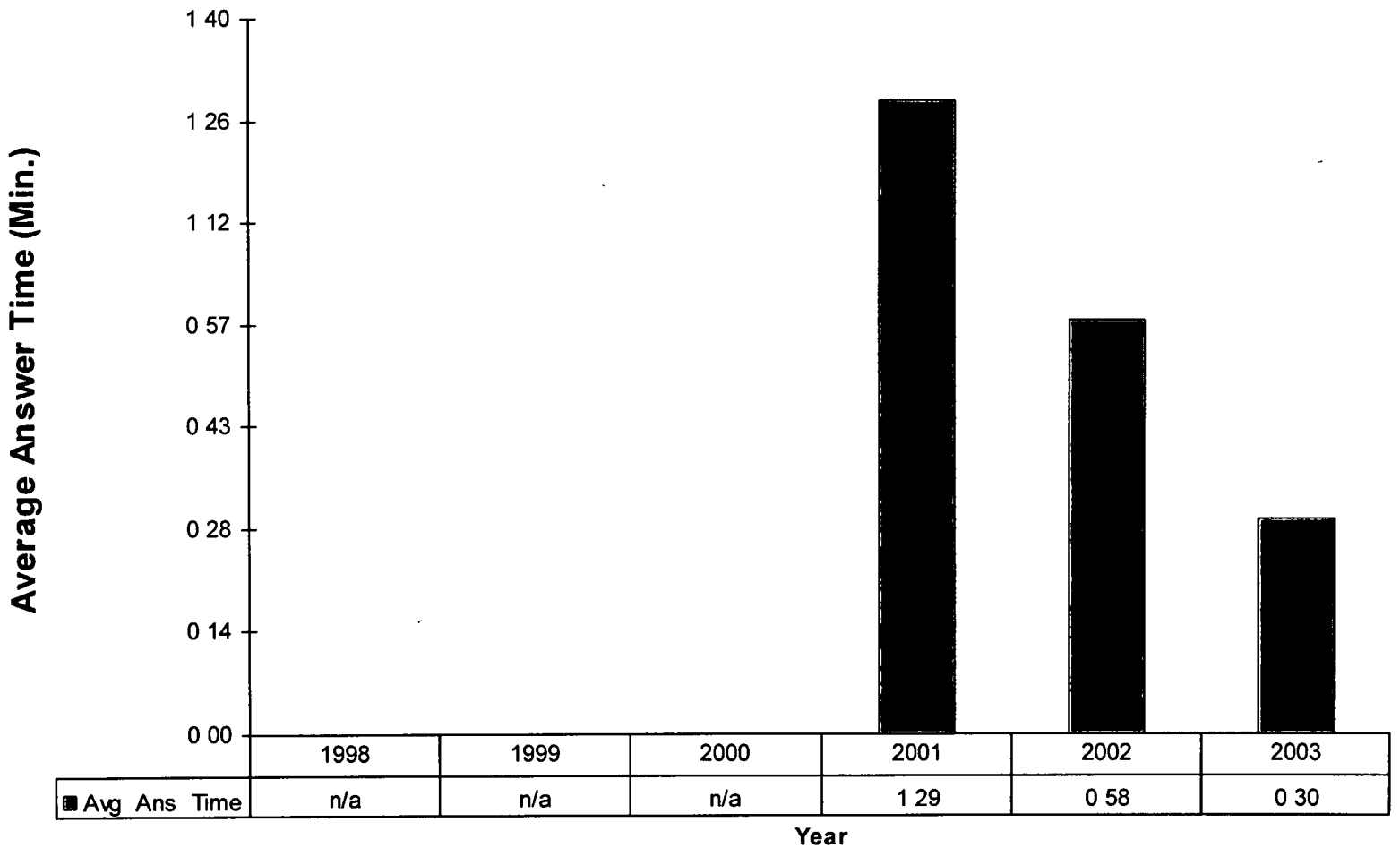
EXHIBIT CAPD MDC 26 A 2

Chattanooga Gas Company

Service Quality Indicators - Customer Service

Average Answer Time (Min.)

1998 - 2003



	1998	1999	2000	2001	2002	2003
Avg Ans Time	n/a	n/a	n/a	1 29	0 58	0 30

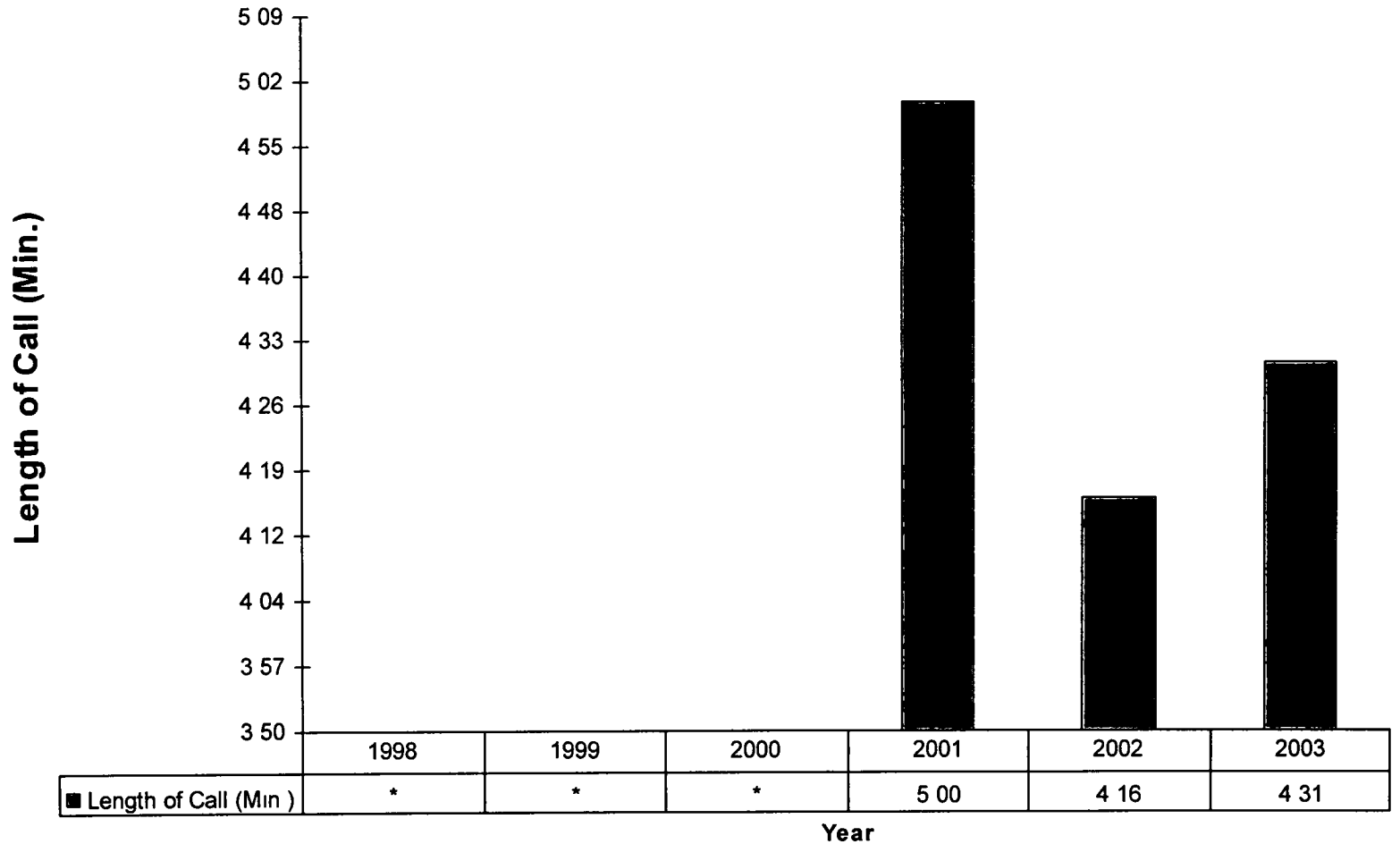
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 3

Service Quality Indicators - Customer Service

Length of Call (Min.)

1998 - 2003



Note: The average length of call was not separately tracked for Chattanooga Gas Company prior to 2001 The call length is tracked in minutes and seconds.

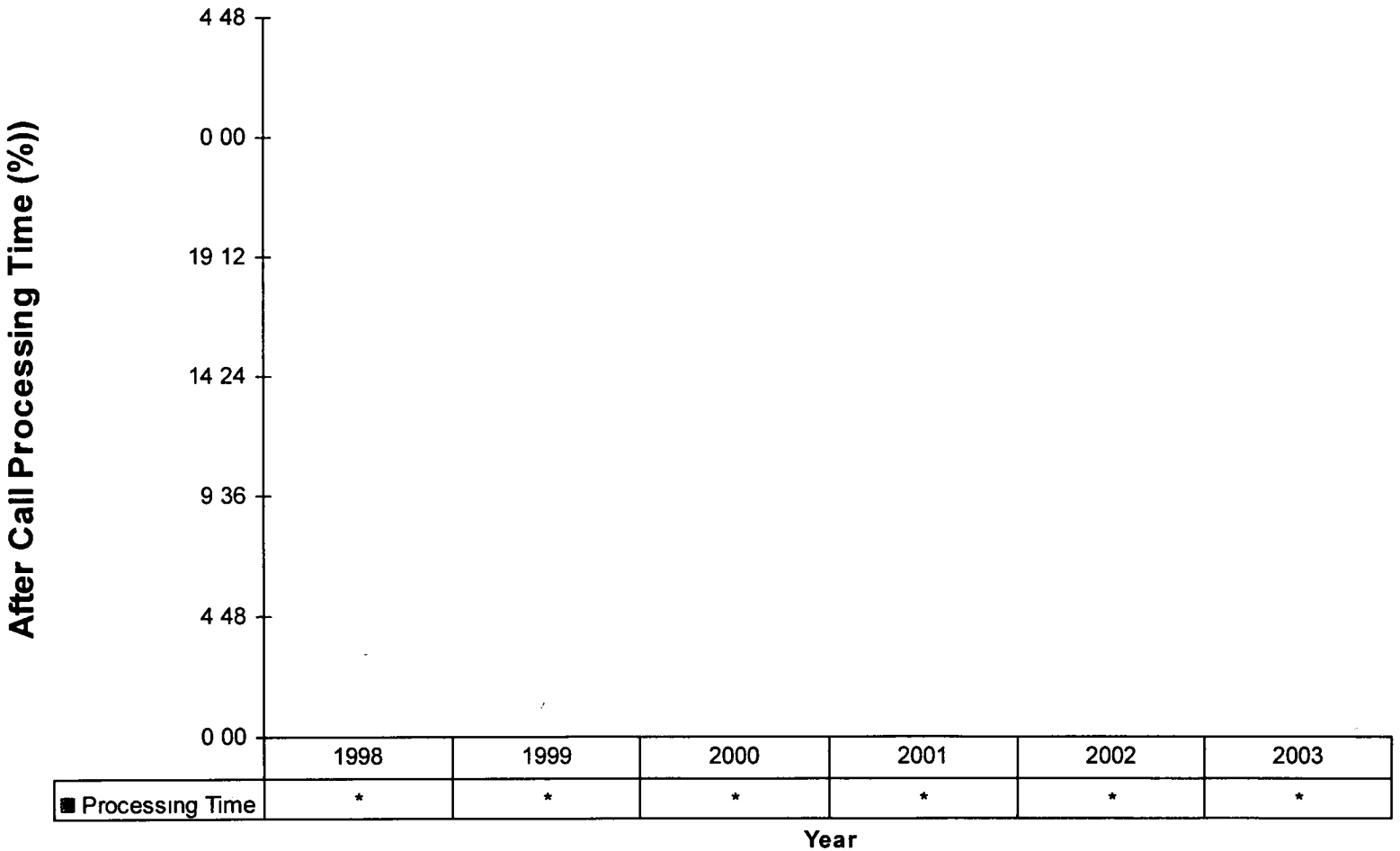
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 4

Service Quality Indicators - Customer Service

After Call Processing Time (%)

1998 - 2003



* After call processing time is not tracked separately The after call time is included in the length of call provided in, "Length of call" in 26 A 3

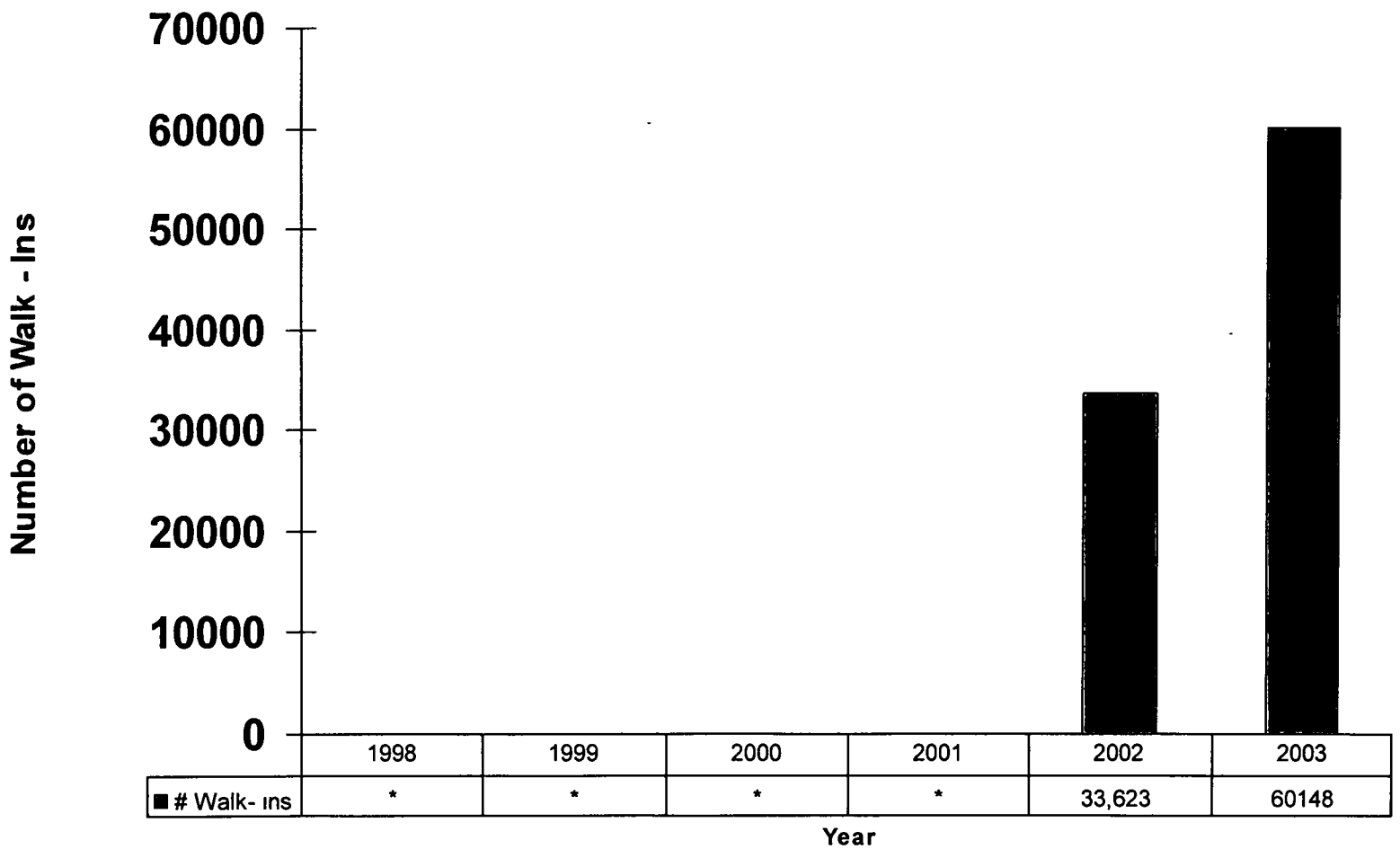
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 5

Service Quality Indicators - Customer Service

Number of Walk - Ins (Local)

1998 - 2003



* = Information not available

2002 = May, 2002 - December, 2002

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 6

Service Quality Indicators - Customer Service

Customer Call Backs

1998 - 2003

	1998	1999	2000	2001	2002	2003
■ Customer Call Backs	*	*	*	*	*	*

Year

* Customer call backs were not tracked prior to 2004

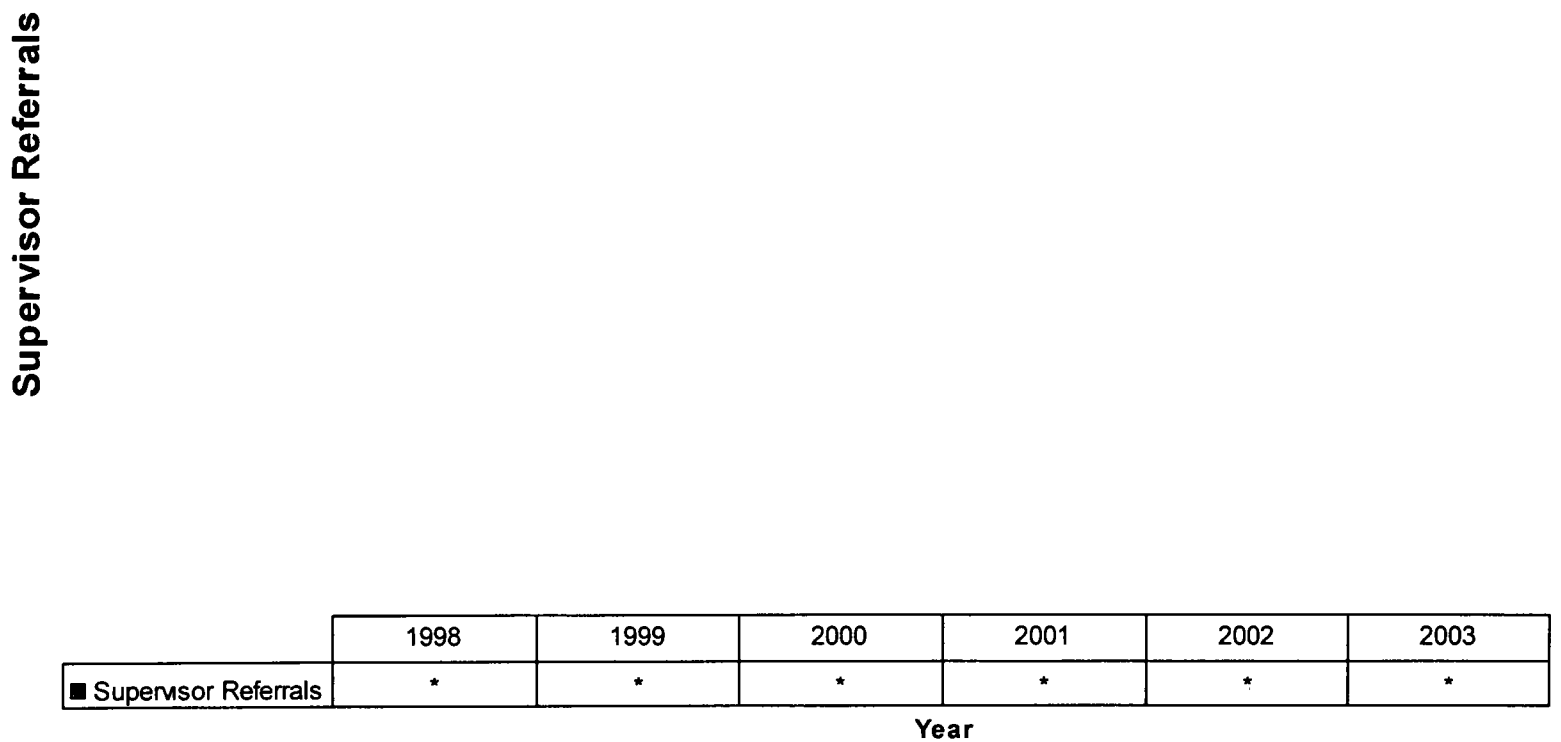
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 7

Service Quality Indicators - Customer Service

Supervisor Referrals

1998 - 2003



	1998	1999	2000	2001	2002	2003
■ Supervisor Referrals	*	*	*	*	*	*

* Supervisor referrals were not tracked prior to 2004

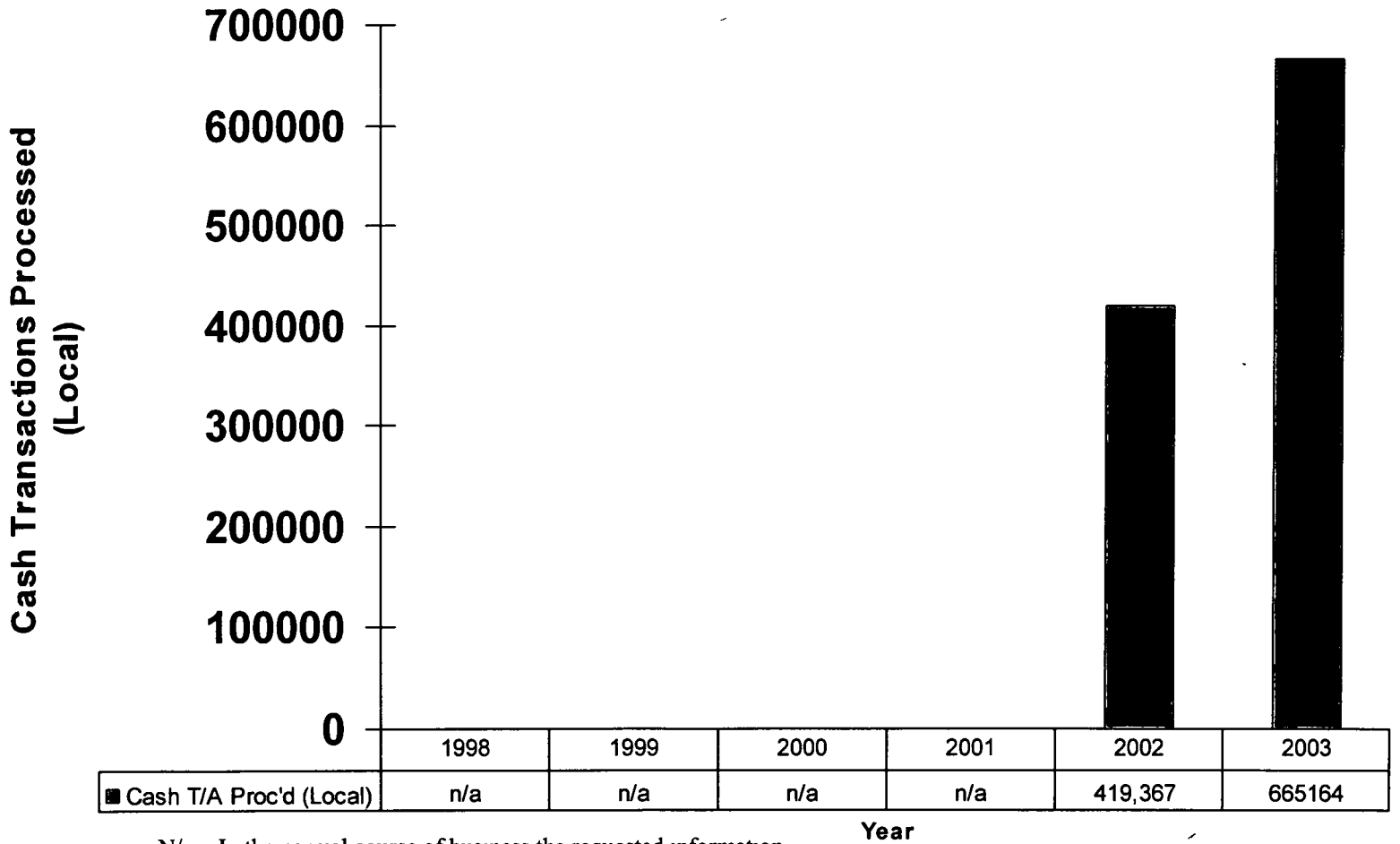
Chattanooga Gas Company

EXHIBIT CAPD MDC 26 A 8

Service Quality Indicators - Customer Service

Cash Transactions Processed (Local)

1998 - 2003



	1998	1999	2000	2001	2002	2003
Cash T/A Proc'd (Local)	n/a	n/a	n/a	n/a	419,367	665164

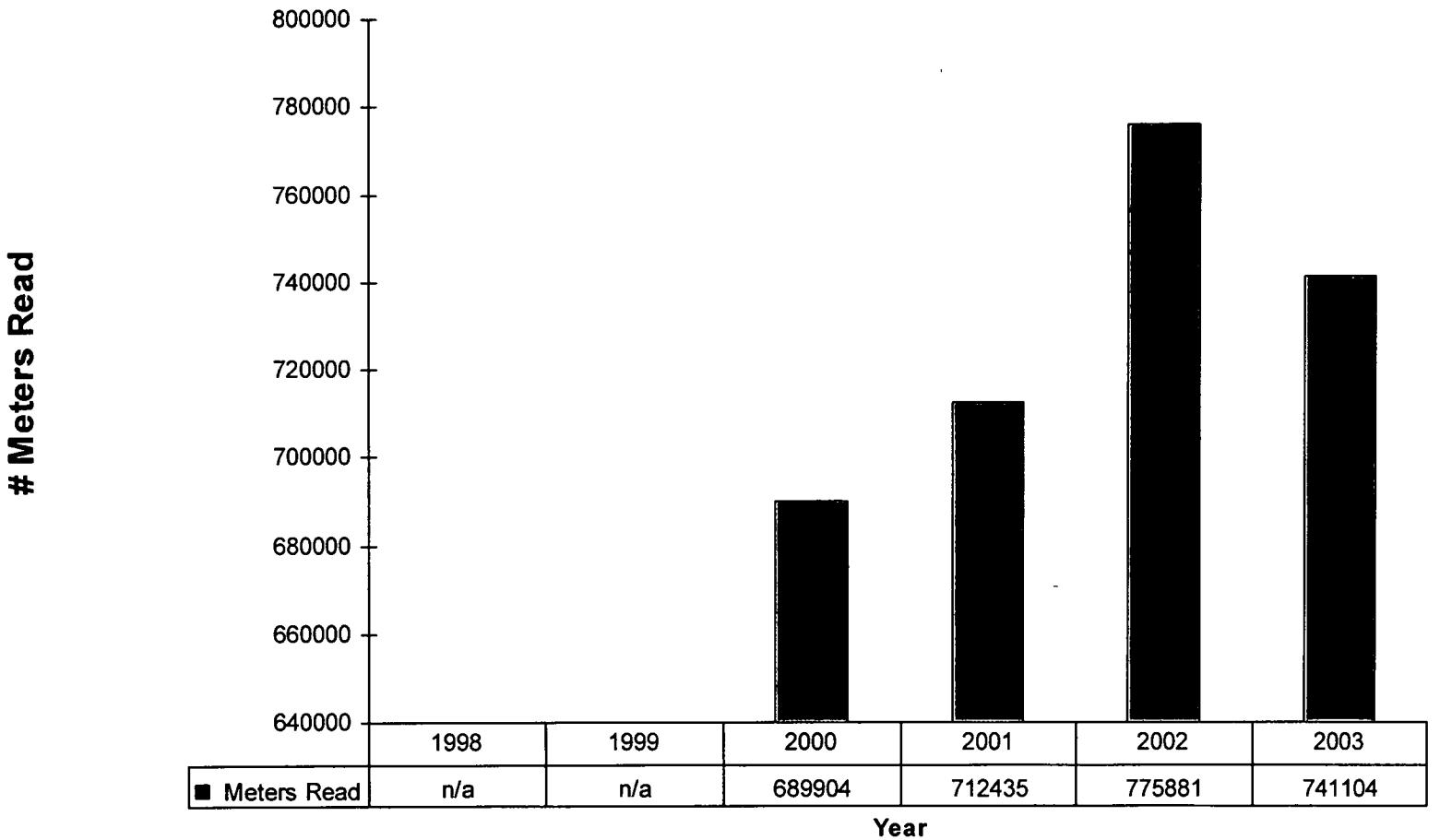
N/a = In the normal course of business the requested information is retained in the Customer Information System for two years. Therefore the data prior to May, 2002 is not available

2002 = May - December

EXHIBIT CAPD MDC 26 B 1

Chattanooga Gas Company

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

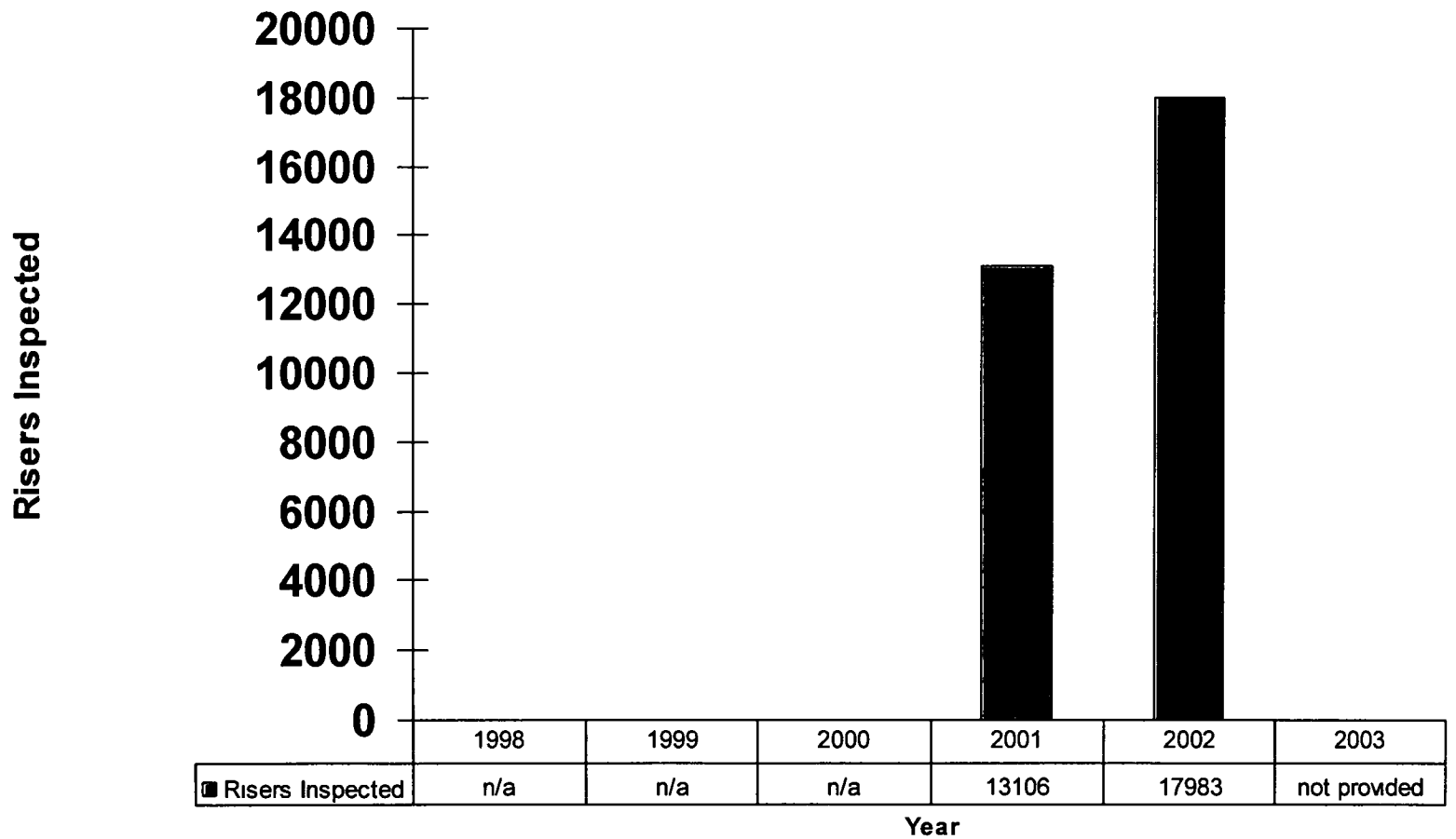


Note. Statistics not retained prior to 2000

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 2

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

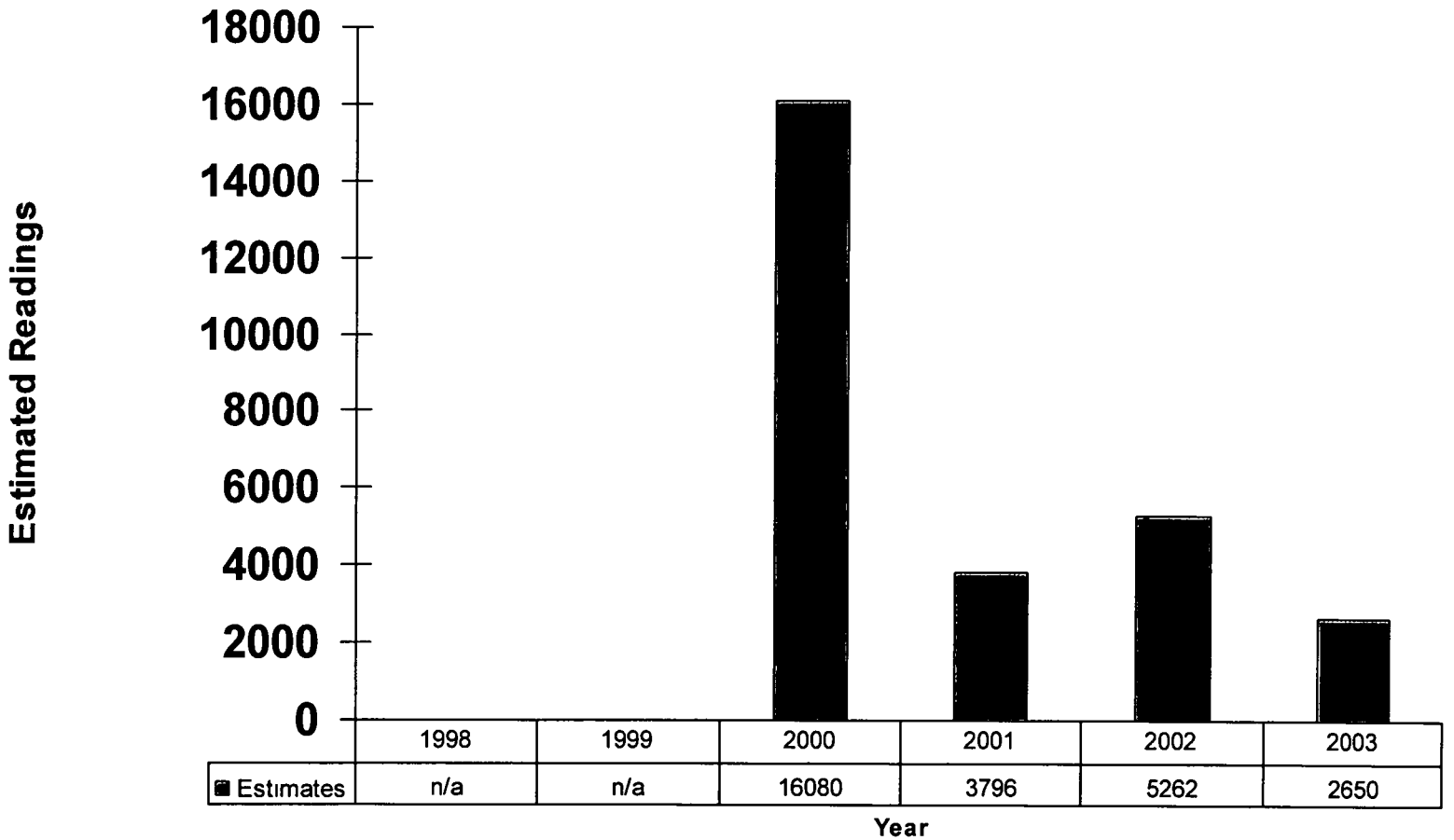


Note: Statistics not retained prior to 2001

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 3

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

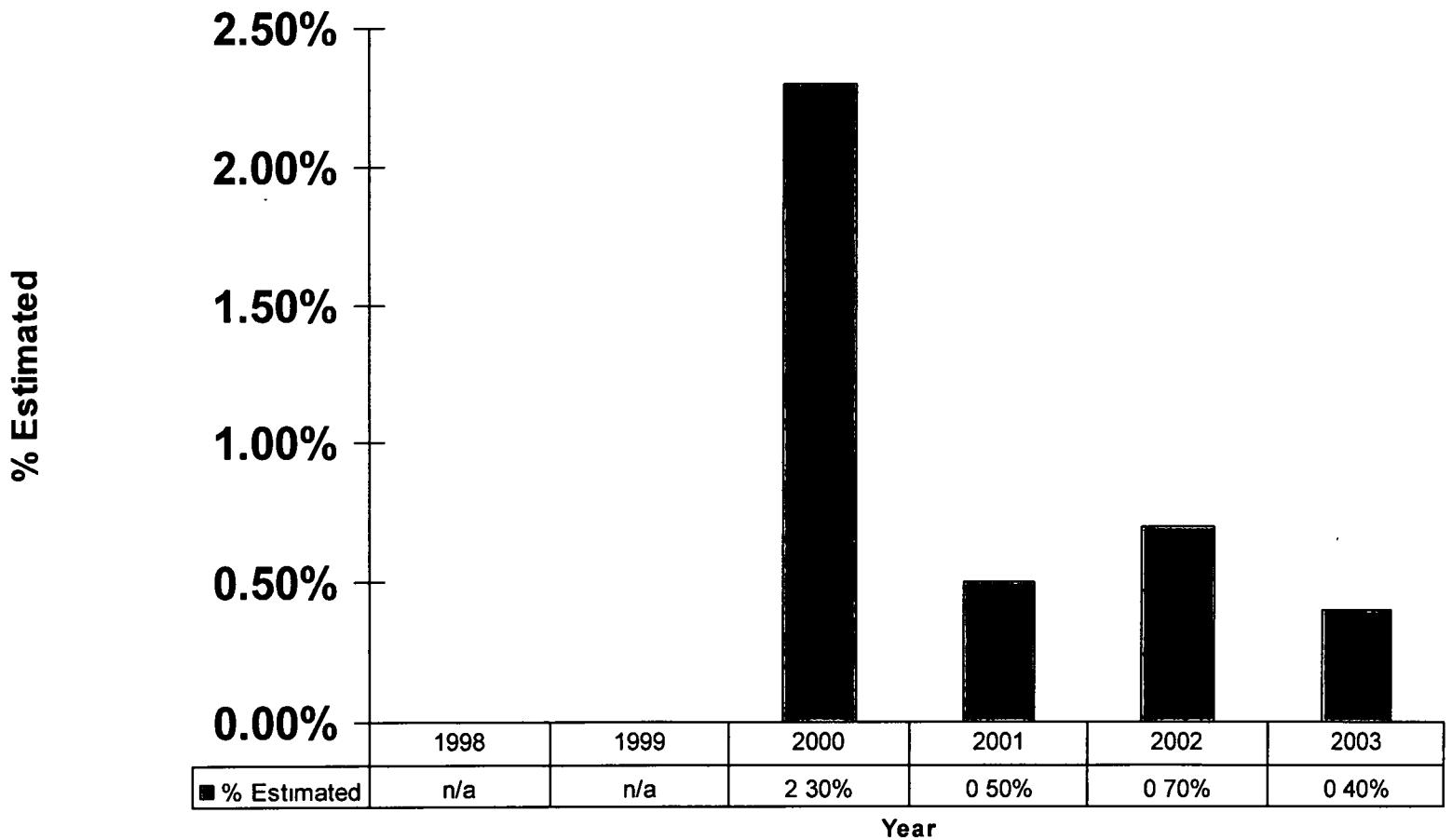


Note Statistics not retained prior to 2000

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 4

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

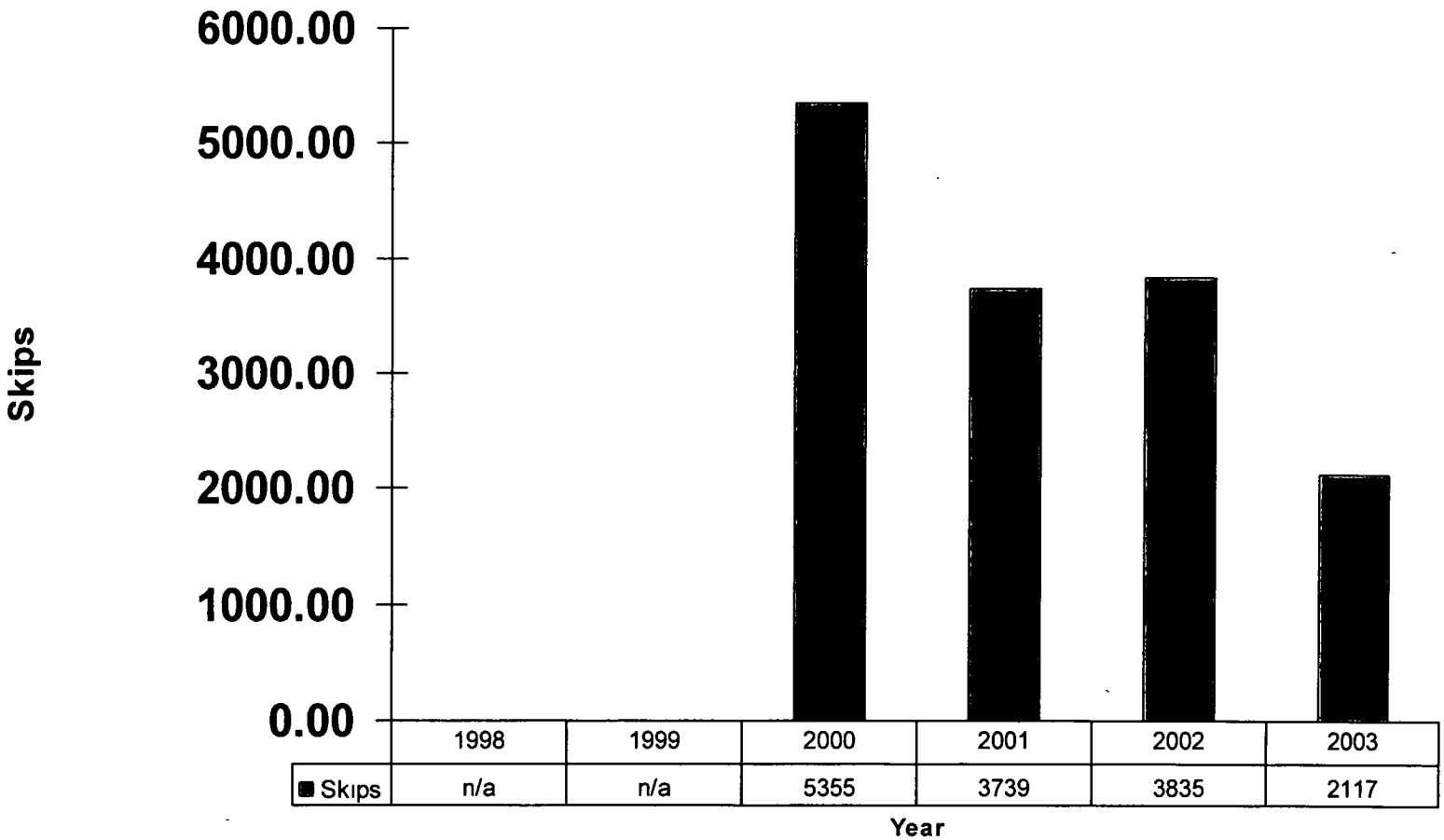


Note: Statistics not retained prior to 2000

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 5

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

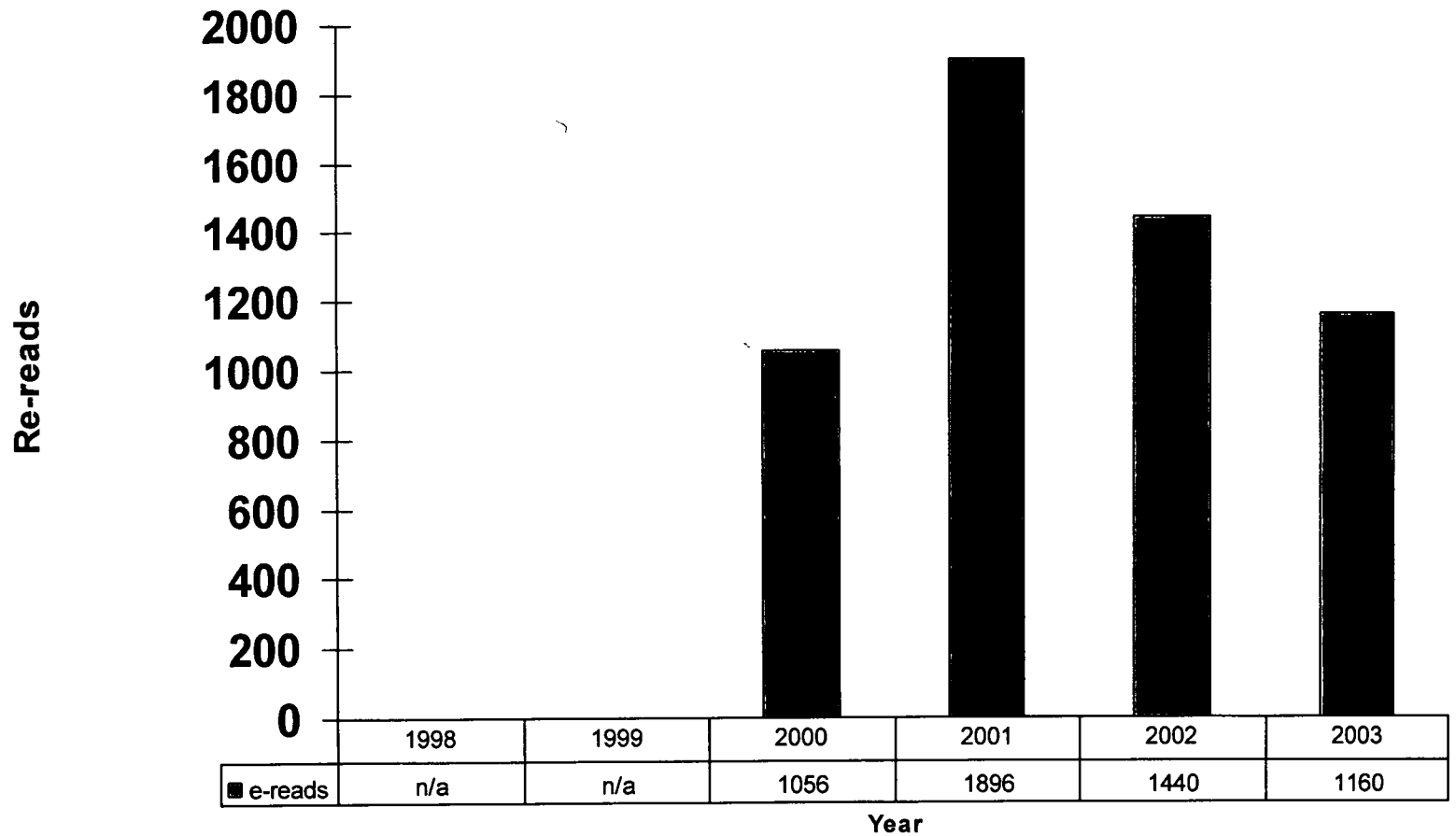


	1998	1999	2000	2001	2002	2003
Skips	n/a	n/a	5355	3739	3835	2117

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 6

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

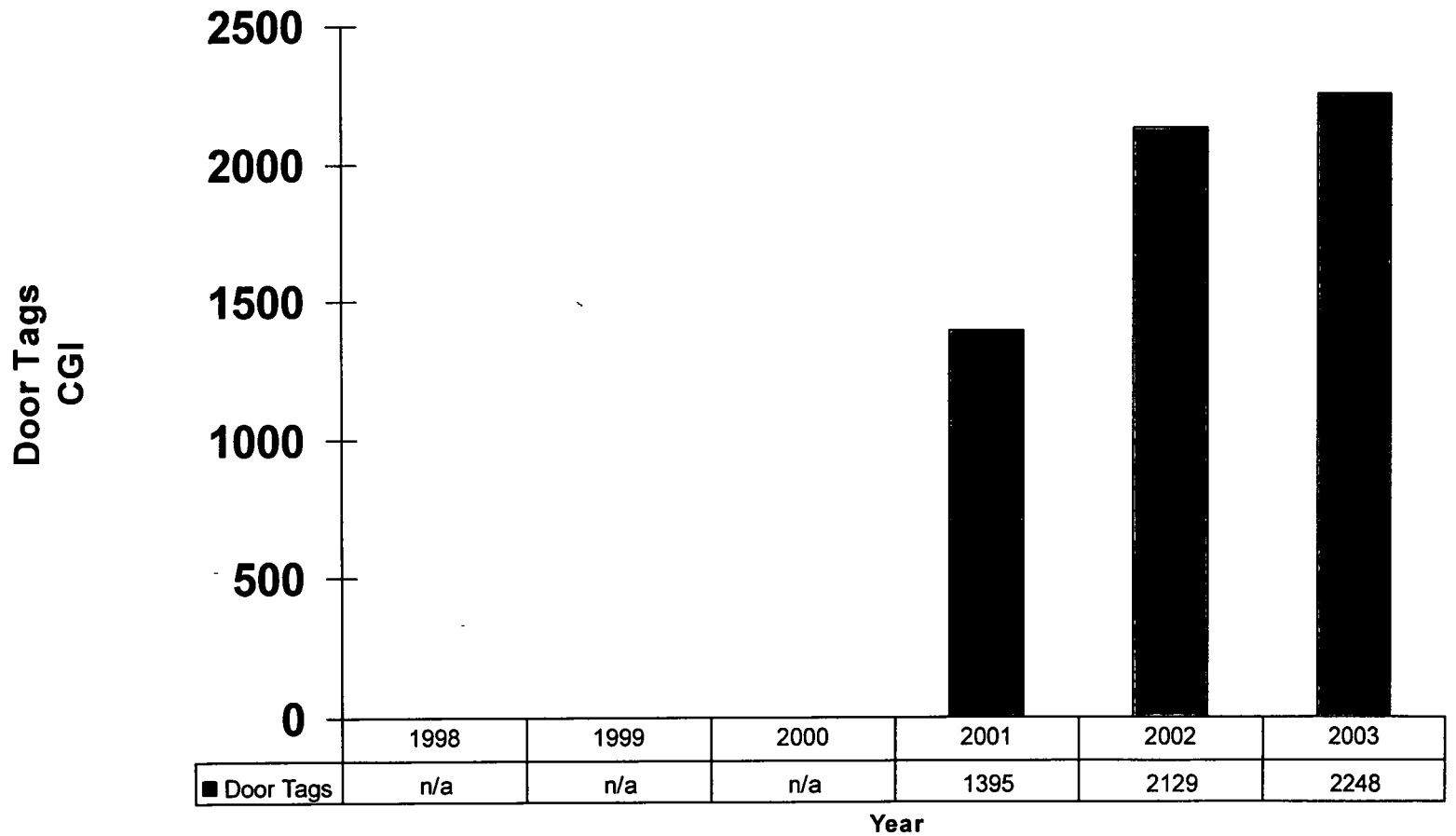


Note: Statistics not retained prior to 2000

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 7

Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003

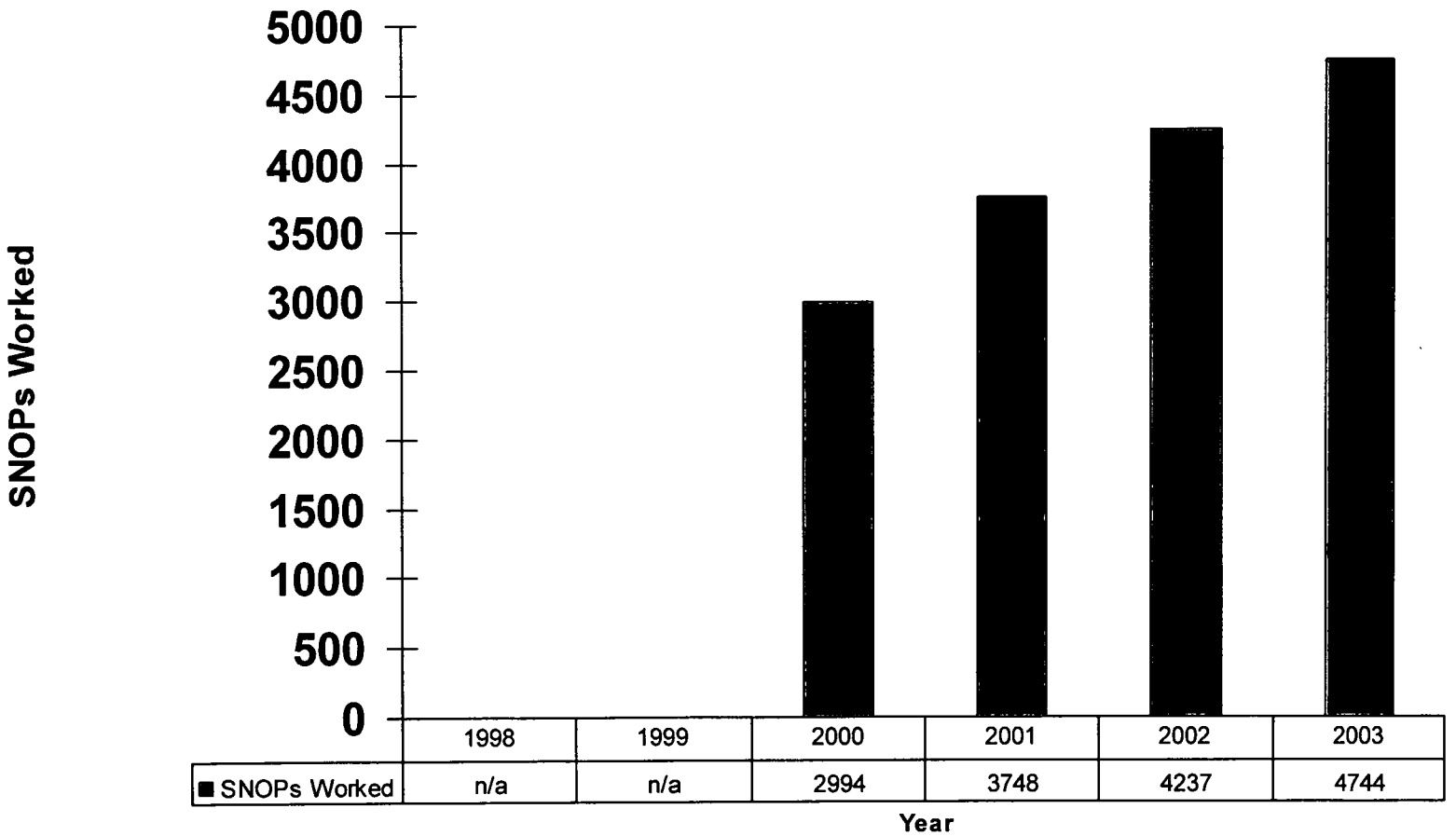


Note: Statistics not retained prior to 2000

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 B 8

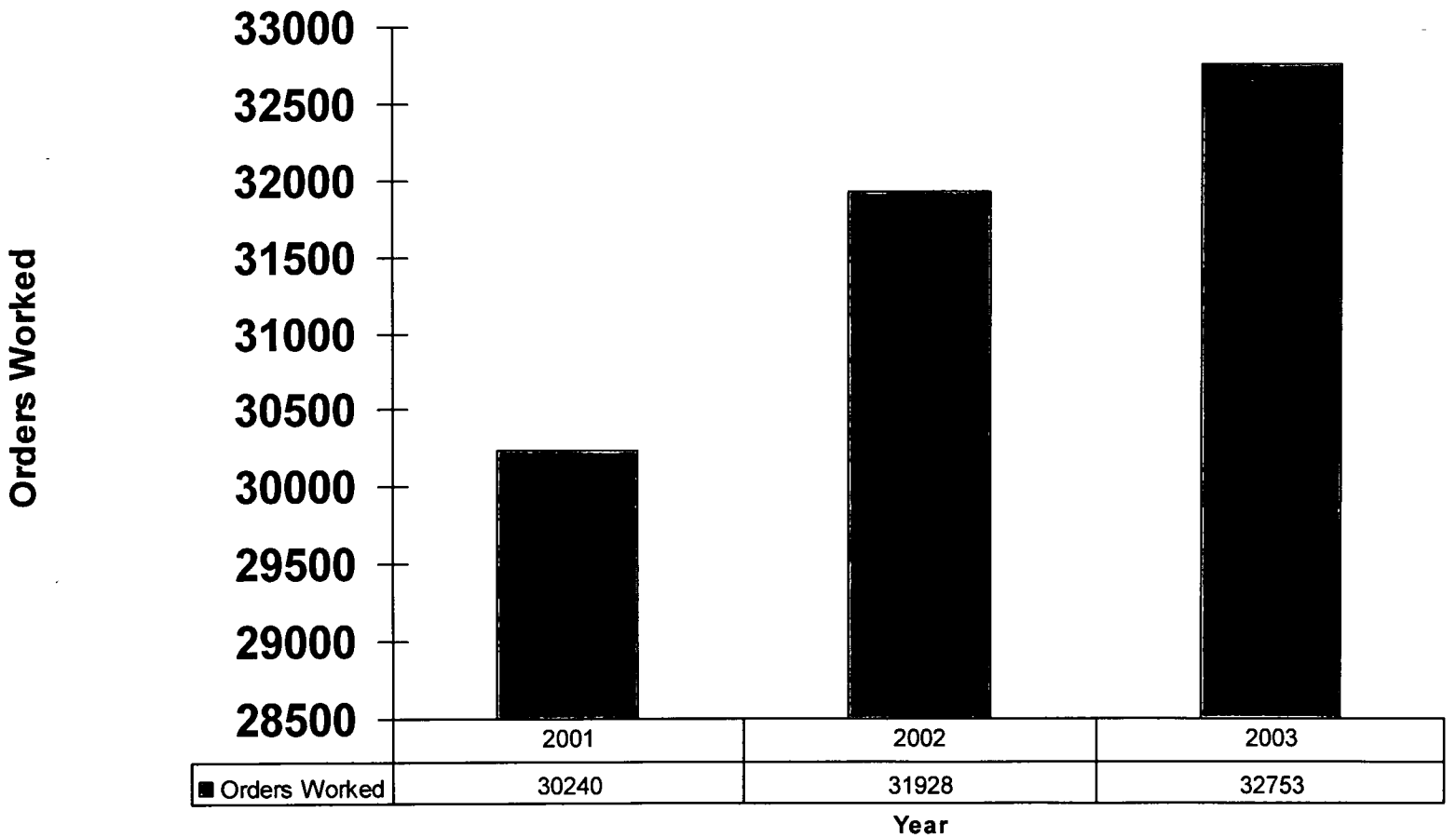
Service Quality Indicators
Meter Services Department Statistics
For Years 1998 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 C 1

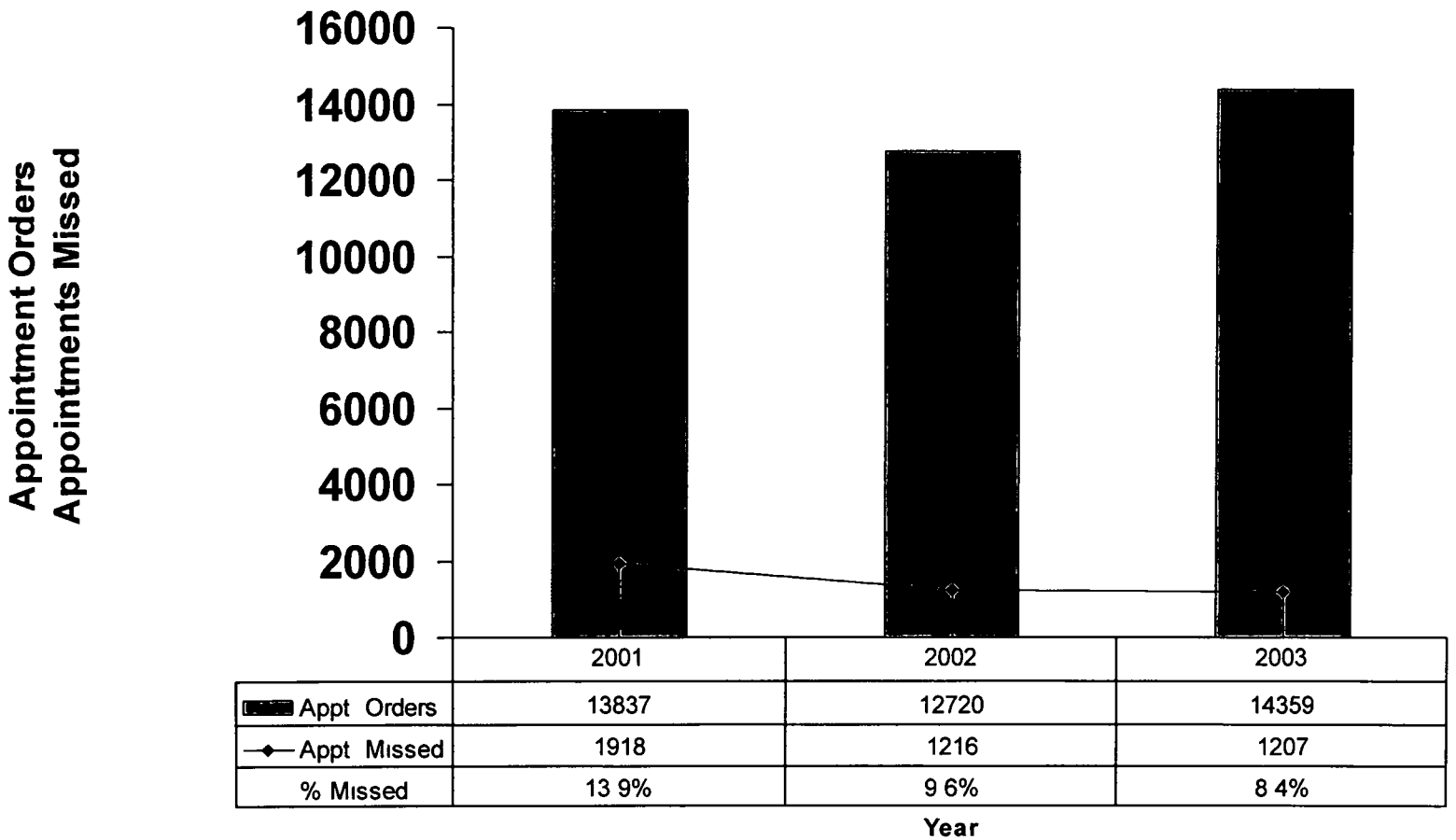
Service Quality Indicators
Service Department Statistics
For Years 2001 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 C 2 & 3

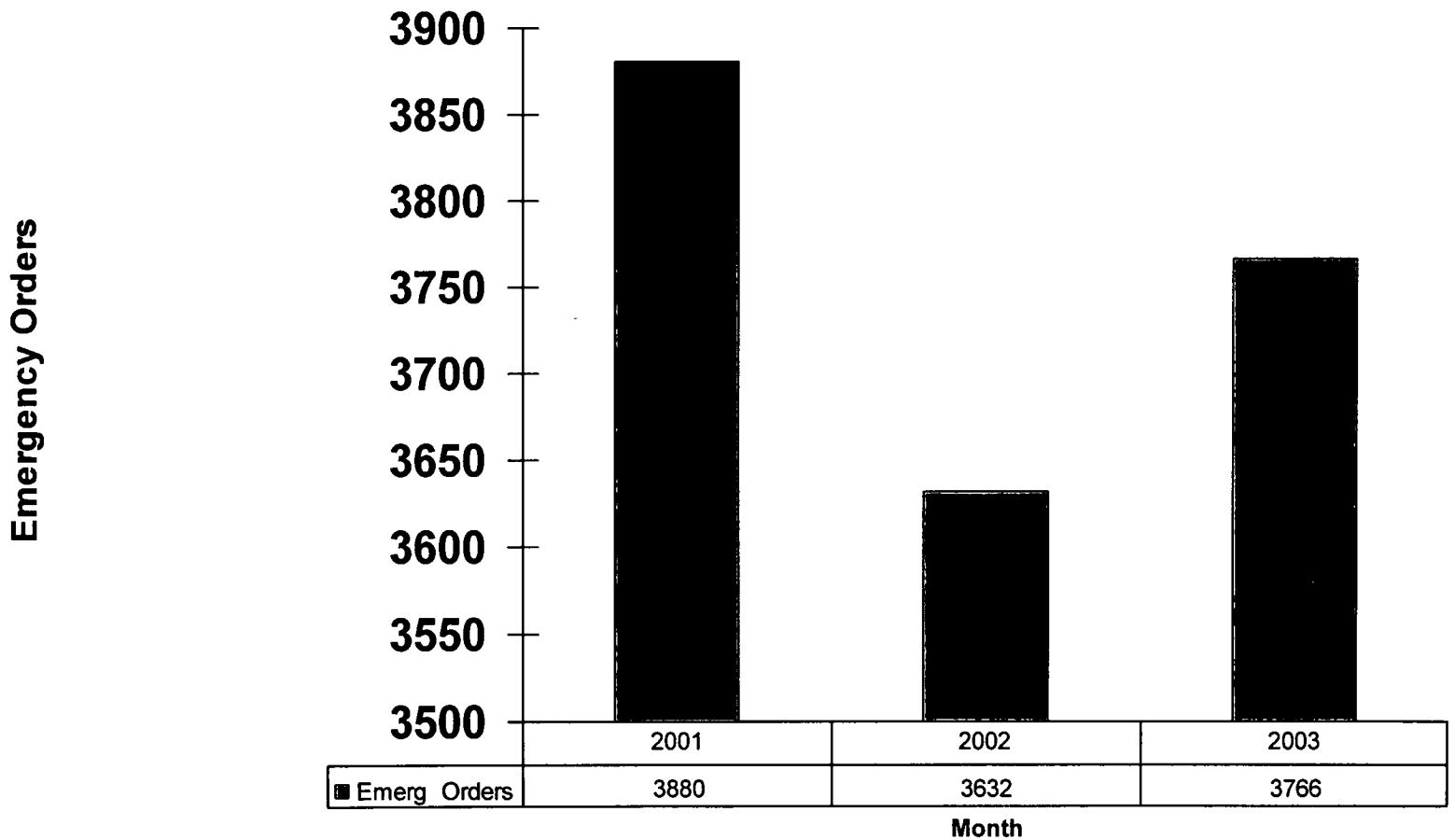
Service Quality Indicators
Service Department Statistics
2001 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 C4

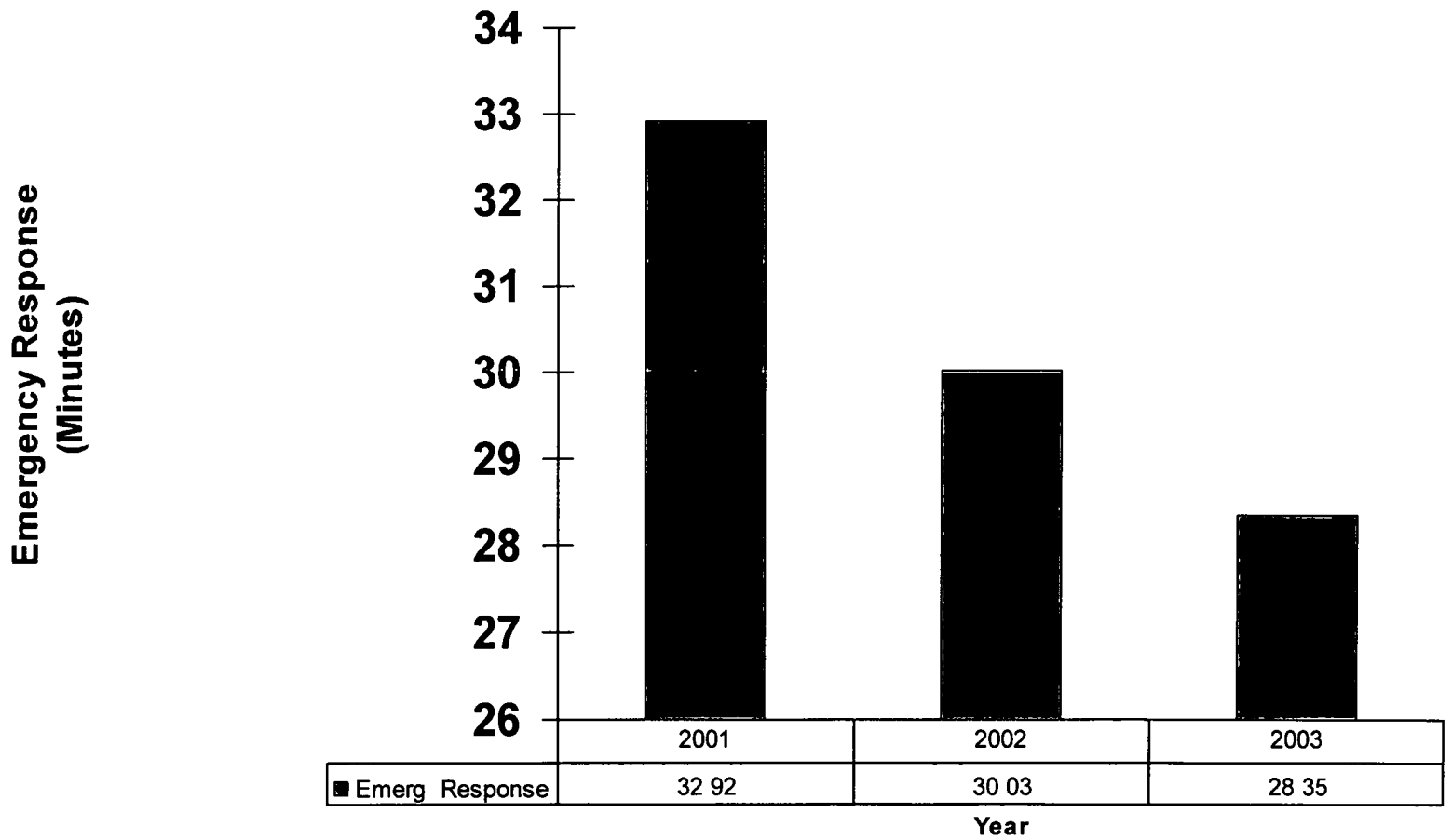
Service Quality Indicators
2003 Service Department Statistics
2001 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 C 5

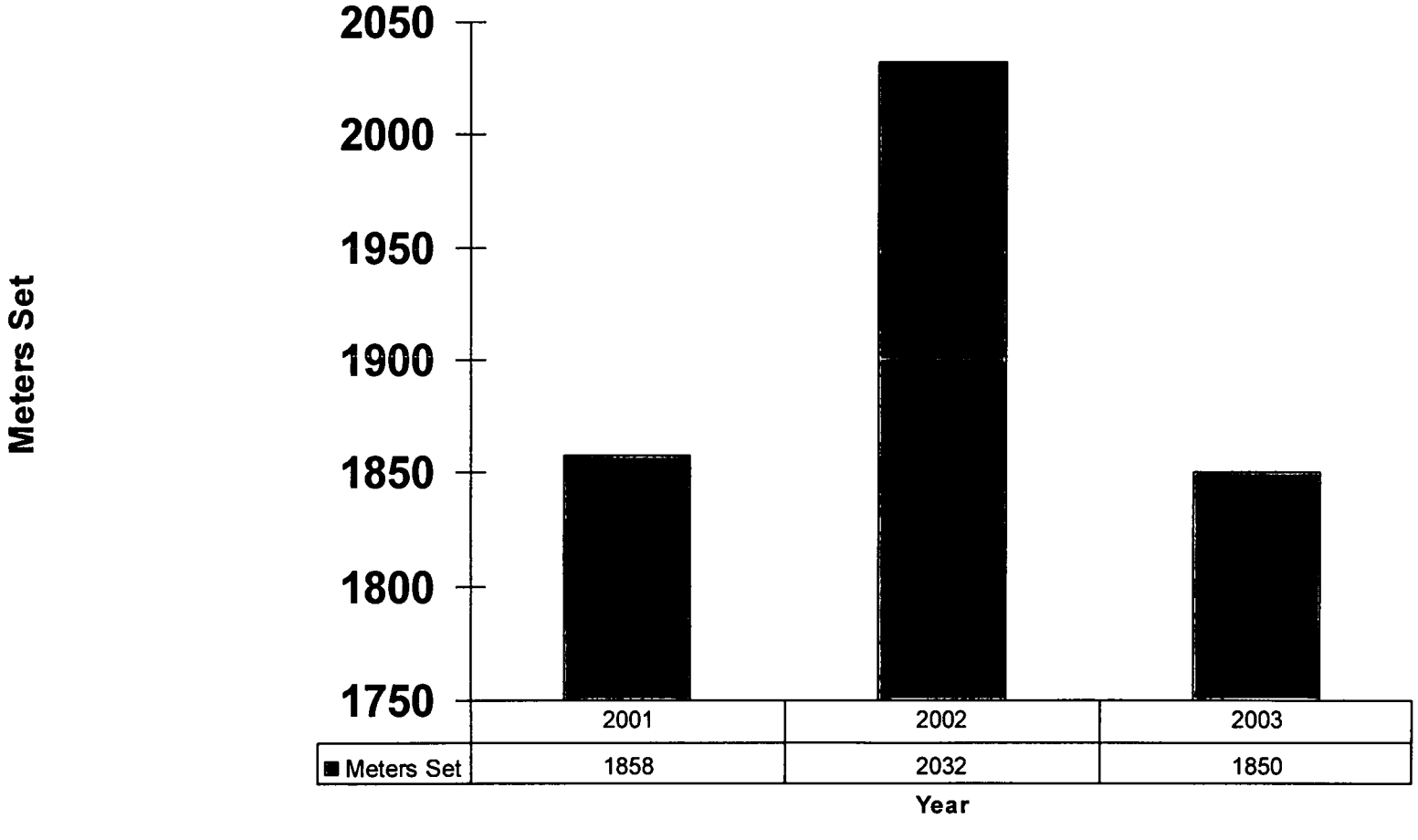
Service Quality Indicators
Service Department Statistics
2001 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 C 6

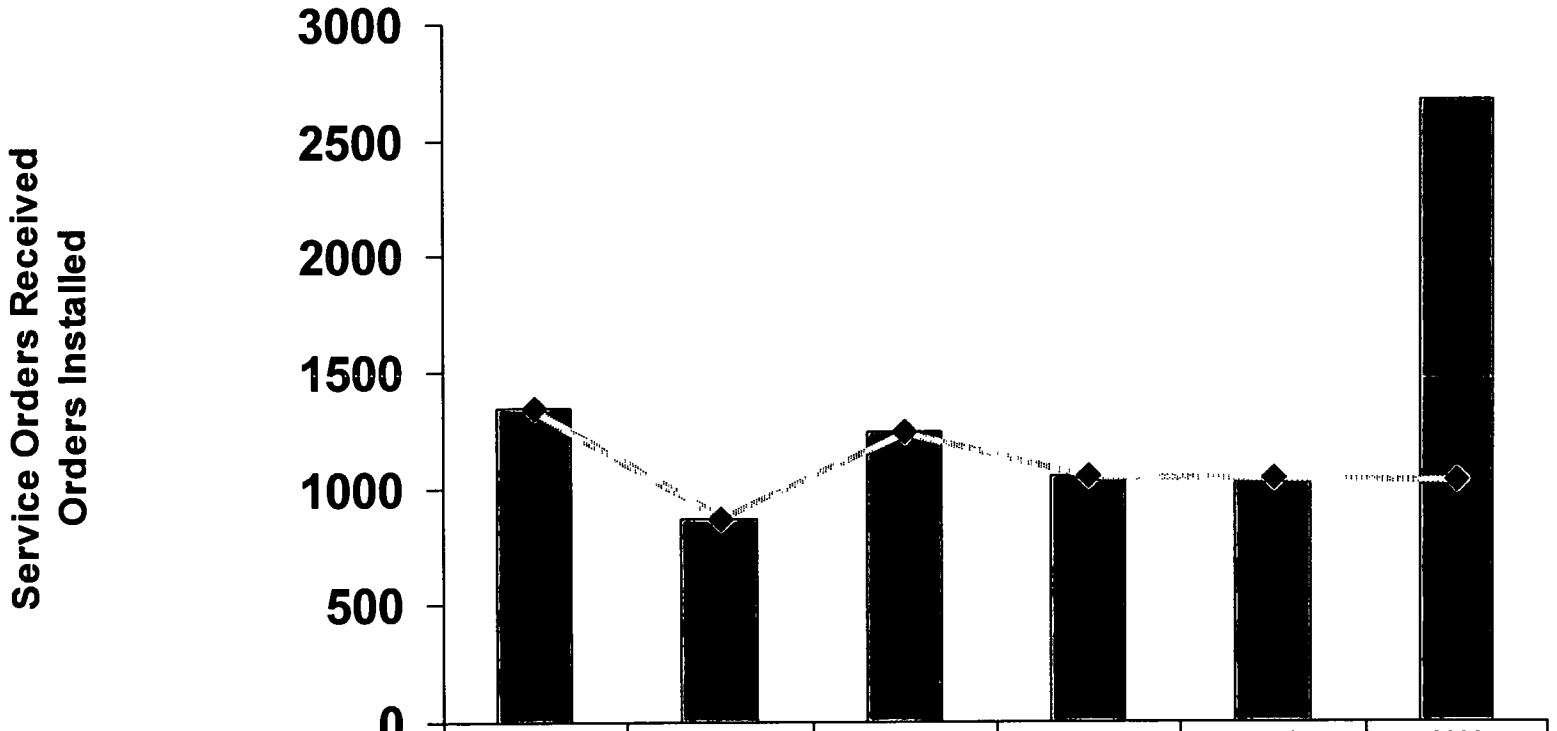
Service Quality Indicators
Service Department Statistics
2001 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 1&2

Service Quality Indicators
construction Department Statistics
For Years 1998 - 2003

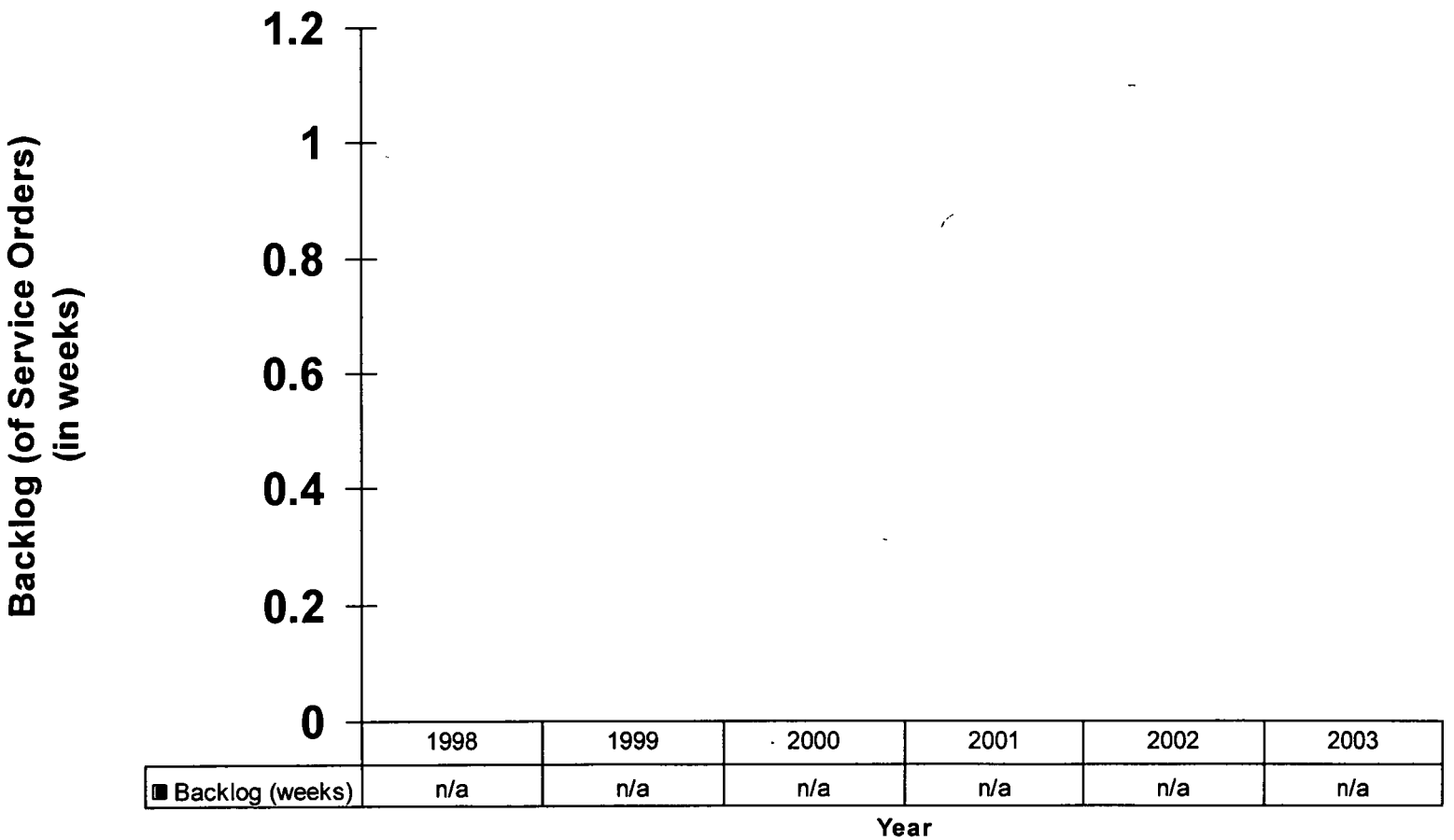


	1998	1999	2000	2001	2002	2003
Svc Ord Rec'd	1341	870	1243	1050	1044	2669
Ord Installed	1341	870	1243	1050	1044	1031

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 3

Service Quality Indicators
Construction Department Statistics
For Years 1998 - 2003

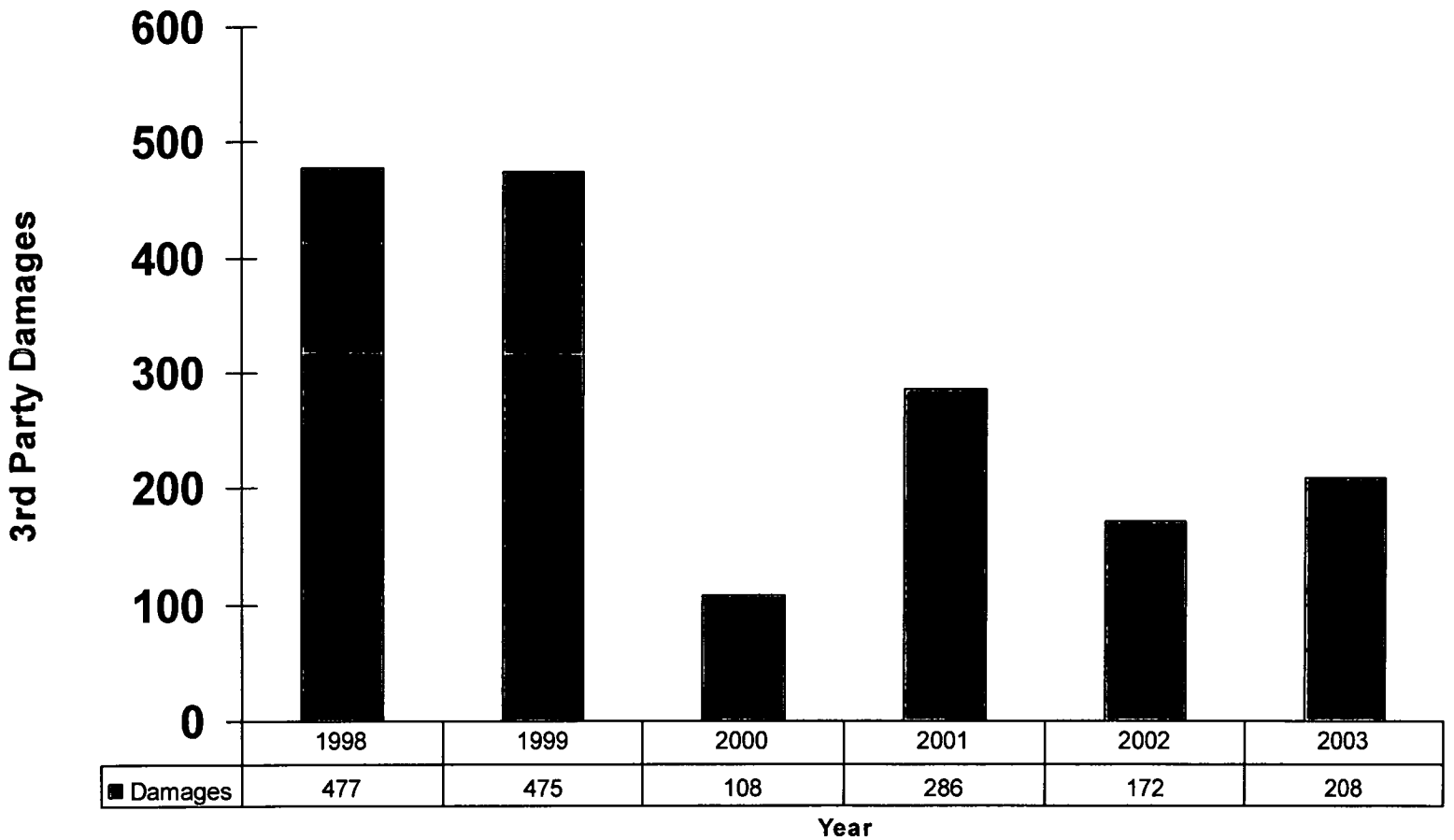


Note: "In the normal course of business the Company does not retain the backlog data from previous periods as requested and therefore it can not be provided".

Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 4

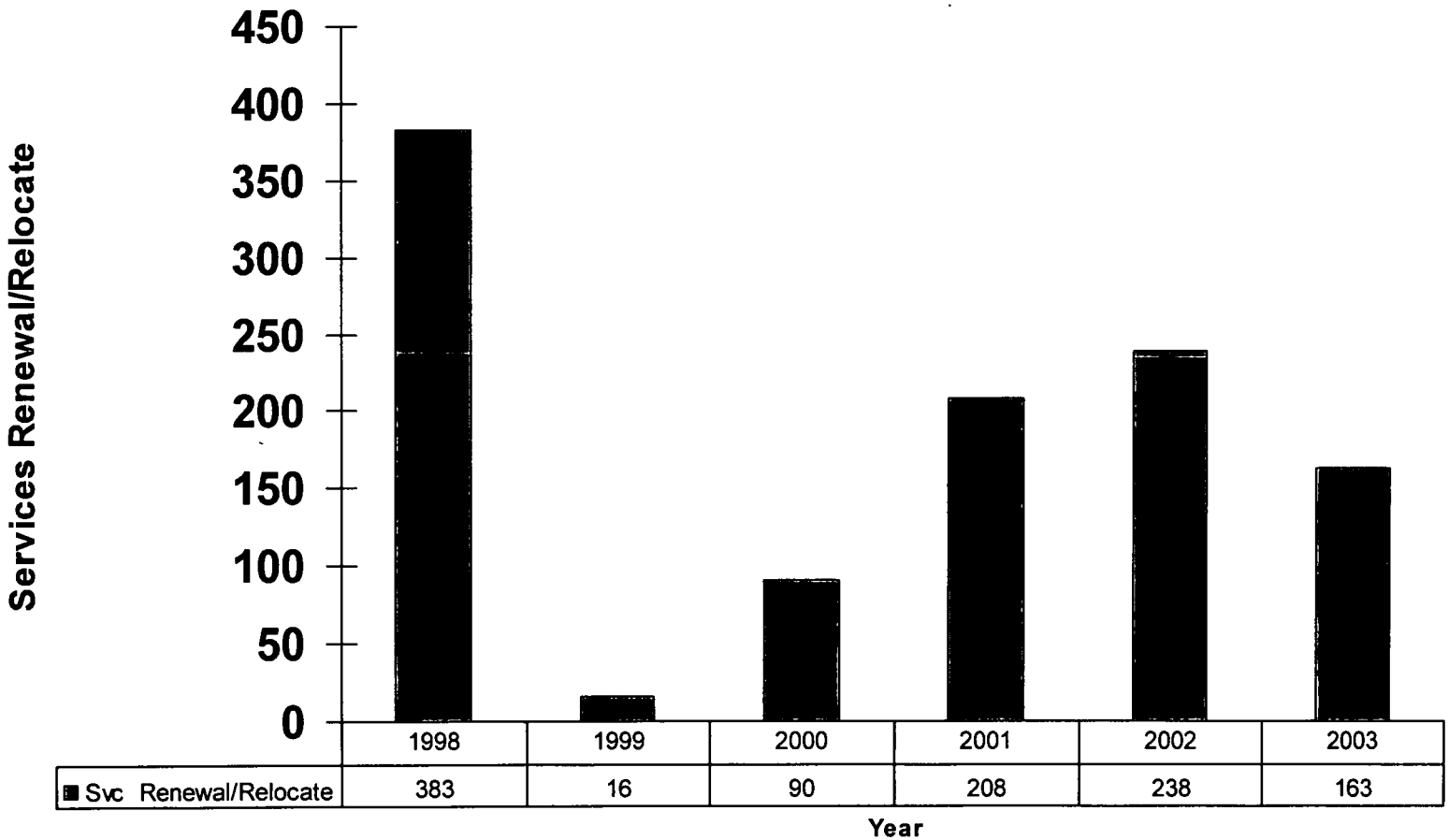
Service Quality Indicators
Construction Department Statistics
For Years 1998 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 5

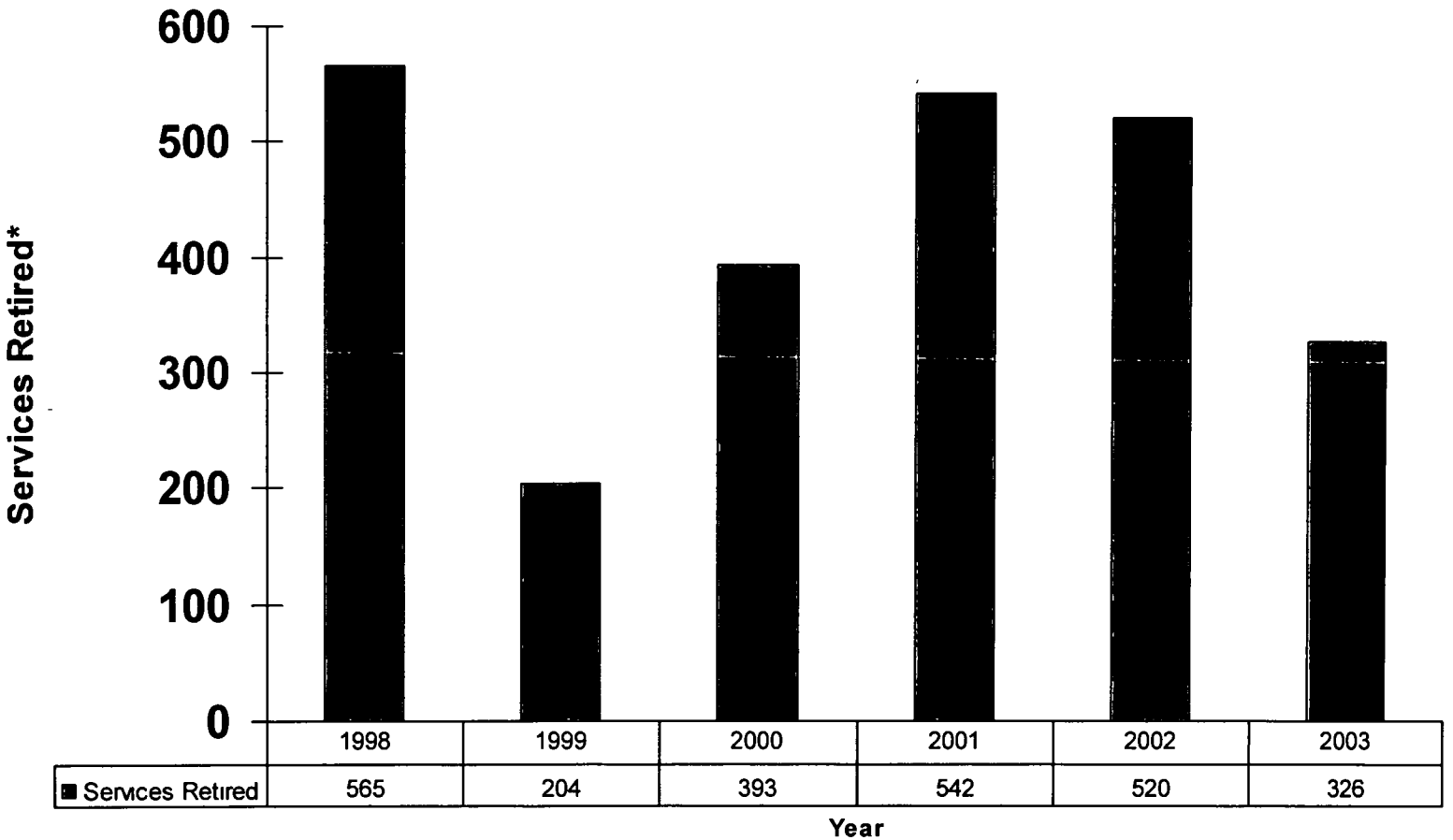
Service Quality Indicators
Construction Department Statistics
For Years 1998 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 6

Service Quality Indicators
Construction Department Statistics
For Years 1998 - 2003



Chattanooga Gas Company

EXHIBIT CAPD MDC 26 D 7

Service Quality Indicators

Construction Department Statistics

For Years 1998 - 2003