Chattanooga Gas Company

2207 Olan Mills Drive
Chattanooga, TN 37421
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March 8, 2004

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

Re: Chattanooga Gas Company
Responses to TRA Staff's Second Set of Data Requests
Docket No. 04-00034 – Petition of Chattanooga Gas Company for Approval of Adjustment of its Rates and Charges and Revised Tariff

Dear Chairman Tate,

Enclosed please find an original and 13 copies of Chattanooga Gas Company's responses to the following data requests issued by the TRA Staff on February 27, 2004:

Included are responses to the following questions:

46	47	48	49	51
53	54	55	57	

The following responses are expected to be filed Tuesday, March 16, 2004:

50	52	56	58

If there are any additional questions, I can be reached at 404-584-4263.

Sincerely,

Michael J. Morley
AGL Resources
Rates & Regulatory

Discovery Request No. 46

Provide the calculation of daily normal heating degree days for the thirty year period ending September 30, 2003.

Response

Previously, the Company did not have an accurate and consistent thirty year history of daily heating degree days for Chattanooga. Because of this, the Company used normal heating degree days for the thirty year period ending 2000 as calculated by the National Oceanic and Atmospheric Administration (NOAA) to define normal weather proposed in this case. These daily heating degree days are summarized at the following website: http://www.srh.noaa.gov/mrx/cha/chanorms.htm.

The Company now has a file containing daily heating degree day information for the thirty year period ending September 30, 2003. Attached is the file titled Schedule DR – 46A which contains these records of daily heating degree days and the calculation of daily normal heating degree days for the thirty year period ending September 30, 2003 based on this data.

Also attached is the file titled Schedule DR – 46B, which summarized normal heating degree days by day for the thirty year period ending 2000 developed by NOAA that was used by the Company as the basis to develop its weather normalization factors used to normalize test period usage and proposed attrition period usage in this case.

CHATTANOOGA GAS COMPANY

NORMAL DAILY WEATHER

For the 30 year penod endıng September 2003

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	24 10	23 30	18 47	9 40	2 50	0 17	0 00	0 00	0 00	1 70	7 37	19 63
2	24 40	22 17	17 67	8 13	2 30	0 03	0 00	0 00	0 00	2 33	8 73	19 73
3	24 03	22 60	16 93	8 03	2 63	0 00	0 00	0 00	0 03	2 77	9 50	19 20
4	25 63	23 67	14 80	7 33	2 87	0 00	0 00	0 00	0 03	3 07	11 10	18 80
5	26 90	25 33	14 87	9 43	2 57	0 00	0 00	0 00	0 03	3 13	12 10	20 17
6	23 97	26 93	14 53	9 70	1 83	0 07	0 00	0 00	0 03	3 43	13 93	22 23
7	22 97	26 57	15 07	9 20	2 13	0 07	0 00	0 00	0 00	4 60	12 73	21 57
8	26 70	26 10	15 30	6 83	2 33	0 00	0 00	0 00	0 00	4 20	12 60	19 83
9	26 30	24 53	16 27	8 67	1 83	0 00	0 00	0 00	0 00	4 87	12 07	21 57
10	26 57	23 50	17 70	8 57	1 50	0 03	0 00	0 00	0 00	4 73	12 70	22 47
11	28 83	21 47	16 43	6 50	1 37	0 00	0 00	0 00	0 10	3 60	14 40	22 10
12	28 50	23 40	15 07	5 43	0 97	0 00	0 00	0 00	0 00	4 23	15 53	21 40
13	25 50	22 87	14 17	4 60	1 10	0 13	0 00	0 00	0 10	4 63	16 77	20 03
14	26 33	19 63	14 13	3 67	0 73	0 03	0 00	0 00	0 33	5 40	16 40	21 23
15	26 27	18 67	13 90	5 17	1 00	0 00	0 00	0 00	0 30	4 83	15 57	20 63
16	26 33	17 90	13 23	6 37	1 50	0 00	0 00	0 00	0 07	5 17	15 53	21 83
17	26 27	20 30	13 20	6 33	0 90	0 13	0 00	0 00	0 23	5 60	14 73	22 77
18	25 70	19 83	11 60	5 83	0 70	0 10	0 00	0 00	0 40	6 33	14 77	25 33
19	26 07	17 40	11 47	5 23	0 83	0 00	0 00	0 00	0 40	7 77	12 73	23 63
20	26 97	17 47	12 13	4 17	1 03	0 00	0 00	0 00	0 27	7 80	13 00	23 40
21	26 60	15 73	12 83	4 00	1 03	0 00	0 00	0 00	0 37	7 20	15 47	25 70
22	25 90	17 20	13 90	4 20	0 90	0 00	0 00	0 00	1 03	7 07	16 67	25 53
23	25 00	15 70	11 77	4 57	0 30	0 00	0 00	0 00	1 77	7 43	15 67	23 10
24	24 10	17 20	10 57	4 40	0 10	0 00	0 00	0 00	1 83	7 50	15 00	24 63
25	24 07	19 00	10 27	4 13	0 63	0 07	0 00	0 00	1 73	7 43	15 60	27 63
26	26 23	19 00	11 97	4 27	0 97	0 13	0 00	0 00	1 03	7 17	16 33	27 37
27	25 90	18 63	10 63	3 87	0 50	0 00	0 00	0 00	1 27	7 80	14 13	24 57
28	23 37	17 63	8 47	3 67	0 47	0 10	0 00	0 00	1 57	7 57	16 60	23 00
29	22 73	18 80	7 83	3 63	0 77	0 00	0 00	0 00	1 53	8 00	19 53	24 07
30	22 23		7 93	2 60	0 53	0 00	0 00	0 00	1 67	7 17	19 00	23 97
31	22 77		9 80		0 40		0 00	0 03		7 57		21 57
Calendar Total Leap Year	**787**	**603**	**413**	**178**	**39**	**1**	**0**	**0**	**16**	**172**	**426**	**699**
Calendar Total Non-leap Year	**787**	**584**	**413**	**178**	**39**	**1**	**0**	**0**	**16**	**172**	**426**	**699**
Cycle Total Leap Year	**775**	**751**	**487**	**288**	**95**	**12**	**1**	**0**	**1**	**73**	**306**	**545**
Cycle Total Non-leap Year	**775**	**751**	**468**	**288**	**95**	**12**	**1**	**0**	**1**	**73**	**306**	**545**

NON-LEAP YEAR TOTAL	**3,334**
LEAP YEAR TOTAL	**3,315**

NOAA 30 YEAR NORMAL
HEATING DEGREE DAYS
1971 THROUGH 2000

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1	25	25	18	10	3	0	0	0	0	2	10	19	
2	25	25	18	9	3	0	0	0	0	3	11	19	
3	25	24	18	9	3	0	0	0	0	3	11	20	
4	26	24	17	9	3	0	0	0	0	3	11	20	
5	26	24	17	9	3	0	0	0	0	3	12	20	
6	26	24	17	8	3	0	0	0	0	3	12	20	
7	26	24	16	8	3	0	0	0	0	4	12	21	
8	26	24	16	8	2	0	0	0	0	4	12	21	
9	26	23	16	8	2	0	0	0	0	4	13	21	
10	26	23	16	8	2	0	0	0	0	4	13	21	
11	26	23	15	7	2	0	0	0	0	4	13	22	
12	26	23	15	7	2	0	0	0	0	5	14	22	
13	26	23	15	7	2	0	0	0	0	5	14	22	
14	26	22	14	7	2	0	0	0	0	5	14	22	
15	26	22	14	7	1	0	0	0	0	5	15	23	
16	26	22	14	6	1	0	0	0	0	6	15	23	
17	26	22	14	6	1	0	0	0	0	6	15	23	
18	26	21	13	6	1	0	0	0	0	6	16	23	
19	26	21	13	6	1	0	0	0	1	6	16	23	
20	26	21	13	5	1	0	0	0	1	7	16	23	
21	26	21	13	5	1	0	0	0	1	7	16	24	
22	26	20	12	5	1	0	0	0	1	7	17	24	
23	26	20	12	5	1	0	0	0	1	7	17	24	
24	26	20	12	5	1	0	0	0	1	8	17	24	
25	26	20	11	5	1	0	0	0	1	8	18	24	
26	25	19	11	4	1	0	0	0	1	8	18	24	
27	25	19	11	4	1	0	0	0	2	9	18	25	
28	25	19	11	4	0	0	0	0	2	9	18	25	
29	25	19	10	4	0	0	0	0	2	9	19	25	
30	25		10	4	0	0	0	0	2	10	19	25	
31	25		10		0		0	0		10		25	
TOTAL (NON LEAP)	797	618	432	195	48	0	0	0	16	180	442	697	3425
TOTAL (LEAP)	797	637	432	195	48	0	0	0	16	180	442	697	3444

SOURCE http //www srh noaa gov/mrx/cha/chanorms htm

Discovery Request No. 47

Provide a weather normalization calculation based upon monthly sales volumes and monthly cycle (16-15) heating degree days for the twelve months ended September 30, 2003 using the normal heating degree days calculated in item number 46 above.

Response

As requested, the Company has performed a weather normalization calculation using the requested information and methodology in Discovery Request #47. The weather normalization calculation and the results are represented in Schedule DR – 47. Again, this is a different set of weather data and calculation methodology than was used by the Company in this case.

SUMMARY OF WEATHER NORMALIZATION

Test Period Weather Normalized Usage (in Ccfs)

	Residential	Commercial	R-4 Master Metered
Oct-02	1,415,815	1,951,197	13,527
Nov-02	3,503,982	3,378,664	14,340
Dec-02	5,700,262	4,939,392	20,778
Jan-03	7,813,214	6,396,215	22,871
Feb-03	7,628,865	6,289,358	17,859
Mar-03	5,069,723	4,537,273	13,868
Apr-03	3,397,802	3,376,556	8,377
May-03	1,641,654	2,154,427	5,135
Jun-03	905,259	1,630,782	4,244
Jul-03	798,713	1,541,210	4,219
Aug-03	791,272	1,535,030	4,220
Sep-03	800,423	1,534,907	4,595

Weather Normalization Factors

	Residential	Commercial	R-4 Master Metered
Use per Degree Day	0 173678	0 731982	0 08818
Base Load	15 92	193 28	15 92

RESIDENTIAL

Actual Data

	Actual Usage in Ccfs	Actual Customers	Actual UPC	Actual Degree Days 16 to 15
Oct-02	831,320	49,600	16 76	7
Nov-02	2,239,404	50,724	44 15	288
Dec-02	6,267,630	51,523	121 65	693
Jan-03	7,305,670	51,902	140 76	692
Feb-03	8,922,020	52,128	171 16	859
Mar-03	5,783,970	52,129	110 95	458
Apr-03	2,904,850	51,494	56 41	218
May-03	1,609,710	50,657	31 78	36
Jun-03	940,230	50,237	18 72	1
Jul-03	760,310	49,882	15 24	0
Aug-03	708,250	49,703	14 25	0
Sep-03	699,750	49,746	14 07	0

Regression Results

Use per Degree Day	0 173678
Base Load	15 92

Normalization

	Normal Degree Days 16 to 15	Normalized UPC	Actual Customers	Total Normalized Usage
Oct-02	72 69	28 54	49,600	1,415,815
Nov-02	306 08	69 08	50,724	3,503,982
Dec-02	545 35	110 64	51,523	5,700,262
Jan-03	775 1	150 54	51,902	7,813,214
Feb-03	750 98	146 35	52,128	7,628,865
Mar-03	468 3	97 25	52,129	5,069,723
Apr-03	288 26	65 98	51,494	3,397,802
May-03	94 93	32 41	50,657	1,641,654
Jun-03	12 09	18 02	50,237	905,259
Jul-03	0 53	16 01	49,882	798,713
Aug-03	0	15 92	49,703	791,272
Sep-03	0 98	16 09	49,746	800,423

COMMERCIAL

Actual Data

	Actual Usage in Ccfs	Actual Customers	Actual UPC	Actual Degree Days 16 to 15
Oct-02	1,531,700	7,916	193	7
Nov-02	2,078,030	8,096	257	288
Dec-02	4,737,800	8,337	568	693
Jan-03	5,842,700	8,409	695	692
Feb-03	7,675,270	8,465	907	859
Mar-03	5,494,800	8,464	649	458
Apr-03	3,230,090	8,352	387	218
May-03	2,298,740	8,199	280	36
Jun-03	1,934,710	8,068	240	1
Jul-03	1,136,030	7,958	143	0
Aug-03	1,634,550	7,942	206	0
Sep-03	1,385,590	7,912	175	0

Use per Degree Day	0 731982
Base Load	193 28

Normalization

	Normal Degree Days 16 to 15	Normalized UPC	Actual Customers	Total Normalized Usage
Oct-02	72 69	246	7,916	1,951,197
Nov-02	306 08	417	8,096	3,378,664
Dec-02	545 35	592	8,337	4,939,392
Jan-03	775 1	761	8,409	6,396,215
Feb-03	750 98	743	8,465	6,289,358
Mar-03	468 3	536	8,464	4,537,273
Apr-03	288 26	404	8,352	3,376,556
May-03	94 93	263	8,199	2,154,427
Jun-03	12 09	202	8,068	1,630,782
Jul-03	0 53	194	7,958	1,541,210
Aug-03	0	193	7,942	1,535,030
Sep-03	0 98	194	7,912	1,534,907

R-4 MASTER METERED

Actual Data

	Actual Usage in Ccfs	Actual Units	Actual UPC	Actual Degree Days Calendar
Oct-02	8,110	435	19	88
Nov-02	18,380	268	69	512
Dec-02	20,010	268	75	710
Jan-03	25,180	268	94	878
Feb-03	18,550	265	70	614
Mar-03	11,010	265	42	333
Apr-03	7,200	265	27	114
May-03	5,690	265	21	3
Jun-03	4,210	265	16	0
Jul-03	4,270	265	16	0
Aug-03	4,410	265	17	0
Sep-03	3,980	265	15	21

Use per Degree Day	0 08818
Base Load	15 92

Normalization

	Normal Degree Days Calendar	Normalized UPC	Actual Units	Total Normalized Usage
Oct-02	172 1	31	435	13,527
Nov-02	426 26	54	268	14,340
Dec-02	698 69	78	268	20,778
Jan-03	787 24	85	268	22,871
Feb-03	583 73	67	265	17,859
Mar-03	412 91	52	265	13,868
Apr-03	177 93	32	265	8,377
May-03	39 22	19	265	5,135
Jun-03	1 06	16	265	4,244
Jul-03	0	16	265	4,219
Aug-03	0 03	16	265	4,220
Sep-03	16 12	17	265	4,595

ACTUAL HEATING DEGREE DAYS

Day	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
1	0	0	19	32	10	22	16	9	0	0	0	0	0
2	0	0	22	27	16	15	20	3	0	0	0	0	0
3	0	0	19	23	26	12	24	2	0	0	0	0	0
4	0	0	14	25	29	16	18	0	0	0	0	0	0
5	0	0	10	26	20	28	7	0	0	0	0	0	0
6	0	0	13	31	28	28	15	7	0	0	0	0	0
7	0	0	16	29	30	32	12	1	0	0	0	0	0
8	0	0	16	29	18	36	13	6	0	0	0	0	0
9	0	0	9	23	12	26	8	17	0	0	0	0	0
10	0	0	0	23	23	28	19	20	0	0	0	0	0
11	0	0	3	21	32	25	14	7	0	0	0	0	0
12	0	0	11	24	37	24	8	6	2	0	0	0	0
13	0	0	16	22	29	24	3	2	0	0	0	0	0
14	0	2	18	28	27	23	8	0	0	0	0	0	0
15	0	5	21	25	33	12	10	0	0	0	0	0	0
16	0	9	18	18	34	14	5	0	0	0	0	0	0
17	0	11	28	13	41	29	13	0	0	0	0	0	0
18	0	11	23	16	42	29	4	0	0	0	0	0	0
19	0	7	14	12	36	21	6	1	0	0	0	0	0
20	0	1	15	18	22	16	8	0	1	0	0	0	0
21	0	1	9	22	18	14	6	0	0	0	0	0	0
22	0	2	24	17	28	7	10	5	0	0	0	0	0
23	0	6	24	24	46	22	9	7	0	0	0	0	0
24	0	3	18	21	46	18	8	13	0	0	0	0	0
25	0	6	17	26	34	29	4	2	0	0	0	0	0
26	0	2	16	32	29	28	6	4	0	0	0	0	0
27	0	0	26	30	38	21	3	2	0	0	0	0	0
28	0	0	30	26	30	15	0	0	0	0	0	0	5
29	0	0	25	18	18		11	0	0	0	0	0	9
30	0	6	18	18	24		23	0	0	0	0	0	7
31		16		11	22		22		0		0	0	
TOTAL	0	88	512	710	878	614	333	114	3	0	0	0	21
16 to 15		7	288	693	692	859	458	218	36	1	0	0	0

NORMAL HEATING DEGREE DAYS PER DR - 46

Day	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	0	1 7	7 37	19 63	24 1	23 3	18 47	9 4	2 5	0 17	0	0	0
2	0	2 33	8 73	19 73	24 4	22 17	17 67	8 13	2 3	0 03	0	0	0
3	0 03	2 77	9 5	19 2	24 03	22 6	16 93	8 03	2 63	0	0	0	0 03
4	0 03	3 07	11 1	18 8	25 63	23 67	14 8	7 33	2 87	0	0	0	0 03
5	0 03	3 13	12 1	20 17	26 9	25 33	14 87	9 43	2 57	0	0	0	0 03
6	0 03	3 43	13 93	22 23	23 97	26 93	14 53	9 7	1 83	0 07	0	0	0 03
7	0	4 6	12 73	21 57	22 97	26 57	15 07	9 2	2 13	0 07	0	0	0
8	0	4 2	12 6	19 83	26 7	26 1	15 3	6 83	2 33	0	0	0	0
9	0	4 87	12 07	21 57	26 3	24 53	16 27	8 67	1 83	0	0	0	0
10	0	4 73	12 7	22 47	26 57	23 5	17 7	8 57	1 5	0 03	0	0	0
11	0 1	3 6	14 4	22 1	28 83	21 47	16 43	6 5	1 37	0	0	0	0 1
12	0	4 23	15 53	21 4	28 5	23 4	15 07	5 43	0 97	0	0	0	0
13	0 1	4 63	16 77	20 03	25 5	22 87	14 17	4 6	1 1	0 13	0	0	0 1
14	0 33	5 4	16 4	21 23	26 33	19 63	14 13	3 67	0 73	0 03	0	0	0 33
15	0 3	4 83	15 57	20 63	26 27	18 67	13 9	5 17	1	0	0	0	0 3
16	0 07	5 17	15 53	21 83	26 33	17 9	13 23	6 37	1 5	0	0	0	0 07
17	0 23	5 6	14 73	22 77	26 27	20 3	13 2	6 33	0 9	0 13	0	0	0 23
18	0 4	6 33	14 77	25 33	25 7	19 83	11 6	5 83	0 7	0 1	0	0	0 4
19	0 4	7 77	12 73	23 63	26 07	17 4	11 47	5 23	0 83	0	0	0	0 4
20	0 27	7 8	13	23 4	26 97	17 47	12 13	4 17	1 03	0	0	0	0 27
21	0 37	7 2	15 47	25 7	26 6	15 73	12 83	4	1 03	0	0	0	0 37
22	1 03	7 07	16 67	25 53	25 9	17 2	13 9	4 2	0 9	0	0	0	1 03
23	1 77	7 43	15 67	23 1	25	15 7	11 77	4 57	0 3	0	0	0	1 77
24	1 83	7 5	15	24 63	24 1	17 2	10 57	4 4	0 1	0	0	0	1 83
25	1 73	7 43	15 6	27 63	24 07	19	10 27	4 13	0 63	0 07	0	0	1 73
26	1 03	7 17	16 33	27 37	26 23	19	11 97	4 27	0 97	0 13	0	0	1 03
27	1 27	7 8	14 13	24 57	25 9	18 63	10 63	3 87	0 5	0	0	0	1 27
28	1 57	7 57	16 6	23	23 37	17 63	8 47	3 67	0 47	0 1	0	0	1 57
29	1 53	8	19 53	24 07	22 73		7 83	3 63	0 77	0	0	0	1 53
30	1 67	7 17	19	23 97	22 23		7 93	2 6	0 53	0	0	0	1 67
31		7 57		21 57	22 77		9 8		0 4		0	0 03	
TOTAL		172 1	426 26	698 69	787 24	583 73	412 91	177 93	39 22	1 06	0	0 03	16 12
16 to 15		72 69	306 08	545 35	775 1	750 98	468 3	288 26	94 93	12 09	0 53	0	0 98

Discovery Request No. 48

Provide a comparison of the coefficients of correlation from the weather normalization adjustment proposed by the Company in this case with that adopted in the Company's last rate case.

Response

The weather normalization adjustment (WNA) factors adopted in the Company's last rate case were part of a settlement between the Company and Tennessee Regulatory Authority Staff The Company and Authority Staff agreed to jointly issue the use of the existing WNA factors from the Company's 1995 rate case, Docket No. 95-02116. The Company cannot locate records of the calculation of the WNA factors, and resulting coefficients of correlation, developed in the 1995 case. Therefore, the Company cannot provide the requested comparison.

Correlation coefficients resulting from the WNA proposed by the Company in this case are as follows: Residential – R squared value = 0.94, Commercial C-1 – R squared valued = 0.69, R-4 Master Metered – R squared value = 0.96.

Discovery Request No. 49

Do the sales volumes posted and the revenues recorded for the commercial customer class include small commercial and small industrial customers or small commercial and large commercial customers? How does the Company distinguish between large commercial and small industrial customers on its C-1 tariff?

Response

The Company's C-1 Commercial and Industrial General Service class customers are subdivided into two groups for internal purposes, but are billed at the same rate. The C-1 class is comprised of small commercial customers with rate codes beginning with "3" (e.g. 311, 312, etc) and small industrial customers with rate codes beginning with "5" (e.g. 511, 512, etc). These are all firm customers billed in the Company's CIS.

The Company's I-1 Commercial and Industrial Large Volume Firm Service class customers are firm large volume users of an industrial nature. These customers are not billed through CIS, but through the same system as the Company's interruptible customers.

The Company files sales volumes and revenues with the Tennessee Regulatory Authority on a monthly basis. The Company files sales volumes and revenues on the "Monthly Schedule of Customers, Volumes, and Revenues" and revenues on the detailed Income Statement.

C-1 data reported on the "Monthly Schedule of Customers, Volumes, and Revenues" include

1. billed volumes from the entire C-1 customer class, including 300 series (small commercial C-1) and 500 series (small industrial C-1) customers
2. and billed revenues from the entire C-1 customer class, with revenues including base revenue, PGA revenue, ACA adjustment revenue, and IMCR adjustment revenue

C-1 revenues reported on the detailed Income Statement are divided into two accounts. Small commercial (300 series C-1) customers' revenues are recorded into account 400200 – Small Commercial. The revenue types recorded in 400200 are

1. Small Commercial C-1 base revenue
2. Small Commercial C-1 WNA revenue
3. Small Commercial C-1 PGA revenue
4. Small Commercial C-1 ACA revenue
5. Small Commercial C-1 IMCR revenue

6. Commercial C-1 unbilled base revenue
7. Commercial C-1 unbilled PGA revenue

Small industrial (500 series C-1) customers' revenues are recorded into account 400500 – Large Industrial. The revenue types recorded in 400500 are

1. Small Industrial C-1 base revenue
2. Small Industrial C-1 WNA revenue
3. Small Industrial C-1 PGA revenue
4. Small Industrial C-1 ACA revenue
5. Small Industrial C-1 IMCR revenue
6. I-1 firm industrial revenues

Discovery Request No. 51

Provide the monthly Multi-Family units billed from October 1, 1999 through December 31, 2001.

Response

Please see Schedule DR – 51 for the number of R-4 Multi-Family Housing Service customers and units by month from October 1, 1999 through December 31, 2001.

R-4 MASTER METERED
CUSTOMERS AND BILLING UNITS

	Customer 1	Customer 2	Customer 3	Customer 4	Customer 5	Total Customers	Total Units
Oct-99	66	119	56	170	80	5	491
Nov-99	66	119	56	170	80	5	491
Dec-99	66	119	56	170	80	5	491
Jan-00	66	119	56	170	80	5	491
Feb-00	66	119	56	170	80	5	491
Mar-00	66	119	56	170	80	5	491
Apr-00	66	119	56	170	80	5	491
May-00	66	119	56	170	80	5	491
Jun-00	66	119	56	170	80	5	491
Jul-00	66	119	56	170	80	5	491
Aug-00	66	119	56	170	80	5	491
Sep-00	66	119	56	170	80	5	491
Oct-00	66	119	56	170	80	5	491
Nov-00	66	119	56	170	80	5	491
Dec-00	66	119	56	170	80	5	491
Jan-01	66	119		170	80	4	435
Feb-01	66	119		170	80	4	435
Mar-01	66	119		170	80	4	435
Apr-01	66	119		170	80	4	435
May-01	66	119		170	80	4	435
Jun-01	66	119		170	80	4	435
Jul-01	66	119		170	80	4	435
Aug-01	66	119		170	80	4	435
Sep-01	66	119		170	80	4	435
Oct-01	66	119		170	80	4	435
Nov-01	66	119		170	80	4	435
Dec-01	66	119		170	80	4	435

Discovery Request No. 53

Provide the test year Standby Service sales volumes for the residential and commercial customer classes.

Response

According to the Company's tariff, "The revenue realized from the Standby Service Demand Charge shall be credited to the demand component of the "Deferred Gas Cost" account in accordance with the Purchased Gas Adjustment Provision." As such, the Company did not include any revenue associated with Standby Service in this case.

Please see the attached Schedule DR – 53 for the Standby Service demand Ccfs and Standby Service revenue for the test year ending September 30, 2003.

SUMMARY OF DEMAND CCFS
AND STANDBY SERVICE REVENUE
FOR THE 12 MONTHS ENDING
SEPTEMBER 30, 2003

	Residential			Commercial		
	Standby Service Demand Ccfs	Rate	Demand Revenue	Standby Service Demand Ccfs	Rate	Demand Revenue
Oct-02	75 1	$0 30	$22 53	262	$0 30	$78 60
Nov-02	75 1	$0 30	$22 53	262	$0 30	$78 60
Dec-02	75 1	$0 30	$22 53	262	$0 30	$78 60
Jan-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Feb-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Mar-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Apr-03	75 1	$0 30	$22 53	262	$0 30	$78 60
May-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Jun-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Jul-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Aug-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Sep-03	75 1	$0 30	$22 53	262	$0 30	$78 60
Total			$270 36			$943 20

Discovery Request No. 54

Provide a copy of the last Annual Information Filing (AIF) and any resulting decision relatıng to Virginia Natural gas Company by the Virginia State Corporation Commission.

Response

Please see attached printouts of the Virginia Natural Gas Company Annual Information Filing (Case No. PUE-2003-00004, dated April 8, 2003).

Discovery Request No. 55

It appears from the CGC Internal Financial Statements that the Company recorded $223,209 as CIAC to account number 376-Màins in December 2002. However, on the TRA FG, Item #64, Part C, the Company shows $4,351 recorded as CIAC. Please reconcile this difference.

Response

CGC currently accounts for CIAC as follows:

1. As cash is received, CIAC is recorded to a general ledger account separate from CGC's construction work in progress (CWIP) account. CGC's current process is not set-up to track CIAC at a project level.
2. On an annual basis, the activity with the CIAC general ledger account is transferred to CGC's asset management system and plant in service general ledger account. An asset with a negative value is created in the asset management system for the amount of CIAC that is being capitalized.

The $223,209 included as CIAC in the December 2002 internal financial statements represents the amount of CIAC transferred from the CIAC general ledger account to the plant in service account in 2002. This amount represents cash received for CIAC in months prior to December 2002.

The $4,351 included as CIAC in December 2002 in response to TRA FG Item #64 represents the cash received for CIAC during December 2002 month.

Discovery Request No. 57

On Pages 17 & 18 of Mr. Buchanan's testimony, he describes the procedures he used to complete the Industrial Revenues Growth Adjustment for the I-1, L-1, T-1, T-2, SS-1 and SC customers. Provide a detailed quantification of this calculation that supports the 65,538 Mcf and (314,294) Mcf adjustments shown on Company Exhibit PGB-4, Page 5 of 14.

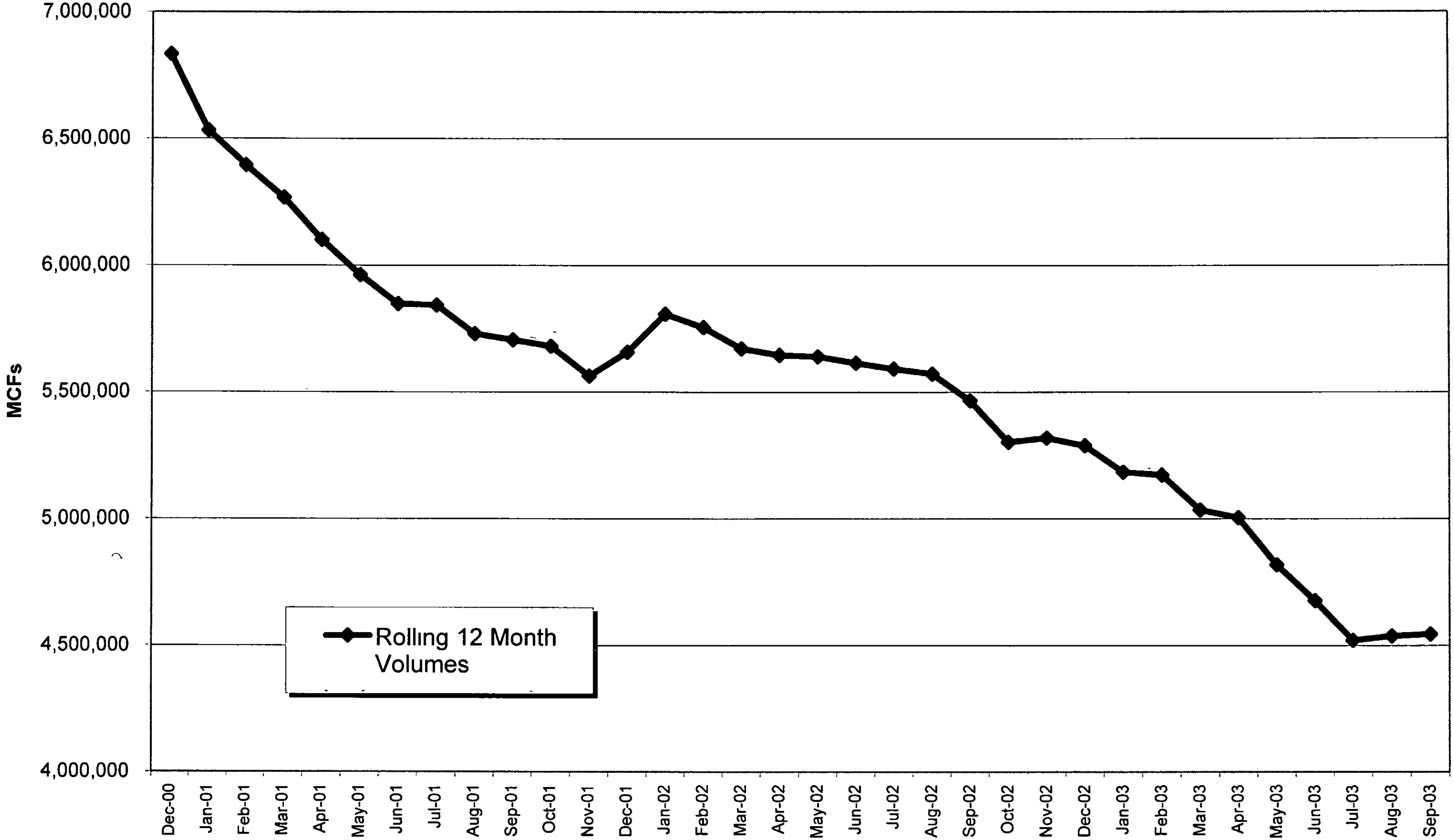
Response

Please see the attached Schedule DR-57 for a detailed calculation of adjustments made to test year data to forecast the attrition period for I-1, L-1, T-1, T-2 class customers, consumption, demand units, and, thus, revenues.

The forecasted increase from test period actual consumption to the attrition period for the I-1/T2 rate class of 65,538 was the result of adding 2 customers in July 2003. During the test period of October 2002 through September 2003, these customers were active for 3 months of the year. The average usage to date of these customers was 7,282 Mcfs per month. Test period actual consumption was increased by 7,282 Mcfs per month for 9 months to forecast attrition period consumption.

The forecasted change from test period actual consumption to attrition period consumption of the L-1/T-1 rate class of (314,294) was primarily due to the adjustment for declining use per customer. The annual average use per customer in 2001 was 11% lower than in 2000, 2002 was 4% lower than 2001, and 2003 was trending toward 11% lower than 2002. As a conservative forecast, a 4% decline in use per customer was used to lower the test period usage each year to forecast the attrition year. The chart labeled Exhibit DR-57B titled "Chattanooga Gas Company L1/T1 Rolling 12 Month Volumes" shows the trend of declining use per customer in the L-1/T-1 rate class.

CHATTANOOGA GAS COMPANY
L1 / T1 Rolling 12 Month Volumes
(MCFS)



Source: Monthly Schedule of Customers, Volumes, and Revenue

INDUSTRIALS
I1T2

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
HISTORY

Total Volumes (MCFS)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2000	133,731	130,611	147,234	127,990	113,856	119,273	111,316	117,946	111,692	119,674	142,719	159,594	1,535,634
2001	184,020	162,575	169,329	144,361	145,905	159,569	148,992	162,764	143,855	165,460	150,740	159,036	1,896,606
2002	163,834	153,000	161,620	144,094	146,770	142,427	122,265	121,233	144,493	152,187	157,028	157,180	1,766,131
2003	184,625	168,011	163,065	143,658	146,004	138,650	158,144	153,542	148,819				

Customers	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2000	25	25	27	27	27	27	27	27	27	27	29	29	324
2001	27	27	28	27	28	28	27	28	28	27	28	28	331
2002	27	27	26	27	28	28	28	28	30	28	28	26	331
2003	26	26	26	26	26	27	30	29	28				

UPC (MCFS)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVG
2000	5,349 24	5,224 45	5,453 10	4,740 36	4,216 89	4,417 50	4,122 80	4,368 36	4,136 74	4,432 36	4,921 34	5,503 25	4,739 61
2001	6,815 54	6,021 29	6,047 47	5,346 70	5,210 90	5,698 89	5,518 22	5,813 01	5,137 69	6,128 14	5,383 58	5,679 85	5,729 93
2002	6,067 93	5,666 68	6,216 17	5,336 81	5,241 77	5,086 66	4,366 60	4,329 75	4,816 43	5,435 25	5,608 14	6,045 38	5,335 74
2003	7,100 97	6,461 97	6,271 73	5,525 32	5,615 55	5,135 20	5,271 45	5,294 53	5,314 96				

Demand Units (MCFS)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2000	7,268	7,316	7,887	7,845	7,845	7,845	7,845	7,845	7,845	7,845	8,704	9,169	95,259
2001	9,270	9,077	9,116	9,116	9,116	9,116	8,957	9,195	8,957	8,957	9,042	8,850	108,769
2002	8,610	8,690	8,666	8,666	8,666	8,666	8,666	8,666	9,164	9,164	8,657	8,928	105,209
2003	9,024	9,024	9,056	8,874	8,715	8,715	8,715	8,715	8,715	-	-	-	

Sales Volumes (MCFS)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2000	69,554	116,039	125,792	114,723	110,066	115,652	97,387	105,068	101,841	111,302	65,198	151,365	1,283,986
2001	182,662	35,990	59,299	129,979	59,107	45,146	32,500	47,816	29,355	41,699	30,071	46,188	739,812
2002	46,434	47,911	53,759	26,392	28,000	14,566	15,266	15,593	20,868	20,584	26,113	20,694	336,178
2003	105,553	136,162	62,387	24,372	36,192	15,713	15,987	18,380	22,260	-	-	-	

Sales Volumes as % of Total Transportation Volumes	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVG
2000	52%	89%	85%	90%	97%	97%	87%	89%	91%	93%	46%	95%	84%
2001	99%	22%	35%	90%	41%	28%	22%	29%	20%	25%	20%	29%	39%
2002	28%	31%	33%	18%	19%	10%	12%	13%	14%	14%	17%	13%	19%
2003	57%	81%	38%	17%	25%	11%	10%	12%	15%				

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
STEP ANALYSIS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000												
First 1,500 Mcf Per Month	31,699	30,378	33,460	34,660	32,855	32,249	31,851	32,382	32,189	33,511	34,107	35,350
Next 2,500 Mcf	36,346	38,996	41,483	36,258	33,368	31,947	28,927	33,892	31,225	38,025	46,468	49,815
Next 11,000 Mcf	26,522	32,883	33,895	27,633	26,940	25,634	24,460	24,416	22,747	23,324	38,746	49,606
Over 15,000 Mcf	39,164	28,355	38,395	29,439	20,693	29,443	26,077	27,256	25,531	24,813	23,398	24,823
Total Volumes (MCFS)	133,731	130,611	147,234	127,990	113,856	119,273	111,316	117,946	111,692	119,674	142,719	159,594
2000 Step %												
First 1,500 Mcf Per Month	23 7%	23 3%	22 7%	27 1%	28 9%	27 0%	28 6%	27 5%	28 8%	28 0%	23 9%	22 2%
Next 2,500 Mcf	27 2%	29 9%	28 2%	28 3%	29 3%	26 8%	26 0%	28 7%	28 0%	31 8%	32 6%	31 2%
Next 11,000 Mcf	19 8%	25 2%	23 0%	21 6%	23 7%	21 5%	22 0%	20 7%	20 4%	19 5%	27 1%	31 1%
Over 15,000 Mcf	29 3%	21 7%	26 1%	23 0%	18 2%	24 7%	23 4%	23 1%	22 9%	20 7%	16 4%	15 6%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2001												
First 1,500 Mcf Per Month	35,549	35,816	35,921	34,315	34,805	34,220	34,393	34,471	35,121	35,937	35,910	34,438
Next 2,500 Mcf	51,595	49,410	51,355	39,961	39,261	38,597	34,125	40,031	36,417	47,379	45,137	41,696
Next 11,000 Mcf	68,508	45,619	50,532	43,947	39,562	42,919	38,187	46,543	37,988	45,380	37,461	45,097
Over 15,000 Mcf	28,368	31,730	31,521	26,138	32,277	43,833	42,287	41,720	34,330	36,764	32,233	37,805
Total Volumes (MCFS)	184,020	162,575	169,329	144,361	145,905	159,569	148,992	162,764	143,855	165,460	150,740	159,036
2001 Step %												
First 1,500 Mcf Per Month	19 3%	22 0%	21 2%	23 8%	23 9%	21 4%	23 1%	21 2%	24 4%	21 7%	23 8%	21 7%
Next 2,500 Mcf	28 0%	30 4%	30 3%	27 7%	26 9%	24 2%	22 9%	24 6%	25 3%	28 6%	29 9%	26 2%
Next 11,000 Mcf	37 2%	28 1%	29 8%	30 4%	27 1%	26 9%	25 6%	28 6%	26 4%	27 4%	24 9%	28 4%
Over 15,000 Mcf	15 4%	19 5%	18 6%	18 1%	22 1%	27 5%	28 4%	25 6%	23 9%	22 2%	21 4%	23 8%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
STEP ANALYSIS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002												
First 1,500 Mcf Per Month	33,432	33,163	33,147	32,906	32,291	31,647	31,640	31,656	33,430	34,593	32,909	34,418
Next 2,500 Mcf	48,007	45,753	45,717	40,427	39,844	34,296	31,916	34,857	37,130	41,489	41,497	43,704
Next 11,000 Mcf	50,909	44,970	43,877	34,151	36,301	37,156	36,041	34,786	35,201	32,584	38,685	46,873
Over 15,000 Mcf	31,486	29,115	38,879	36,610	38,334	39,328	22,668	19,934	38,732	43,521	43,937	32,185
Total Volumes (MCFS)	163,834	153,000	161,620	144,094	146,770	142,427	122,265	121,233	144,493	152,187	157,028	157,180
2002 Step %												
First 1,500 Mcf Per Month	20 4%	21 7%	20 5%	22 8%	22 0%	22 2%	25 9%	26 1%	23 1%	22 7%	21 0%	21 9%
Next 2,500 Mcf	29 3%	29 9%	28 3%	28 1%	27 1%	24 1%	26 1%	28 8%	25 7%	27 3%	26 4%	27 8%
Next 11,000 Mcf	31 1%	29 4%	27 1%	23 7%	24 7%	26 1%	29 5%	28 7%	24 4%	21 4%	24 6%	29 8%
Over 15,000 Mcf	19 2%	19 0%	24 1%	25 4%	26 1%	27 6%	18 5%	16 4%	26 8%	28 6%	28 0%	20 5%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2003												
First 1,500 Mcf Per Month	34,279	34,284	32,970	34,397	33,376	32,779	35,645	32,817	34,718			
Next 2,500 Mcf	50,043	48,051	44,677	37,266	37,877	35,736	37,353	36,951	36,758			
Next 11,000 Mcf	60,730	53,319	41,585	35,336	35,773	29,003	38,696	40,495	37,122			
Over 15,000 Mcf	39,573	32,358	43,834	36,659	38,978	41,133	46,450	43,279	40,221			
Total Volumes (MCFS)	184,625	168,011	163,065	143,658	146,004	138,650	158,144	153,542	148,819			
2003 Step %												
First 1,500 Mcf Per Month	18 6%	20 4%	20 2%	23 9%	22 9%	23 6%	22 5%	21 4%	23 3%			
Next 2,500 Mcf	27 1%	28 6%	27 4%	25 9%	25 9%	25 8%	23 6%	24 1%	24 7%			
Next 11,000 Mcf	32 9%	31 7%	25 5%	24 6%	24 5%	20 9%	24 5%	26 4%	24 9%			
Over 15,000 Mcf	21 4%	19 3%	26 9%	25 5%	26 7%	29 7%	29 4%	28 2%	27 0%			
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%			

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Step % Averages												
First 1,500 Mcf Per Month	20 50%	21 84%	21 17%	24 41%	24 39%	23 59%	25 03%	24 03%	24 92%	24 15%	22 89%	21 90%
Next 2,500 Mcf	27 91%	29 69%	28 55%	27 50%	27 33%	25 21%	24 65%	26 54%	25 92%	29 22%	29 64%	28 41%
Next 11,000 Mcf	30 26%	28 59%	26 38%	25 08%	25 00%	23 85%	25 39%	26 09%	24 02%	22 78%	25 55%	29 75%
Over 15,000 Mcf	21 34%	19 88%	23 91%	23 01%	23 28%	27 36%	24 93%	23 34%	25 14%	23 85%	21 92%	19 93%
Total Volumes (MCFS)	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF CUSTOMERS,
DEMAND UNITS, AND VOLUMES

CUSTOMERS

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	TOTAL
TEST YEAR	28	28	26	26	26	26	26	26	27	30	29	28	326
GAINS	2	2	2	2	2	2	2	2	2	0	0	0	18
LOSSES	-1	0	0	0	0	0	0	0	0	0	0	0	-1
	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	
FORECAST	29	30	28	28	28	28	28	28	29	30	29	28	343
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
FORECAST	29	30	28	28	28	28	28	28	29	30	29	28	343
GAINS	0	0	0										
LOSSES	0	0	0										
	Oct-05	Nov-05	Dec-05										
FORECAST	29	30	28										

DEMAND UNITS (MCFs)

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	TOTAL
TEST YEAR	9,164	8,657	8,928	9,024	9,024	9,056	8,874	8,715	8,715	8,715	8,715	8,715	106,302
GAINS	419	419	419	419	419	419	419	419	419	0	0	0	3,771
LOSSES	-600	0	0	0	0	0	0	0	0	0	0	0	-600
	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	
FORECAST	8,983	9,076	9,347	9,443	9,443	9,475	9,293	9,134	9,134	8,715	8,715	8,715	109,473
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
FORECAST	8,983	9,076	9,347	9,443	9,443	9,475	9,293	9,134	9,134	8,715	8,715	8,715	109,473
GAINS	0	0	0										
LOSSES	0	0	0										
	Oct-05	Nov-05	Dec-05										
FORECAST	8,983	9,076	9,347										

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF CUSTOMERS,
DEMAND UNITS, AND VOLUMES

TRANSPORTATION VOLUMES (MCFs)

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	TOTAL
TEST YEAR	152,187	157,028	157,180	184,625	168,011	163,065	143,658	146,004	138,650	158,144	153,542	148,819	1,870,913
GAINS	7,282	7,282	7,282	7,282	7,282	7,282	7,282	7,282	7,282	0	0	0	65,538
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	
FORECAST	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
FORECAST	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451
GAINS	0	0	0										
LOSSES	0	0	0										
	Oct-05	Nov-05	Dec-05										
FORECAST	159,469	164,310	164,462										

TRANSPORTATION VOLUMES IN STEPS /A

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
First 1,500 Mcf Per Month	38,513	37,615	36,018	39,338	38,288	36,057	36,841	37,391	34,420	39,581	36,895	37,093	
Next 2,500 Mcf	46,602	48,707	46,727	53,553	52,041	48,629	41,511	41,888	36,785	38,988	40,745	38,569	
Next 11,000 Mcf	36,320	41,973	48,933	58,065	50,118	44,935	37,860	38,326	34,803	40,149	40,061	35,746	
Over 15,000 Mcf	38,033	36,015	32,784	40,950	34,846	40,725	34,728	35,682	39,925	39,425	35,840	37,411	
TOTAL	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
First 1,500 Mcf Per Month	38,513	37,615	36,018	39,338	38,288	36,057	36,841	37,391	34,420	39,581	36,895	37,093	
Next 2,500 Mcf	46,602	48,707	46,727	53,553	52,041	48,629	41,511	41,888	36,785	38,988	40,745	38,569	
Next 11,000 Mcf	36,320	41,973	48,933	58,065	50,118	44,935	37,860	38,326	34,803	40,149	40,061	35,746	
Over 15,000 Mcf	38,033	36,015	32,784	40,950	34,846	40,725	34,728	35,682	39,925	39,425	35,840	37,411	
TOTAL	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451

	Oct-05	Nov-05	Dec-05
First 1,500 Mcf Per Month	38,513	37,615	36,018
Next 2,500 Mcf	46,602	48,707	46,727
Next 11,000 Mcf	36,320	41,973	48,933
Over 15,000 Mcf	38,033	36,015	32,784
TOTAL	159,469	164,310	164,462

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF CUSTOMERS,
DEMAND UNITS, AND VOLUMES

SALES VOLUMES (MCFs) /B

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
TEST YEAR % OF TOTAL	13 53%	16 63%	13 17%	57 17%	81 04%	38 26%	16 97%	24 79%	11 33%	10 11%	11 97%	14 96%	
FORECAST	21,568	27,324	21,653	109,716	142,063	65,173	25,607	37,998	16,538	15,987	18,380	22,260	524,267

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
TEST YEAR % OF TOTAL	13 53%	16 63%	13 17%	57 17%	81 04%	38 26%	16 97%	24 79%	11 33%	10 11%	11 97%	14 96%	
FORECAST	21,568	27,324	21,653	109,716	142,063	65,173	25,607	37,998	16,538	15,987	18,380	22,260	524,267

	Oct-05	Nov-05	Dec-05
TEST YEAR % OF TOTAL	13 53%	16 63%	13 17%
FORECAST	21,568	27,324	21,653

/A Forecasted Volumes Spread by % See "I1T2 Step Analysis" - Step % Averages
/B Sales Volumes % of Total from "I1T2 History" - Sales Volumes as a % of Total Transportation Volumes

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

CUSTOMER CHARGE

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Customers	29	30	28	28	28	28	28	28	29	30	29	28	343
Customer Charge Rate	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	
Customer Charge Revenue	$8,700	$9,000	$8,400	$8,400	$8,400	$8,400	$8,400	$8,400	$8,700	$9,000	$8,700	$8,400	$102,900

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
Customers	29	30	28	28	28	28	28	28	29	30	29	28	343
Customer Charge Rate	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	
Customer Charge Revenue	$8,700	$9,000	$8,400	$8,400	$8,400	$8,400	$8,400	$8,400	$8,700	$9,000	$8,700	$8,400	$102,900

	Oct-05	Nov-05	Dec-05
Customers	29	30	28
Customer Charge Rate	$300	$300	$300
Customer Charge Revenue	$8,700	$9,000	$8,400

DEMAND CHARGE

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Demand Units (MCFs)	8,983	9,076	9,347	9,443	9,443	9,475	9,293	9,134	9,134	8,715	8,715	8,715	109,473
Demand Charge Base Rate	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	
Demand Charge PGA Rate	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	
Demand Charge Base Revenue	$26,949	$27,228	$28,041	$28,329	$28,329	$28,425	$27,879	$27,402	$27,402	$26,145	$26,145	$26,145	$328,419
Demand Charge PGA Revenue	$55,104	$55,675	$57,337	$57,926	$57,926	$58,122	$57,006	$56,031	$56,031	$53,460	$53,460	$53,460	$671,540

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
Demand Units (MCFs)	8,983	9,076	9,347	9,443	9,443	9,475	9,293	9,134	9,134	8,715	8,715	8,715	109,473
Demand Charge Base Rate	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	$3 0000	
Demand Charge PGA Rate	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	$6 1343	
Demand Charge Base Revenue	$26,949	$27,228	$28,041	$28,329	$28,329	$28,425	$27,879	$27,402	$27,402	$26,145	$26,145	$26,145	$328,419
Demand Charge PGA Revenue	$55,104	$55,675	$57,337	$57,926	$57,926	$58,122	$57,006	$56,031	$56,031	$53,460	$53,460	$53,460	$671,540

	Oct-05	Nov-05	Dec-05
Demand Units (MCFs)	8,983	9,076	9,347
Demand Charge Base Rate	$3 0000	$3 0000	$3 0000
Demand Charge PGA Rate	$6 1343	$6 1343	$6 1343
Demand Charge Base Revenue	$26,949	$27,228	$28,041
Demand Charge PGA Revenue	$55,104	$55,675	$57,337

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

TRANSPORTATION CHARGE

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Transportation Volumes Rates													
First 1,500 Mcf Per Month	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	
Next 2,500 Mcf	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	
Next 11,000 Mcf	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	
Over 15,000 Mcf	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	
Transportation Volumes	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
First 1,500 Mcf Per Month	38,513	37,615	36,018	39,338	38,288	36,057	36,841	37,391	34,420	39,581	36,895	37,093	448,052
Next 2,500 Mcf	46,602	48,707	46,727	53,553	52,041	48,629	41,511	41,888	36,785	38,988	40,745	38,569	534,746
Next 11,000 Mcf	36,320	41,973	48,933	58,065	50,118	44,935	37,860	38,326	34,803	40,149	40,061	35,746	507,289
Over 15,000 Mcf	38,033	36,015	32,784	40,950	34,846	40,725	34,728	35,682	39,925	39,425	35,840	37,411	446,365
Total Volumes	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451
Transportation Volumes Revenue													
First 1,500 Mcf Per Month	$34,230	$33,432	$32,013	$34,964	$34,031	$32,048	$32,744	$33,233	$30,592	$35,180	$32,793	$32,968	$398,228
Next 2,500 Mcf	$35,409	$37,007	$35,503	$40,690	$39,541	$36,949	$31,540	$31,826	$27,949	$29,623	$30,958	$29,305	$406,300
Next 11,000 Mcf	$15,661	$18,099	$21,100	$25,038	$21,611	$19,376	$16,325	$16,526	$15,007	$17,312	$17,274	$15,414	$218,743
Over 15,000 Mcf	$10,079	$9,544	$8,688	$10,852	$9,234	$10,792	$9,203	$9,456	$10,580	$10,448	$9,498	$9,914	$118,287
Transportation Revenue	$95,379	$98,082	$97,304	$111,543	$104,417	$99,165	$89,813	$91,041	$84,129	$92,563	$90,523	$87,600	$1,141,558
Transportation Volumes	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
First 1,500 Mcf Per Month	38,513	37,615	36,018	39,338	38,288	36,057	36,841	37,391	34,420	39,581	36,895	37,093	448,052
Next 2,500 Mcf	46,602	48,707	46,727	53,553	52,041	48,629	41,511	41,888	36,785	38,988	40,745	38,569	534,746
Next 11,000 Mcf	36,320	41,973	48,933	58,065	50,118	44,935	37,860	38,326	34,803	40,149	40,061	35,746	507,289
Over 15,000 Mcf	38,033	36,015	32,784	40,950	34,846	40,725	34,728	35,682	39,925	39,425	35,840	37,411	446,365
Total Volumes	159,469	164,310	164,462	191,907	175,293	170,347	150,940	153,286	145,932	158,144	153,542	148,819	1,936,451
Transportation Volumes Revenue													TOTAL
First 1,500 Mcf Per Month	$34,230	$33,432	$32,013	$34,964	$34,031	$32,048	$32,744	$33,233	$30,592	$35,180	$32,793	$32,968	$398,228
Next 2,500 Mcf	$35,409	$37,007	$35,503	$40,690	$39,541	$36,949	$31,540	$31,826	$27,949	$29,623	$30,958	$29,305	$406,300
Next 11,000 Mcf	$15,661	$18,099	$21,100	$25,038	$21,611	$19,376	$16,325	$16,526	$15,007	$17,312	$17,274	$15,414	$218,743
Over 15,000 Mcf	$10,079	$9,544	$8,688	$10,852	$9,234	$10,792	$9,203	$9,456	$10,580	$10,448	$9,498	$9,914	$118,287
Transportation Revenue	$95,379	$98,082	$97,304	$111,543	$104,417	$99,165	$89,813	$91,041	$84,129	$92,563	$90,523	$87,600	$1,141,558
Transportation Volumes	Oct-05	Nov-05	Dec-05										
First 1,500 Mcf Per Month	38,513	37,615	36,018										
Next 2,500 Mcf	46,602	48,707	46,727										
Next 11,000 Mcf	36,320	41,973	48,933										
Over 15,000 Mcf	38,033	36,015	32,784										
Total Volumes	159,469	164,310	164,462										
Transportation Volumes Revenue													
First 1,500 Mcf Per Month	$34,230	$33,432	$32,013										
Next 2,500 Mcf	$35,409	$37,007	$35,503										
Next 11,000 Mcf	$15,661	$18,099	$21,100										
Over 15,000 Mcf	$10,079	$9,544	$8,688										
Transportation Revenue	$95,379	$98,082	$97,304										

CHATTANOOGA GAS COMPANY
I1/T2 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

SALES CHARGE

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Sales Volumes (MCFs)	21,568	27,324	21,653	109,716	142,063	65,173	25,607	37,998	16,538	15,987	18,380	22,260	524,267
Sales Volume Rate	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	
Sales Volume Revenue	$123,309	$156,213	$123,790	$627,258	$812,189	$372,601	$146,400	$217,236	$94,552	$91,397	$105,081	$127,263	$2,997,289

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
Sales Volumes (MCFs)	21,568	27,324	21,653	109,716	142,063	65,173	25,607	37,998	16,538	15,987	18,380	22,260	524,267
Sales Volume Rate	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	$5 7171	
Sales Volume Revenue	$123,309	$156,213	$123,790	$627,258	$812,189	$372,601	$146,400	$217,236	$94,552	$91,397	$105,081	$127,263	$2,997,289

	Oct-05	Nov-05	Dec-05
Sales Volumes (MCFs)	21,568	27,324	21,653
Sales Volume Rate	$5 7171	$5 7171	$5 7171
Sales Volume Revenue	$123,309	$156,213	$123,790

SUMMARY OF CHARGES

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
TOTAL BASE REVENUE	$131,028	$134,310	$133,745	$148,272	$141,146	$135,990	$126,092	$126,843	$120,231	$127,708	$125,368	$122,145	$1,572,877
TOTAL GAS REVENUE	$178,413	$211,888	$181,127	$685,184	$870,115	$430,723	$203,406	$273,267	$150,583	$144,857	$158,541	$180,723	$3,668,829
TOTAL REVENUE	$309,441	$346,198	$314,872	$833,457	$1,011,261	$566,713	$329,498	$400,110	$270,813	$272,565	$283,909	$302,869	$5,241,706

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
TOTAL BASE REVENUE	$131,028	$134,310	$133,745	$148,272	$141,146	$135,990	$126,092	$126,843	$120,231	$127,708	$125,368	$122,145	$1,572,877
TOTAL GAS REVENUE	$178,413	$211,888	$181,127	$685,184	$870,115	$430,723	$203,406	$273,267	$150,583	$144,857	$158,541	$180,723	$3,668,829
TOTAL REVENUE	$309,441	$346,198	$314,872	$833,457	$1,011,261	$566,713	$329,498	$400,110	$270,813	$272,565	$283,909	$302,869	$5,241,706

	Oct-05	Nov-05	Dec-05
TOTAL BASE REVENUE	$131,028	$134,310	$133,745
TOTAL GAS REVENUE	$178,413	$211,888	$181,127
TOTAL REVENUE	$309,441	$346,198	$314,872

INDUSTRIALS
L1T1

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
HISTORY

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Total Volumes (MCFS)													
2000	665,601	659,913	681,055	619,959	591,392	551,266	426,616	552,775	535,800	618,212	550,838	380,060	6,833,486
2001	363,682	522,899	554,069	452,470	454,006	436,861	421,436	441,114	510,555	593,215	433,139	474,219	5,657,666
2002	513,803	471,206	469,722	426,780	448,475	410,766	398,895	421,467	404,551	428,959	449,564	443,924	5,288,112
2003	409,872	460,215	330,773	396,221	263,212	269,449	241,880	438,895	411,680				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Customers													
2000	47	47	47	47	47	47	47	47	47	47	44	45	559
2001	43	44	43	44	43	43	44	45	43	44	43	42	521
2002	43	43	44	43	41	41	42	42	42	44	41	42	508
2003	42	42	41	42	41	41	39	40	41				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVG	DECLINING UPC %
UPC (MCFS)														
2000	14,162	14,041	14,491	13,191	12,583	11,729	9,077	11,761	11,400	13,153	12,519	8,446	12,224	
2001	8,458	11,884	12,885	10,283	10,558	10,160	9,578	9,803	11,873	13,482	10,073	11,291	10,859	-11%
2002	11,949	10,958	10,676	9,925	10,938	10,019	9,497	10,035	9,632	9,749	10,965	10,570	10,410	-4%
2003	9,759	10,957	8,068	9,434	6,420	6,572	6,202	10,972	10,041					

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Sales Volumes (MCFS)													
2000	178,513	161,104	193,766	275,787	659,260	605,174	23,413	12,945	506,872	647,926	46,189	50,836	3,361,784
2001	76,505	15,689	23,491	38,284	19,641	11,586	6,922	24,701	82,098	18,568	15,531	13,719	346,734
2002	12,758	16,250	30,789	6,459	5,340	5,399	9,146	2,191	11,513	16,456	21,887	9,047	147,234
2003	53,477	112,163	31,004	69,406	19,618	14,969	7,682	9,732	23,529				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVG
Sales Volumes as % of Total Transportation Volumes													
2000	26 8%	24 4%	28 5%	44 5%	111 5%	109 8%	5 5%	2 3%	94 6%	104 8%	8 4%	13 4%	49 2%
2001	21 0%	3 0%	4 2%	8 5%	4 3%	2 7%	1 6%	5 6%	16 1%	3 1%	3 6%	2 9%	6 1%
2002	2 5%	3 4%	6 6%	1 5%	1 2%	1 3%	2 3%	0 5%	2 8%	3 8%	4 9%	2 0%	2 8%
2003	13 0%	24 4%	9 4%	17 5%	7 5%	5 6%	3 2%	2 2%	5 7%				

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
STEP ANALYSIS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000												
First 1,500 Mcf Per Month	70,936	71,535	72,313	70,879	69,322	68,992	65,680	67,138	66,953	70,925	66,993	65,308
Next 2,500 Mcf	112,206	107,737	112,876	107,956	106,690	102,188	93,609	100,924	98,185	109,345	102,853	72,544
Next 11,000 Mcf	231,068	226,994	240,071	215,468	200,180	202,687	156,947	203,347	199,147	224,066	203,035	155,213
Over 15,000 Mcf	251,344	253,600	255,748	225,608	215,153	177,352	110,333	181,319	171,469	213,829	177,913	86,950
Total Volumes (MCFS)	665,554	659,866	681,008	619,912	591,345	551,219	426,569	552,728	535,753	618,165	550,794	380,015
2000 Step %												
First 1,500 Mcf Per Month	10 7%	10 8%	10 6%	11 4%	11 7%	12 5%	15 4%	12 1%	12 5%	11 5%	12 2%	17 2%
Next 2,500 Mcf	16 9%	16 3%	16 6%	17 4%	18 0%	18 5%	21 9%	18 3%	18 3%	17 7%	18 7%	19 1%
Next 11,000 Mcf	34 7%	34 4%	35 3%	34 8%	33 9%	36 8%	36 8%	36 8%	37 2%	36 2%	36 9%	40 8%
Over 15,000 Mcf	37 8%	38 4%	37 6%	36 4%	36 4%	32 2%	25 9%	32 8%	32 0%	34 6%	32 3%	22 9%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2001												
First 1,500 Mcf Per Month	54,028	59,005	58,234	60,981	60,935	60,859	61,564	61,777	64,267	64,591	59,485	64,240
Next 2,500 Mcf	69,205	91,769	92,345	86,693	89,260	84,745	85,736	85,177	88,386	98,818	89,749	93,772
Next 11,000 Mcf	148,979	190,367	191,457	156,029	158,831	146,579	145,605	150,560	172,133	198,219	150,403	166,032
Over 15,000 Mcf	91,427	181,713	211,990	148,723	144,938	144,636	128,487	143,555	185,727	231,543	133,460	150,133
Total Volumes (MCFS)	363,639	522,855	554,026	452,426	453,963	436,818	421,392	441,069	510,512	593,171	433,096	474,177
2001 Step %												
First 1,500 Mcf Per Month	14 9%	11 3%	10 5%	13 5%	13 4%	13 9%	14 6%	14 0%	12 6%	10 9%	13 7%	13 5%
Next 2,500 Mcf	19 0%	17 6%	16 7%	19 2%	19 7%	19 4%	20 3%	19 3%	17 3%	16 7%	20 7%	19 8%
Next 11,000 Mcf	41 0%	36 4%	34 6%	34 5%	35 0%	33 6%	34 6%	34 1%	33 7%	33 4%	34 7%	35 0%
Over 15,000 Mcf	25 1%	34 8%	38 3%	32 9%	31 9%	33 1%	30 5%	32 5%	36 4%	39 0%	30 8%	31 7%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
STEP ANALYSIS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002												
First 1,500 Mcf Per Month	60,584	58,859	59,138	59,828	58,553	58,335	58,843	58,584	58,665	58,029	57,051	57,156
Next 2,500 Mcf	94,302	92,245	94,530	90,058	86,874	82,406	83,207	79,156	78,404	83,195	86,116	86,836
Next 11,000 Mcf	181,728	164,735	154,911	152,483	148,399	139,932	134,820	140,119	141,271	148,429	159,551	154,091
Over 15,000 Mcf	177,145	155,323	161,100	124,367	154,608	130,052	121,983	143,566	126,170	139,262	146,805	145,799
Total Volumes (MCFS)	513,760	471,163	469,678	426,737	448,434	410,725	398,853	421,425	404,509	428,915	449,523	443,882
2002 Step %												
First 1,500 Mcf Per Month	11 8%	12 5%	12 6%	14 0%	13 1%	14 2%	14 8%	13 9%	14 5%	13 5%	12 7%	12 9%
Next 2,500 Mcf	18 4%	19 6%	20 1%	21 1%	19 4%	20 1%	20 9%	18 8%	19 4%	19 4%	19 2%	19 6%
Next 11,000 Mcf	35 4%	35 0%	33 0%	35 7%	33 1%	34 1%	33 8%	33 2%	34 9%	34 6%	35 5%	34 7%
Over 15,000 Mcf	34 5%	33 0%	34 3%	29 1%	34 5%	31 7%	30 6%	34 1%	31 2%	32 5%	32 7%	32 8%
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2003												
First 1,500 Mcf Per Month	56,901	56,512	55,317	56,237	53,802	51,756	48,324	58,216	56,231			
Next 2,500 Mcf	85,094	87,544	76,258	83,132	74,724	72,135	64,595	85,514	77,810			
Next 11,000 Mcf	161,348	169,918	124,846	135,880	97,668	105,625	97,771	157,600	137,287			
Over 15,000 Mcf	106,530	146,241	74,353	120,972	37,018	39,933	31,152	137,526	140,352			
Total Volumes (MCFS)	409,872	460,215	330,773	396,221	263,212	269,449	241,841	438,855	411,680			
2003 Step %												
First 1,500 Mcf Per Month	13 9%	12 3%	16 7%	14 2%	20 4%	19 2%	20 0%	13 3%	13 7%			
Next 2,500 Mcf	20 8%	19 0%	23 1%	21 0%	28 4%	26 8%	26 7%	19 5%	18 9%			
Next 11,000 Mcf	39 4%	36 9%	37 7%	34 3%	37 1%	39 2%	40 4%	35 9%	33 3%			
Over 15,000 Mcf	26 0%	31 8%	22 5%	30 5%	14 1%	14 8%	12 9%	31 3%	34 1%			
Total Volumes (MCFS)	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%			

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Step % Averages												
First 1,500 Mcf Per Month	12 80%	11 72%	12 61%	13 28%	14 66%	14 96%	16 19%	13 33%	13 31%	11 96%	12 86%	14 54%
Next 2,500 Mcf	18 75%	18 12%	19 11%	19 67%	21 37%	21 19%	22 47%	18 96%	18 48%	17 91%	19 52%	19 48%
Next 11,000 Mcf	37 61%	35 67%	35 13%	34 82%	34 76%	35 90%	36 39%	35 02%	34 79%	34 76%	35 69%	36 86%
Over 15,000 Mcf	30 84%	34 48%	33 15%	32 24%	29 21%	27 94%	24 96%	32 69%	33 42%	35 36%	31 92%	29 13%
Total Volumes (MCFS)	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
FORECAST OF CUSTOMERS AND VOLUMES

CUSTOMERS

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	TOTAL
TEST YEAR	44	41	42	42	42	41	42	41	41	39	40	41	496
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	-4	-2	-1	-1	-1	-1	-1	-1	0	0	0	0	-12
	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
NEXT YEAR FORECAST	40	39	41	41	41	40	41	40	41	39	40	41	484
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
2005 YEAR FORECAST	40	39	41	41	41	40	41	40	41	39	40	41	484
GAINS	0	0	0										0
LOSSES	0	0	0										0
	Oct-05	Nov-05	Dec-05										
2005 YEAR FORECAST	40	39	41										

TRANSPORTATION VOLUMES (MCFs) /C

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	TOTAL
TEST YEAR	428,959	449,564	443,924	409,872	460,215	330,773	396,221	263,212	269,449	241,880	438,895	411,680	4,544,644
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	-79	-84	0	0	0	0	0	0	0	0	0	0	-163
DECLINING UPC ADJUSTMENT (4%)	-17,155	-17,979	-17,757	-16,395	-18,409	-13,231	-15,849	-10,528	-10,778	-9,675	-17,556	-16,467	-181,779
	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	
NEXT YEAR FORECAST	411,725	431,500	426,167	393,477	441,806	317,542	380,372	252,684	258,671	232,205	421,339	395,213	4,362,702
GAINS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
DECLINING UPC ADJUSTMENT (4%)	-16,469	-17,260	-17,047	-15,739	-17,672	-12,702	-15,215	-10,107	-10,347	-9,288	-16,854	-15,809	-174,508
	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
NEXT YEAR FORECAST	395,256	414,240	409,121	377,738	424,134	304,840	365,157	242,576	248,324	222,917	404,486	379,404	4,188,193
GAINS	0	0	0										
LOSSES	0	0	0										
DECLINING UPC ADJUSTMENT (4%)	-15,810	-16,570	-16,365										
	Oct-05	Nov-05	Dec-05										
NEXT YEAR FORECAST	379,446	397,671	392,756										

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
FORECAST OF CUSTOMERS AND VOLUMES

FORECAST
TRANSPORTATION VOLUMES IN STEPS /D

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
First 1,500 Mcf Per Month	49,258	55,504	61,950	50,356	51,799	40,045	50,519	37,045	38,710	37,583	56,164	52,610	
Next 2,500 Mcf	73,760	84,219	83,001	73,784	80,054	60,669	74,802	53,990	54,821	52,166	79,885	73,038	
Next 11,000 Mcf	143,101	154,021	157,076	147,972	157,608	111,565	132,438	87,832	92,861	84,509	147,559	137,495	
Over 15,000 Mcf	145,605	137,756	124,141	121,366	152,344	105,262	122,614	73,817	72,279	57,947	137,731	132,069	
TOTAL	411,725	431,500	426,167	393,477	441,806	317,542	380,372	252,684	258,671	232,205	421,339	395,213	4,362,702

TRANSPORTATION VOLUMES IN STEPS

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
First 1,500 Mcf Per Month	47,288	53,284	59,472	48,342	49,727	38,443	48,498	35,564	37,161	36,080	53,918	50,505	
Next 2,500 Mcf	70,810	80,851	79,681	70,832	76,852	58,243	71,810	51,830	52,629	50,079	76,690	70,117	
Next 11,000 Mcf	137,377	147,860	150,793	142,053	151,304	107,102	127,140	84,318	89,146	81,128	141,656	131,996	
Over 15,000 Mcf	139,781	132,245	119,175	116,511	146,251	101,052	117,709	70,864	69,388	55,629	132,222	126,786	
TOTAL	395,256	414,240	409,121	377,738	424,134	304,840	365,157	242,576	248,324	222,917	404,486	379,404	4,188,193

TRANSPORTATION VOLUMES IN STEPS

	Oct-05	Nov-05	Dec-05
First 1,500 Mcf Per Month	45,396	51,153	57,093
Next 2,500 Mcf	67,977	77,616	76,494
Next 11,000 Mcf	131,882	141,946	144,761
Over 15,000 Mcf	134,190	126,956	114,408
TOTAL	379,446	397,671	392,756

SALES VOLUMES (MCFs) /E

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
TEST YEAR % OF TOTAL VOLUME	3 84%	4 87%	2 04%	13 05%	24 37%	9 37%	17 52%	7 45%	5 56%	3 18%	2 22%	5 72%	
FORECAST	15,794	21,007	8,685	51,337	107,676	29,764	66,629	18,833	14,370	7,375	9,343	22,588	373,402

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	
TEST YEAR % OF TOTAL VOLUME	3 84%	4 87%	2 04%	13 05%	24 37%	9 37%	17 52%	7 45%	5 56%	3 18%	2 22%	5 72%	
FORECAST	15,163	20,167	8,337	49,284	103,369	28,573	63,964	18,080	13,795	7,080	8,969	21,684	358,466

	Oct-05	Nov-05	Dec-05
TEST YEAR % OF TOTAL VOLUME	3 84%	4 87%	2 04%
FORECAST	14,556	19,360	8,004

/C Declining UPC adjustment from "L1T1 History"
/D Forecasted Volumes Spread by % See"L1T1 Step Analysis" - Step % Averages
/E Sales Volumes % of Total from "L1T1 History" - Sales Volumes as a % of Total Transportation Volumes

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

CUSTOMER CHARGE

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
# Customers	40	39	41	41	41	40	41	40	41	39	40	41	484
Customer Charge Rate	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	
Customer Charge Revenue	$12,000	$11,700	$12,300	$12,300	$12,300	$12,000	$12,300	$12,000	$12,300	$11,700	$12,000	$12,300	$145,200

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
# Customers	40	39	41	41	41	40	41	40	41	39	40	41	484
Customer Charge Rate	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	
Customer Charge Revenue	$12,000	$11,700	$12,300	$12,300	$12,300	$12,000	$12,300	$12,000	$12,300	$11,700	$12,000	$12,300	$145,200

	Oct-05	Nov-05	Dec-05
# Customers	40	39	41
Customer Charge Rate	$300	$300	$300
Customer Charge Revenue	$12,000	$11,700	$12,300

TRANSPORTATION CHARGE

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Transportation Volumes Rates												
First 1,500 Mcf Per Month	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888	$0 8888
Next 2,500 Mcf	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598	$0 7598
Next 11,000 Mcf	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312	$0 4312
Over 15,000 Mcf	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650	$0 2650

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Transportation Volumes													
First 1,500 Mcf Per Month	49,258	55,504	61,950	50,356	51,799	40,045	50,519	37,045	38,710	37,583	56,164	52,610	581,544
Next 2,500 Mcf	73,760	84,219	83,001	73,784	80,054	60,669	74,802	53,990	54,821	52,166	79,885	73,038	844,190
Next 11,000 Mcf	143,101	154,021	157,076	147,972	157,608	111,565	132,438	87,832	92,861	84,509	147,559	137,495	1,554,035
Over 15,000 Mcf	145,605	137,756	124,141	121,366	152,344	105,262	122,614	73,817	72,279	57,947	137,731	132,069	1,382,932
Total Volumes	411,725	431,500	426,167	393,477	441,806	317,542	380,372	252,684	258,671	232,205	421,339	395,213	4,362,702

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Transportation Volumes Revenue													
First 1,500 Mcf Per Month	$43,781	$49,332	$55,061	$44,756	$46,039	$35,592	$44,901	$32,926	$34,405	$33,404	$49,919	$46,760	$516,877
Next 2,500 Mcf	$56,043	$63,990	$63,064	$56,061	$60,825	$46,097	$56,834	$41,022	$41,653	$39,636	$60,697	$55,494	$641,415
Next 11,000 Mcf	$61,705	$66,414	$67,731	$63,805	$67,961	$48,107	$57,107	$37,873	$40,041	$36,440	$63,627	$59,288	$670,100
Over 15,000 Mcf	$38,585	$36,505	$32,897	$32,162	$40,371	$27,894	$32,493	$19,561	$19,154	$15,356	$36,499	$34,998	$366,477
Transportation Revenue	$200,114	$216,241	$218,753	$196,785	$215,197	$157,690	$191,335	$131,382	$135,254	$124,836	$210,741	$196,540	$2,194,869

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
Transportation Volumes													
First 1,500 Mcf Per Month	47,288	53,284	59,472	48,342	49,727	38,443	48,498	35,564	37,161	36,080	53,918	50,505	558,283
Next 2,500 Mcf	70,810	80,851	79,681	70,832	76,852	58,243	71,810	51,830	52,629	50,079	76,690	70,117	810,422
Next 11,000 Mcf	137,377	147,860	150,793	142,053	151,304	107,102	127,140	84,318	89,146	81,128	141,656	131,996	1,491,874
Over 15,000 Mcf	139,781	132,245	119,175	116,511	146,251	101,052	117,709	70,864	69,388	55,629	132,222	126,786	1,327,615
Total Volumes	395,256	414,240	409,121	377,738	424,134	304,840	365,157	242,576	248,324	222,917	404,486	379,404	4,188,193

	Oct-04	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Transportation Volumes Revenue													
First 1,500 Mcf Per Month	$42,030	$47,359	$52,859	$42,966	$44,198	$34,169	$43,105	$31,609	$33,029	$32,068	$47,922	$44,889	$496,202
Next 2,500 Mcf	$53,801	$61,430	$60,542	$53,818	$58,392	$44,253	$54,561	$39,381	$39,987	$38,050	$58,269	$53,275	$615,759
Next 11,000 Mcf	$59,237	$63,757	$65,022	$61,253	$65,242	$46,182	$54,823	$36,358	$38,440	$34,983	$61,082	$56,917	$643,296
Over 15,000 Mcf	$37,042	$35,045	$31,581	$30,876	$38,756	$26,779	$31,193	$18,779	$18,388	$14,742	$35,039	$33,598	$351,818
Transportation Revenue	$192,110	$207,592	$210,003	$188,913	$206,589	$151,382	$183,682	$126,127	$129,844	$119,843	$202,312	$188,679	$2,107,074

	Oct-05	Nov-05	Dec-05
Transportation Volumes			
First 1,500 Mcf Per Month	45,396	51,153	57,093
Next 2,500 Mcf	67,977	77,616	76,494
Next 11,000 Mcf	131,882	141,946	144,761
Over 15,000 Mcf	134,190	126,956	114,408
Total Volumes	379,446	397,671	392,756

	Oct-04	Nov-03	Dec-03
Transportation Volumes Revenue			
First 1,500 Mcf Per Month	$40,348	$45,465	$50,744
Next 2,500 Mcf	$51,649	$58,973	$58,120
Next 11,000 Mcf	$56,868	$61,207	$62,421
Over 15,000 Mcf	$35,560	$33,643	$30,318
Transportation Revenue	$184,425	$199,288	$201,603

CHATTANOOGA GAS COMPANY
L1/T1 INDUSTRIAL CUSTOMERS
FORECAST OF REVENUES

SALES CHARGES

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	TOTAL
Sales Volumes (MCFs)	15,794	21,007	8,685	51,337	107,676	29,764	66,629	18,833	14,370	7,375	9,343	22,588	$373,402
Sales Volume Rate	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	
Sales Volume Revenue	$100,087	$133,122	$55,035	$51,344	$107,683	$29,770	$66,636	$18,840	$14,376	$7,381	$9,349	$22,594	$616,216

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	TOTAL
Sales Volumes (MCFs)	15,163	20,167	8,337	49,284	103,369	28,573	63,964	18,080	13,795	7,080	8,969	21,684	$358,466
Sales Volume Rate	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	$6 3369	
Sales Volume Revenue	$96,084	$127,797	$52,834	$49,290	$103,375	$28,579	$63,971	$18,086	$13,802	$7,086	$8,975	$21,690	$591,571

	Oct-05	Nov-05	Dec-05
Sales Volumes (MCFs)	14,556	19,360	8,004
Sales Volume Rate	$6 3369	$6 3369	$6 3369
Sales Volume Revenue	$92,241	$122,685	$50,720

SUMMARY OF CHARGES

	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04
2004 TOTAL BASE REVENUE	$212,114	$227,941	$231,053	$209,085	$227,497	$169,690	$203,635	$143,382	$147,554	$136,536	$222,741	$208,840
2004 TOTAL GAS REVENUE	$100,087	$133,122	$55,035	$51,344	$107,683	$29,770	$66,636	$18,840	$14,376	$7,381	$9,349	$22,594
2004 TOTAL REVENUE	$312,201	$361,063	$286,088	$260,428	$335,179	$199,460	$270,271	$162,222	$161,930	$143,917	$232,090	$231,434

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
2004 TOTAL BASE REVENUE	$204,110	$219,292	$222,303	$201,213	$218,889	$163,382	$195,982	$138,127	$142,144	$131,543	$214,312	$200,979
2004 TOTAL GAS REVENUE	$96,084	$127,797	$52,834	$49,290	$103,375	$28,579	$63,971	$18,086	$13,802	$7,086	$8,975	$21,690
2004 TOTAL REVENUE	$300,194	$347,089	$275,137	$250,504	$322,264	$191,962	$259,952	$156,213	$155,945	$138,629	$223,287	$222,669

	Oct-05	Nov-05	Dec-05
2004 TOTAL BASE REVENUE	$196,425	$210,988	$213,903
2004 TOTAL GAS REVENUE	$92,241	$122,685	$50,720
2004 TOTAL REVENUE	$288,666	$333,673	$264,623

BEFORE THE
STATE CORPORATION COMMISSION
COMMONWEALTH OF VIRGINIA

Virginia Natural Gas, Inc.

Case No. PUE-2003-00004

Annual Informational Filing
Based on the 12 Months Ended September 30, 2002

Schedules Included: 1-5, 9-17, 19-20, 25 and 30
Schedules Provided Under Separate Cover: 6 and 21

Filed April 8, 2003

VIRGINIA NATURAL GAS, INC.
ANNUAL INFORMATIONAL FILING
TWELVE MONTHS ENDED SEPTEMBER 30, 2002

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Virginia Natural Gas, Inc.
Historic Profitability and Market Data
(dollars in millions)

Company Profitability And Capital Market Data	(1) 1998	(2) 1999	(3) 2000	(4) 2001	(5) Test Year Ended September 30, 2002
A. Ratios *					
Return on Year End Equity	12 3%	11 2%	11 5%	13 2%	13 2%
Return on Average Equity-Reported Earnings	12 6%	11 3%	11 1%	13 8%	13 4%
Earnings Per Share-Reported	$1 41	$1 30	$1 29	$1 63	$1 73
Earnings Per Share-Core	$1 56	$0 91	$1 24	$1 50	$1 73
Dividends Per Share	$1 08	$1 08	$1 08	$1 08	$1 08
Payout Ratio	76 6%	83 1%	83 7%	66 3%	62 4%
Market Price of Common Stock - as of September 30,	$15 65	$13 71	$18 24	$19 04	$21 83
Year's High	$17 33	$18 73	$18 45	$23 12	$23 36
Year's Low	$13 79	$13 44	$13 73	$17 49	$17 50
Average Price	$15 43	$15 96	$15 49	$20 44	$21 44
Dividend Yield on Common Stock	7 0%	6 8%	7 0%	5 3%	5 0%
Price Earnings Ratio	10 9	12 3	12 0	12 5	12 4
B. External Funds Raised *					
External Funds Raised - Debt					
Dollar Amount Raised	$150 5	$108 5	$141 2	$1,110 0	$430 4
Type					
Commercial Paper (short-term)**	-	-	-	$660 0	$423 3
Line of credit (short-term) **	150 5	108 5	141 2	-	7 1
Senior Notes (long-term) ***	-	-	-	300 0	-
Preferred Securities (long-term) ***	-	-	-	150 0	-
Total	$150 5	$108 5	$141 2	$1,110 0	$430.4
Line of credit (Weighted Average)****	5 8%	5 6%	7 0%	N/A	2 2%
Commercial Paper (Weighted Average)****	N/A	N/A	N/A	6 0%	2 6%
Preferred Securities	N/A	N/A	N/A	8 0%	N/A
Senior Notes	N/A	N/A	N/A	7 125%	N/A
Rating(s)					
Commercial Paper	N/A	N/A	N/A	A-2	A-2
Preferred Securities	N/A	N/A	N/A	BBB	N/A
Senior Notes	N/A	N/A	N/A	BBB+	N/A
(Rating Service)	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
External Funds Raised - Common Equity					
Dollar Amount From Public Offering	-	-	-	-	-
Dollar Amount From Other Sources	-	-	-	-	-
No Shares Issued Public	-	-	-	-	-
No Shares Issued Other	-	-	-	-	-
Average Offering Price - Public Offering	N/A	N/A	N/A	N/A	N/A
Average Offering Price - Other Sources	N/A	N/A	N/A	N/A	N/A
C. Subsidiary Data for VNG					
Return on Year End Equity	5 97%	3 24%	5 79%	4 89%	4 83%
Return on Average Equity	6 02%	3 23%	5 91%	6 96%	4 05%
Equity Capital Transfer From Parent	-	-	-	-	-
AGL Resources Money Pool					
Total Amount Borrowed	N/A	N/A	N/A	$201 2	$60 0
Highest Amount Outstanding - receivable (payable)	N/A	N/A	N/A	57 6	58 3
Balance Due End of Test Period - receivable (payable)	N/A	N/A	N/A	54 8	41 4
Interest Rate Range	N/A	N/A	N/A	3 9% - 7 9%	2 1% - 3 7%

* Data for AGL Resources Inc
** Commercial paper & line of credit includes highest amount outstanding during year
*** Issued to refinance portions of outstanding commercial paper
****Line of credit refinanced with commercial paper in October 2000

Virginia Natural Gas, Inc.
Interest and Cash Flow Coverage Data
(dollars in millions)
Case No. PUE-2003-________

Coverage Ratios and Cash Flow Profile Data	(1) 1998	(2) 1999	(3) 2000	(4) 2001	(5) Test Year Ended September 30, 2002
A. Consolidated Company Data*					
Interest Coverage Ratios					
Pre-Tax Method	3 29	3 21	3.10	2.67	3.15
Cash Flow Coverage Ratios					
a. Common Dividend Coverage	2 73	2.68	3.25	3 47	4.41
b. Cash Flow Coverage of Construction Expenditures	1 43	1.13	1 23	1.31	1.44
c. Cash after Dividend Coverage of Construction Expenditures	0 91	0.71	0.85	0.93	1.12
Data for Interest Coverage					
1. Net Income	$80 6	$74.4	$71.1	$88 9	$96 7
2 Income Taxes	38.8	39 1	37.2	49.9	52.9
3. Total interest expense (before reduction for AFUDC)	54 8	53.7	53 6	88.4	75.8
4 Dividends on preferred stock	6 7	6.1	6.1	10 5	15.4
5 Earnings for interest coverage	180 9	173 3	168 0	237.7	240.8
5. AFUDC - debt portion	(0 4)	(0.7)	(2 0)	(1.5)	(2.0)
6. Earnings before Interest and Taxes	180.5	172 6	166 0	236.2	238.8
Data for Cash Flow Coverage					
7. Net Income	$80 6	$74.4	$71.1	$88.9	$96.7
8 AFUDC	(0 4)	(0.7)	(2 0)	(1.5)	(2.0)
9 Depreciation and Amortization	71 1	78 8	83 2	100 0	90.2
10.Impairment of Gas and Oil Prop	-	-	-	-	-
11.Change in Deferred Taxes	11.3	9 0	37.1	6.7	72.5
12.Change in Investment Tax Credits	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
13.Preferred Dividends Paid	6.7	6 1	6 1	10 5	15.4
14.Cash Flow Generated	168.0	166 3	194 2	203 3	271.5
15.Construction Expenditures	117.3	147 3	157 8	155.7	188.2
16.Common Dividends Paid	61 5	62 1	59 8	58 6	61.5

* Data for AGL Resources Inc.

AGL RESOURCES, INC.
CAPITAL STRUCTURE AND COST OF CAPITAL STATEMENT - PER BOOKS AND AVERAGE
CASE NO PUE-2003-_______

	(1) 1998	(2) 1999	(3) 2000	(4) 2001	(5) Test Year Ended Sep 30, 2002	(6) Average*
A Capital Structure Per Balance Sheet ($000's)						
Short Term Debt	$76,500	$1,500	$141,200	$303,400	$320,200	$327,300
Other Current Liabilities	$0	$0	$0	$0	$0	$0
Long Term Debt	$660,000	$660,000	$610,000	$890,000	$845,000	$867,500
Preferred Stock	$74,300	$74,300	$74,300	$219,900	$225,506	$220,450
Common Equity	$654,100	$661,500	$620,900	$671,400	$732,105	$722,425
Investment Tax Credits	$12	$67	$35	$13	$2	$26
Other Deferred Credits	$0	$0	$0	$0	$0	$0
Other Liabilities	$0	$0	$0	$0	$0	$0
Total Capitalization	$1,464,912	$1,397,367	$1,446,435	$2,084,713	$2,122,814	$2,137,701
B Capital Structure for Ratemaking Purposes ($000's)						
Short Term Debt	$142,172	$154,467	$185,243	$204,548	$208,286	$209,747
Long Term Debt	$503,715	$527,003	$544,422	$778,019	$792,238	$797,794
Investment Tax Credits	$8,269	$5,834	$5,724	$10,319	$10,508	$10,581
Cost Free Capital	$0	$0	$0	$0	$0	$0
Common Equity	$810,756	$710,063	$711,047	$1,091,827	$1,111,782	$1,119,579
Total Capitalization	$1,464,912	$1,397,367	$1,446,435	$2,084,713	$2,122,814	$2,137,701
C Capital Structure Weights for Ratemaking Purposes (%)						
Short Term Debt	9 705%	11 054%	12 807%	9 812%	9 812%	9 812%
Long Term Debt	34 385%	37 714%	37 639%	37 320%	37 320%	37 320%
Investment Tax Credits	0 564%	0 417%	0 396%	0 495%	0 495%	0 495%
Cost Free Capital	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%
Common Equity	55 345%	50 814%	49 159%	52 373%	52 373%	52 373%
Total Capitalization	100 000%	100 000%	100 000%	100 000%	100,000%	100 000%
D Component Capital Cost Rates (%)						
Short Term Debt	5 210%	5 800%	6 480%	5 190%	2 623%	2 623%
Long Term Debt	7 110%	7 100%	7 110%	7 089%	7 756%	7 756%
Investment Tax Credits	9 440%	9 280%	9 250%	9 315%	9 592%	9 827%
Cost Free Capital	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%
Common Equity	10 900%	10 900%	10 900%	10 900%	10 900%	10 900%
E Component Weighted Cost Rates (%)						
Short Term Debt	0 510%	0 640%	0 830%	0 509%	0 257%	0 257%
Long Term Debt	2 440%	2 680%	2 680%	2 646%	2 895%	2 895%
Investment Tax Credits	0 050%	0 040%	0 040%	0 046%	0 049%	0 049%
Cost Free Capital	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%
Common Equity	6 030%	5 540%	5 360%	5 709%	5 709%	5 709%
Total Capitalization	9 030%	8 900%	8 910%	8 910%	8 910%	8 910%

* Column 6 of Part A is the average capital structure from the most recent AGL Resources (AGLR) four quarters
Column 6 of Parts B and C are based on a hypothetical Consolidated Natural Gas Company (CNG) capital structure
Column 6 of Parts D and E represent the actual costs for AGLR short term debt Long term debt and Investment Tax Credits are 2002 AGLR actual costs adjusted to make the imputed costs equal to the hypothetical CNG capital structure

AGL Resources, Inc.
Embedded Cost of Long-Term Debt
September 30, 2002

Description	Issuance Date	Face Amount Outstanding ($ 000s)	Unamortized Debt Expense ($ 000s)	Unamortized (Discount)/ Premium (Loss)/ Gain ($ 000s)	Net Amount Outstanding ($ 000s)	Cost Rate	Annual Debt Service Requirements ($ 000s)
8 17 % Series due 6/01/37	Jun-97	75,000	-	(700)	74,300	8 250%	6,130
8 00% Series due 6/15/41	Mar-01	150,000	-	(3,400)	146,600	8 253%	12,099
Interest Rate Swaps	Nov-01	-	-	-	4,600	8 000%	368 0
Total AGLR Debentures		**225,000**	**-**	**(4,100)**	**225,500**	**8 247%**	**18,597**
7 125% Senior Notes due 2/20/11	Feb-02	300,000	-	-	300,000	7 125%	21,375
9 10% Series A Medium-Term Notes due 2/21	Feb-91	30,000	-	-	30,000	9 100%	2,730
7 55% Series B Medium-Term Notes due 11/03	Nov-92	15,000	-	-	15,000	7 550%	1,133
7 45% Series B Medium-Term Notes due 11/03	Nov-92	5,000	-	-	5,000	7 450%	373
7 50% Series B Medium-Term Notes due 12/03	Dec-92	10,000	-	-	10,000	7 500%	750
7 65% Series B Medium-Term Notes due 12/03	Dec-92	8,000	-	-	8,000	7 650%	612
7 50% Series B Medium-Term Notes due 12/03	Dec-92	10,000	-	-	10,000	7 500%	750
7 75% Series B Medium-Term Notes due 12/05	Dec-92	10,000	-	-	10,000	7 750%	775
7 60% Series B Medium-Term Notes due 12/05	Dec-92	23,500	-	-	23,500	7 600%	1,786
8 40% Series B Medium-Term Notes due 6/12	Jun-92	5,000	-	-	5,000	8 400%	420
8 30% Series B Medium-Term Notes due 6/12	Jun-92	10,000	-	-	10,000	8 300%	830
7 35% Series B Medium-Term Notes due 3/13	Mar-93	5,000	-	-	5,000	7 350%	368
7 50% Series B Medium-Term Notes due 3/13	Mar-93	1,000	-	-	1,000	7 500%	75
7 55% Series B Medium-Term Notes due 4/13	Apr-93	12,300	-	-	12,300	7 550%	929
7 45% Series B Medium-Term Notes due 3/14	Mar-93	2,200	-	-	2,200	7 450%	164
8 70% Series B Medium-Term Notes due 4/22	Apr-92	25,000	-	-	25,000	8 700%	2,175
8 55% Series B Medium-Term Notes due 4/22	Apr-92	11,000	-	-	11,000	8 550%	941
8 55% Series B Medium-Term Notes due 5/22	May-92	10,000	-	-	10,000	8 550%	855
8 25% Series B Medium-Term Notes due 1/23	Jan-93	25,000	-	-	25,000	8 250%	2,063
8 10% Series B Medium-Term Notes due 1/23	Jan-93	2,000	-	-	2,000	8 100%	162
7 97% Series B Medium-Term Notes due 2/23	Feb-93	15,000	-	-	15,000	7 970%	1,196
7 90% Series B Medium-Term Notes due 1/23	Feb-93	5,000	-	-	5,000	7 900%	395
7 70% Series B Medium-Term Notes due 3/23	Mar-93	5,000	-	-	5,000	7 700%	385
5 90% Series C Medium-Term Notes due 10/04	Oct-93	30,000	-	-	30,000	5 900%	1,770
6 55% Series C Medium-Term Notes due 12/06	Dec-93	42,000	-	-	42,000	6 550%	2,751
6 00% Series C Medium-Term Notes due 10/07	Oct-93	10,000	-	-	10,000	6 000%	600
7 05% Series C Medium-Term Notes due 12/14	Dec-93	24,500	-	-	24,500	7 050%	1,727
7 20% Series C Medium-Term Notes due 12/14	Dec-93	5,300	-	-	5,300	7 200%	382
7 10% Series C Medium-Term Notes due 12/14	Dec-93	1,000	-	-	1,000	7 100%	71
7 20% Series C Medium-Term Notes due 12/14	Dec-93	20,000	-	-	20,000	7 200%	1,440
7 00% Series C Medium-Term Notes due 1/14	Jan-94	5,000	-	-	5,000	7 000%	350
7 00% Series C Medium-Term Notes due 1/15	Jan-94	11,200	-	-	11,200	7 000%	784
7 20% Series C Medium-Term Notes due 7/17	Jul-97	22,000	-	-	22,000	7 200%	1,584
7 00% Series C Medium-Term Notes due 1/19	Jan-94	5,000	-	-	5,000	7 100%	355
7 10% Series C Medium-Term Notes due 1/19	Jan-94	38,500	-	-	38,500	6 850%	2,637
6 85% Series C Medium-Term Notes due 10/24	Oct-93	2,000	-	-	2,000	6 550%	131
6 55% Series C Medium-Term Notes due 11/27	Nov-96	30,000	-	-	30,000	7 300%	2,190
7 30% Series C Medium-Term Notes due 7/27	Jan-97	53,500	-	-	53,500	7 300%	3,906
Total AGLR Indentures		**845,000**	**-**	**-**	**845,000**	**7.327%**	**61,916**
Total AGLR Debentures & Indentures		**1,070,000**	**-**	**(4,100)**	**1,070,500**	**7 521%**	**80,513**
VNG Debt Held by Outside Investors		-	-	-	-	0 000%	0
		1,070,000	-	(4,100)	1,070,500	7 521%	80,513
Unamortized (Gain)/ Loss on Reacquired Debt							-
Bank Line of Credit Fees							-
Net Outstanding Long-term Debt					**1,070,500**	**7.521%**	**80,513**

Virginia Natural Gas, Inc.
Annual Informational Filing
Public Financial Reports
Based on the Twelve Months Ended September 30, 2002

Schedule 6 - Public Financial Reports provided under separate cover

Virginia Natural Gas, Inc.
Comparative Financial Statements
Twelve Months Ended September 30, 2002

Comparative balance sheets, income statements and cash flow statements for the test year and the 12 month period preceding the test year for AGL Resources Inc. and Virginia Natural Gas, Inc.

AGL Resources Inc. - Pages 2, 4 and 6
Virginia Natural Gas, Inc. - Pages 3, 5 and 7

AGL Resources Inc.
Consolidated Balance Sheets
(unaudited)

In millions	For the years ended September 30, 2002	2001
Current assets		
Cash and cash equivalents	$6 1	$2 8
Receivables		
Energy marketing	107 0	-
Gas (less allowance for uncollectible accounts of $2 7 in 2002 and $6 8 in 2001)	8 5	55 0
Other (less allowance for uncollectible accounts of $0 5 in 2002 and $6 6 in 2001)	11 2	4 8
Unbilled revenues	5 7	6 5
Inventories	110 9	119 5
Unrecovered seasonal rates	8 3	10.2
Energy marketing and risk management	24 1	-
Other current assets	27 7	18 6
Total current assets	350 9	217 4
Property, plant and equipment		
Property, plant and equipment	3,267 5	3,097 9
Less accumulated depreciation	1,111 4	1,039 0
Property, plant and equipment-net	2,156 1	2,058 9
Deferred debits and other assets		
Unrecovered pipeline replacement costs	461 3	525.2
Unrecovered environmental response costs	206 2	239 7
Goodwill	176 2	176 2
Investments in joint ventures	70 6	69 7
Unrecovered postretirement benefit costs	11 0	11 2
Assigned natural gas stored underground	-	34 1
Other	32 6	35 7
Total deferred debits and other assets	957 9	1,091 8
Total assets	$3,464 9	$3,368 1
Current liabilities		
Short-term debt	$320 2	$303.4
Energy marketing trade payables	122 4	-
Accrued pipeline replacement costs - current portion	65 5	-
Current portion of long-term debt	48 0	45 0
Accrued expenses	41 4	96 5
Accounts payable-trade	36 5	82 4
Accrued environmental response costs - current portion	21 2	-
Energy marketing and risk management	21 0	-
Other	71 2	59 3
Total current liabilities	747 4	586.6
Accumulated deferred income taxes	328 8	255 5
Long-term liabilities		
Accrued pipeline replacement costs	408 5	518 4
Accrued environmental response costs	117 4	171 0
Accrued postretirement benefit costs	50 6	48 3
Accrued pension costs	-	6 4
Total long-term liabilities	576 5	744 1
Deferred credits		
Unamortized investment tax credit	20 5	21 8
Regulatory tax liability	13 8	14 6
Other	23 4	9 2
Total deferred credits	57 7	45 6
Capitalization		
Long-term debt	797 0	845 0
Subsidiaries obligated mandatorily redeemable preferred securities	225 5	219 9
Common shareholders' equity	732 0	671 4
Total capitalization	1,754 5	1,736 3
Total liabilities and capitalization	$3,464 9	$3,368 1

Virginia Natural Gas Inc.
Consolidated Balance Sheets
(unaudited)

In millions	For the years ended September 30; 2002	2001
Current assets		
Cash and cash equivalents	$0.5	$15 2
Receivables		
Gas (less allowance for uncollectible accounts of $0 4 in 2002 & 2001)	2.9	10 0
Other	42.4	5 8
Unbilled revenues	4.0	3 7
Inventories	2.9	2 9
Other current assets	22.3	2.0
Total current assets	75.0	39 6
Property, plant and equipment		
Property, plant and equipment	548.6	539 2
Less accumulated depreciation	180.5	168.4
Property, plant and equipment-net	368.1	370.8
Deferred debits and other assets		
Goodwill	176.2	176.2
Gas stored underground	-	34.1
Accumulated deferred income taxes	-	1.1
Prepaid income taxes	6.4	-
Other	7.2	5 0
Total deferred debits and other assets	189.8	216.4
Total assets	$632.9	$626.8
Current liabilities		
Short-term debt	$13.7	$17.0
Accounts payable-trade	7 3	14.1
Accrued expenses	2.3	15 4
Purchased gas adjustment	5.9	3 8
Customer deposits	10 6	9.4
Other	1.9	3 3
Total current liabilities	41.7	63 0
Accumulated deferred income taxes	13 8	-
Long-term liabilities		
Accrued postretirement benefit costs	14 0	13.6
Accrued pension costs	1.9	1 8
Total long-term liabilities	15 9	15.4
Capitalization		
Long-term debt	180.3	20.3
Common stockholders' equity	381.2	528 1
Total capitalization	561.5	548 4
Total liabilities and capitalization	$632 9	$626.8

AGL Resources Inc.
Statements of Consolidated Income
(unaudited)

	For the years ended September 30,	
In millions	2002	2001
Operating revenues	$820 2	$1,049.3
Cost of sales	227.6	435 7
Operating margin	592.6	613 6
Operating expenses		
Operation and maintenance	272.7	272.1
Depreciation and amortization	90.2	100 0
Taxes other than income taxes	27.7	32.8
Total operating expenses	390.6	404.9
Operating income	202.0	208 7
Other income (loss)	36.8	16.6
Gain on sale of Utilipro	-	10 9
Earnings before interest and taxes (EBIT)	238.8	236.2
Interest expense and preferred stock dividends	89.2	97 4
Earnings before income taxes	149 6	138.8
Income taxes	52.9	49.9
Net income	$96.7	$88.9

Virginia Natural Gas Inc.
Statements of Consolidated Income
(unaudited)

In millions	For the years ended September 30, 2002	2001
Operating revenues	$209.7	$330.7
Cost of sales	110.1	214 4
Operating margin	99.6	116.3
Operating expenses		
Operation and maintenance	42.9	49 1
Depreciation and amortization	14 2	18.2
Taxes other than income taxes	5.5	8.4
Total operating expenses	62.5	75.7
Earnings before interest and taxes (EBIT)	37.0	40.6
Other loss	-	-
Interest income (expense)	(8.4)	0.5
Earnings before income taxes	28.6	41.1
Income taxes	10.2	15.3
Net income	$18.4	$25 8

AGL Resources Inc.
Statements of Consolidated Cash Flows
(unaudited)

In millions	For the years ended September 30, 2002	2001
Cash flows from operating activities		
Net income	$96.7	$88.9
Adjustments to reconcile net income to net cash flow provided by operating activities		
Depreciation and amortization	90.2	100.0
Deferred income taxes	73.3	6.7
Gain on sale of Utilipro	-	(10.9)
Equity in joint venture earnings	(27.2)	(11.1)
Other	(1.5)	(1.3)
Changes in certain assets and liabilities, net of assets and liabilities acquired		
Accounts payable	76.5	31.4
Inventories	42.7	(83.3)
Deferred purchased gas adjustment	6.1	3.1
Customer deposits	5.2	5.9
Unrecovered seasonal rates	1 9	(10.2)
Gas cost credits	(10 5)	(0.2)
Environmental response costs - net	(12 2)	(15.7)
Accrued taxes	(49.9)	30.9
Receivables	(66 0)	(0.4)
Other - net	(52.5)	(34.0)
Net cash flow provided by operating activities	220 9	99.8
Cash flows from financing activities		
Dividends paid on common shares	(57 3)	(53.9)
Payments of long-term debt	(45.0)	(20.0)
Borrowings of long-term debt	-	300.0
Issuance of trust preferred securities	-	145.6
Net payments and borrowings of short-term debt	16.7	162.2
Sale of treasury shares, net of noncash dividends	21.3	18.2
Other	7.9	-
Net cash flow (used in) provided by financing activities	(56.4)	552.1
Cash flows from investing activities		
Property, plant and equipment expenditures	(188.2)	(155.7)
Retirements, net of removal costs and salvage	(6.5)	3.9
Acquisition of VNG, net of cash acquired	-	(541.2)
Cash received from sale of Utilipro	-	17.9
Net investment in joint ventures	-	3.5
Cash received from (provided to) joint ventures	26.3	16.3
Other	7.2	4.2
Net cash flow used in investing activities	(161 2)	(651.1)
Net increase in cash and cash equivalents	3.3	0.8
Cash and cash equivalents at beginning of period	2.8	2.0
Cash and cash equivalents at end of period	$6.1	$2.8
Cash paid during the period for		
Interest	$80.4	$83.3
Income taxes	41.5	37.3

Virginia Natural Gas Inc.
Statements of Consolidated Cash Flows
(unaudited)

In millions	For the year ended September 30, 2002	2001
Cash flows from operating activities		
Net income	$18 4	$25.8
Adjustments to reconcile net income to net cash flow provided by operating activities		
Depreciation and amortization	14.2	18.2
Deferred income taxes	14 9	(0.4)
Changes in certain assets and liabilities, net of assets and liabilities acquired		
Inventories	34.1	(3.9)
Receivables	7.2	(3.2)
Deferred purchased gas adjustment	2.1	3.8
Accounts payable	(6.8)	(2.4)
Accrued taxes	(14.5)	2.1
Other - net	(27.2)	(9.8)
Net cash flow provided by operating activities	42.4	30.2
Cash flows from financing activities		
Intercompany loans, net of borrowings	(40.3)	17.0
Intercompany dividends	(5.3)	(18.1)
Long-term debt issuance	160 0	-
Purchase of treasury stock	(160.0)	-
Net cash flow used in financing activities	(45.6)	(1.1)
Cash flows from investing activities		
Property, plant and equipment expenditures, net of retirements and disposals	(11.1)	(15.8)
Other	(0.4)	1.1
Net cash flow used in investing activities	(11.5)	(14.7)
Net (decrease) increase in cash and cash equivalents	(14.7)	14.4
Cash and cash equivalents at beginning of period	15.2	0.8
Cash and cash equivalents at end of period	$0.5	$15.2

VIRGINIA NATURAL GAS,INC
RATE OF RETURN STATEMENT - EARNINGS TEST
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2002

Schedule 9
Page 1 of 1

Line No	Description	(1) Total Company	(2) Non-Jurisdictional	(3) Virginia Jurisdictional Business	(4) Regulatory Accounting Adjustments	(5) Jurisdictional after all Adjustments
1	**Operating Revenue**	$209,748,066	$18,691,790	$191,056,276	$1,488,009	$192,544,285
2	**Operating Revenue Deductions**					
3	Operation and Maintenance Expense	152,957,827	14,968,470	137,989,357	349,814	138,339,171
4	Depreciation and Amortization	14,214,998	656,548	13,558,450	7,487,070	21,045,520
5	Income Taxes	10,219,460	850,572	9,368,888	(2,922,062)	6,446,826
6	Taxes Other than Income Taxes	5,491,710	251,068	5,240,642	0	5,240,642
7	(Gain)/Loss on Disposition of Property	0	0	0	0	0
8	**Total Operating Revenue Deductions**	182,883,995	16,726,658	166,157,337	4,914,822	171,072,159
9	**Operating Income**	26,864,071	1,965,132	24,898,939	(3,426,813)	21,472,126
10	Plus AFUDC	0	0	0	0	0
11	Less Charitable Contributions	120,724	5,371	115,353	(57,646)	57,707
12	Interest on Customer Deposits	319,206	34,469	284,737	0	284,737
13	Interest on Supplier Refunds	38,339	4,140	34,199	0	34,199
14	**Adjusted Operating Income**	26,385,802	1,921,152	24,464,650	(3,369,167)	21,095,483
15	Plus Other Income/(Expenses)	17,073	17,073	0	0	0
16	Less Interest Expense - Capital Structure	7,991,104	374,116	7,616,988	3,412,068	11,029,056
17	Preferred Dividend - Capital Structure	0	0	0	0	0
18	JDC Capital Expense-Captial Structure	0	0	0	171,454	171,454
19	**Income Available for Common Equity**	18,411,771	1,564,109	16,847,662	(6,952,689)	9,894,973
20	Allowance for Working Capital	7,117,412	1,189,176	5,928,236	381,923	6,310,159
21	Plus Net Utility Plant	369,895,656	16,970,732	352,924,924	0	352,924,924
22	Less Other Rate Base Deductions	13,069,333	1,244,033	11,825,300	(2,496,827)	9,328,473
23	Total Average Rate Base	363,943,735	16,915,875	347,027,860	2,878,750	349,906,610
24	Total Average Capital for Ratemaking			347,027,860	2,878,750	349,906,610
25	Average Common Equity Capital			181,748,901	1,507,688	183,256,589
26	% Rate of Return Earned on Average Rate Base			7 05%		6 03%
27	% Rate of Return Earned on Avg Common Equity			9 27%		5 40%

VIRGINIA NATURAL GAS, INC
NET ORIGINAL COST RATE BASE-EARNINGS TEST
THIRTEEN MONTH AVERAGE PER BOOKS

Line No	Description	(14) Total Company 13 Month Average	(15) Average Acquistion Adjustment and AFUDC	(16) Total Company Adjusted (14) - (15)	(17) Non-Juris Percent (From Study)	(18) Non-Juris Distribution Operations (16) * (17)	(19) Virginia Jurisdictional Business (16) - (18)	(20) Per Books Regulatory Accounting Adjustments	(21) Virginia Jurisdictional after all Adjustments (19) + (20)
1	Allowance For Working Capital								
2	Materials and Supplies (13 Month Balance	$634 177	$0	$634,177		$27 432	$606 745	$0	$606 745
3	Cash Working Capital (Lead Lag Study)	(8 472 755)	0	(8,472,755)		(311,963)	(8,160 792)	381 923	(7 778 869)
4	Deferred Purchased Gas Net of I T (13 Mı	(8,418 578)	0	(8 418 578)		(902,110)	(7 516 468)	0	(7 516 468)
5	Fuel Inventory (13 Month Balance)	23,374,568	0	23,374,568		2,375 817	20,998,751	0	20,998 751
6	Total Allowance For Working Capital	7,117,412	0	7,117,412		1,189,176	5,928,236	381,923	6,310,159
7	Net Utility Plant								
8	Utility Plant in Service	524,911 744	0	524 911,744	4 5700%	23,988,467	500,923,277	0	500,923 277
9	Acquistion Adjustments	0	0	0		0	0	0	0
10	Construction Work in Progress	20,378 245	0	20,378 245	4 6400%	945 551	19 432 694	0	19 432,694
11	Plant Held for Future Use	0	0	0		0	0	0	0
12	Less Accum Prov for Depreciation and	175 010 602	0	175,010 602	4 5400%	7 945 481	167,065 121	0	167 065,121
13	Accum Prov for Amort of Acquisiti	0	0	0	0 0000%	0	0	0	0
14	Customer Advances for Constructio	383 731	0	383,731	4 640%	17 805	365 926	0	365 926
15	Total Net Utility Plant	369,895,656	0	369,895,656		16,970,732	352,924,924	0	352,924,924
16	Rate Base Deductions								
17	Customer Deposits	10 420 188	0	10 420 188	10 8000%	1 125 380	9,294 808	0	9 294 808
18	Supplier Refunds	288 083	0	288 083	10 8000%	31 113	256,970	0	256 970
19	Accumulated Deferred Income Taxes								
20	Bad Debts	(269 176)	0	(269 176)	10 8000%	(29 071)	(240 105)	0	(240 105)
21	Special Payment	(838 985)	0	(838 985)	4 5300%	(38 006)	(800,979)	800 979	0
22	Computer Software	(140 186)	0	(140 186)	4 9300%	(6 911)	(133 275)	0	(133 275)
23	Book/Tax Difference Partnership Incc	(2 538)	0	(2,538)	10 8000%	(274)	(2,264)	0	(2 264)
24	NSP	415	0	415	4 5300%	19	396	0	396
25	Restricted Stock	518	0	518	4 5300%	23	495	0	495
26	Accrued Bonus	(102 783)	0	(102,783)	4 5300%	(4,656)	(98 127)	0	(98 127)
27	Misc Accrued Liabilities	(12 316)	0	(12 316)	4 5300%	(558)	(11 758)	0	(11 758)
28	Over/Under - Collections - PGA	(113 611)	0	(113,611)	10 8000%	(12 270)	(101,341)	0	(101 341)
29	Accrued Postretirement Benefits	(10,511)	0	(10,511)	4 5300%	(476)	(10 035)	0	(10 035)
30	Pension	(152 150)	0	(152,150)	4 5300%	(6 892)	(145,258)	0	(145 258)
31	Liberalized Depreciation	(1 711 632)	0	(1 711 632)	4 6400%	(79 420)	(1 632 212)	0	(1 632 212)
32	Amortization Goodwill	7 342 477	0	7,342,477	4 6400%	340,691	7 001,786	-3 297 806	3 703,980
33	CIAC and Customer Advances	(11 191)	0	(11 191)	4 6600%	(522)	(10 669)	0	(10,669)
34	Engineering Costs	255 706	0	255 706	4 9300%	12 606	243 100	0	243 100
35	Corrected Adjustments	(1,236 409)	0	(1 236,409)	4 6400%	(57 369)	(1 179 040)	0	(1 179 040)
36	Medical Benefits-Retirees	(180 784)	0	(180 784)	4 5300%	(8,190)	(172 594)	0	(172 594)
37		0	0	0		0	0	0	0
38	Property State	(179 023)		(179 023)	4 6600%	(8 342)	(170 681)	0	(170 681)
39	Other	(76 400)	0	(76 400)	4 6400%	(3 545)	(72 855)	0	(72 855)
40	Corrected Adjustments	(200 359)	0	(200 359)	4 6400%	(9 297)	(191 062)	0	(191 062)
41		0	0	0	0 0000%	0	0	0	0
42		0	0	0	0 0000%	0	0	0	0
43		0	0	0	0 0000%	0	0	0	0
44	Total Deferred Income Taxes	2,361,062	0	2,361,062		87,540	2,273,522	-2,496,827	(223,305)
45	Total Rate Base Deductions	13,069,333	0	13,069,333		1,244,033	11,825,300	-2,496,827	9,328,473
46	Total Average Rate Base	$363 943 735	0	363,943,735		16 915 875	347 027,860	2,878,750	349 906,610

VIRGINIA NATURAL GAS, INC
NET ORIGINAL COST RATE BASE-EARNINGS TEST
THIRTEEN MONTH AVERAGE PER BOOKS

Line No	Description	(1) VNG Per Books Sep-01	(2) Oct-01	(3) Nov-01	(4) Dec-01	(5) Jan-02	(6) Feb-02	(7) Mar-02	(8) Apr-02	(9) May-02	(10) Jun-02	(11) Jul-02	(12) Aug-02	(13) Sep-02
1	Allowance For Working Capital													
2	Materials and Supplies (13 Month Balance	$787 075	$855 361	$793 815	$695 981	$628 009	$598 863	$544 036	$538 708	$531 297	$616 824	$534 128	$546,343	$575,866
3	Cash Working Capital (Lead Lag Study)	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Deferred Purchased Gas Net of I T (13 Mi	(3,260 818)	(5 370,004)	(7 208 034)	(15 791,956)	(17 352 715)	(14 825,292)	(11 375 585)	(7,402,971)	(2 115,505)	(6,503 057)	(5,581,240)	(6 823,362)	(5 850 977)
5	Fuel Inventory (13 Month Balance)	35 459 993	37 189 597	36,992 835	34,248 492	26 204,958	15,003 362	7,884 935	10,850,633	14,042 379	17,317,801	20,854,373	22,808,999	25,033,024
6	Total Allowance For Working Capital	32,986,250	32,674,954	30,578,616	19,150,517	9,480,252	774,933	2,966,614	3,986,370	12,458,171	11,431,568	15,827,261	16,531,980	19,757,913
7	Net Utility Plant													
8	Utility Plant in Service	520 027 225	520 177 519	522,706 127	522 706,127	523 091 056	525 445 544	525 455 544	525 784 312	527 227 160	527 217,793	527 246,346	528,386,244	528 381 675
9	Acquistion Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Construction Work in Progress	19 187 771	20 149 353	18 808 686	19 789,597	20,496,586	19 407 925	20,256,772	20,816 983	20 349 074	21,152,016	22,371,389	21 386,645	20,746,382
11	Plant Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Less Accum Prov for Depreciation and	168,350,198	169 468 690	170,585 853	171 693 422	172 805,800	173 930 096	175 057 351	176 205 619	177 368 187	178,537,773	179 716,932	180 901 287	180,516,613
13	Accum Prov for Amort of Acquisiti	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Customer Advances for Constructio	109 031	243,973	267 755	288 401	318 367	341 007	366 251	386 716	462 391	500,031	540,130	569,551	596 893
15	Total Net Utility Plant	370,755,767	370,614,209	370,659,205	370,513,901	370,465,475	370 582,366	370,288,714	370,008,960	369,745,656	369,332,005	369,360,673	368,302,051	368,014,551
16	Rate Base Deductions													
17	Customer Deposits	9 372 618	9 702 602	10 061 246	10,281 853	10 587 190	10 774 406	10 897 072	10 807 375	10 622 113	10 536 817	10,563 583	10 614 851	10 640 720
18	Supplier Refunds	614 271	651 696	576 372	484 028	380 154	273 459	198 027	137 304	105 794	83 874	79 882	76 220	84 003
19	Accumulated Deferred Income Taxes													
20	Bad Debts	-156 193	156 193	156 193	263 913	263 913	-263,913	344 056	-344 056	344,056	(344 056)	(344 056)	(344 056)	(174 635)
21	Special Payment	-1 893 373	-1 893 373	-1 893 373	776 875	776 875	776 875	-458 889	-458 889	-458 889	(458 889)	(458 889)	(458 889)	(142 732)
22	Computer Software	-203 398	-203,398	-203 398	-162 718	162 718	162 718	121 154	121 154	121 154	(121 154)	(121 154)	(121 154)	2 852
23	Book/Tax Difference Partnership Incc	13	13	13	13	13	13	13	13	13	13	13	13	(33 147)
24	NSP	0	0	0	0	0	0	0	0	0	0	0	0	5 399
25	Restricted Stock	0	0	0	0	0	0	0	0	0	0	0	0	6,737
26	Accrued Bonus	-271,327	-271 327	-271,327	-58 388	58 388	58 388	58 030	-58 030	-58 030	(58 030)	(58,030)	(58 030)	1 150
27	Misc Accrued Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	(160 106)
28	Over/Under - Collections - PGA	0	0	0	0	0	0	0	0	0	0	0	0	(1 476 938)
29	Accrued Postretirement Benefits	0	0	0	0	0	0	0	0	0	0	0	0	(136 643)
30	Pension	-37,903	37,903	-37 903	131 085	-131 085	-131 085	131 085	-131 085	131,085	(131 085)	(131,085)	(131 085)	(684 480)
31	Liberalized Depreciation	-2 315 031	-2,315,031	-2 315,031	-2,267 537	-2 267 537	-2 267 537	1 186 542	-1 186 542	1 186 542	(1 186 542)	(1 186 542)	(1 186 542)	(1 384 266)
32	Amortization Goodwill	3 998 624	3 998 624	3,998 624	5 977 923	5 977 923	5 977 923	7,957 222	7 957 222	7 957 222	7 957 222	7,957 222	7,957,222	17 779 231
33	CIAC and Customer Advances	0	0	0	0	0	0	0	0	0	0	0	0	(145 483)
34	Engineering Costs	233 400	233 400	233 400	233,400	233 400	233 400	233 400	233 400	233,400	233,400	233 400	233 400	523 382
35	Corrected Adjustments	0	0	0	0	0	0	2,678 887	-2,678 887	2 678 887	(2 678 887)	(2,678 887)	(2 678,887)	0
36	Medical Benefits-Retirees	-130 273	-130 273	-130 273	-217 708	-217 708	-217,708	217,708	-217,708	-217,708	(217,708)	(217,708)	(217,708)	0
37														0
38	Property State	-281,267	-281 267	-281 267	-272 605	-272 605	-272 605	-75 464	75 464	-75 464	(75 464)	(75 464)	(75 464)	(212 904)
39	Other	-82 767	-82,767	-82,767	-82,767	82,767	-82 767	82,767	-82,767	-82,767	(82,767)	(82,767)	(82,767)	0
40	Corrected Adjustments	0	0	0	0	0	0	-434,112	-434,112	-434,112	(434,112)	(434,112)	(434,112)	0
41		0	0	0	0	0	0	0	0	0	0	0	0	0
42		0	0	0	0	0	0	0	0	0	0	0	0	0
43		0												
44	Total Deferred Income Taxes	-1,139,495	-1,139,495	-1,139,495	1,977,740	1,977,740	1,977,740	2,401,941	2,401,941	2,401,941	2,401,941	2,401,941	2,401,941	13,767,417
45	Total Rate Base Deductions	8,847,394	9,214,803	9,498,123	12,743,621	12,945,084	13,025,605	13,497,040	13,346,620	13,129,848	13,022,632	13,045,406	13,093,012	24,492,140
46	Total Average Rate Base	$394,894,623	$394,074,360	$391,739,699	$376,920,797	$367,000,643	$358,331,693	$353,825 060	$360,648,711	$369,073,978	$367,740 941	$372,142,628	$371,741,019	$363,280,325

VIRGINIA NATURAL GAS, INC.
SCHEDULE OF REGULATORY ASSETS
AS OF SEPTEMBER 30, 2002

Account Number	Description	(1) Balance at 09/30/01 System Amount	(2) Year Juris. Factor	(3) Balance at 09/30/01 Juris. Amount	(4) Test Year Amortization Charged to Expense	(5) Test Year Amortization Charged to Capital	(6) Test Year Accruals	(7) Balance at 09/30/02 Adjusted Amount
670503 and 107_____	FAS 106 Rate Deferral	$1,304,800	95 3569%	$1,244,217 00	$31,330	$0	$0	$1,212,887
	Related Deferred Income Tax							

VIRGINIA NATURAL GAS, INC
DETAIL OF EARNINGS TEST ADJUSTMENTS
REFLECTED IN COL (4) OF SCHEDULE 9

Adj No	Description	Total Company	Non Jurisdictional	Virginia Jurisdictional	Non-Juris %	Reference Schedule 21 Adj No
	A Operating Revenue Adjustments					
1	To annualize test year revenues	1,488,009	$0	$1,488,009		1
	B Operation and Maintenance Expense Adjustments					
2	To adjust uncollectible expense for the adjustments to test period revenues	485,360	52,419	432,941	10 8000%	43
3	To eliminate system lobbying costs from test year expenses	(15,934)	(740)	(15,194)	4 6431%	7
4	To reverse the write-off of VNG's regulatory asset booked in December 1999	0	0	0	4 6431%	
5	To eliminate nonqualifying advertising expenses booked "above the line"	(67,933)	0	(67,933)	0 0000%	10
6	To eliminate workforce reduction and severance expenses booked in the test period	0	0	0	4 7600%	14
	Total Operation and Maintenance Expense Adjustments	401,493	51,679	349,814		
	C Amortization Expense Adjustments					
7	To include amortization of expenses related to capitalized transition costs	3,847,116	177,737	3,669,379	4 6200%	16a
8	To include amortization of expenses related differences between acquisition price and book value	4,002,612	184,921	3,817,691	4 6200%	16b
		7,849,728	362,658	7,487,070		
	D Current Income Taxes Adjustments					
9	Income tax effect at 38 9% of the total adjustments under Section A- Revenues	578,836	0	578,836		44
10	Income tax effect at 38 9% of the total adjustments under Section B - Operation and Maintenance Expenses	(156,181)	(20,103)	(136,078)		45
11	Income Tax Effect of total adjustments under Section C - Amortization Expenses	(3,053,544)	(141,074)	(2,912,470)		46
12	Income tax effect at 38 9% of the total adjustments under Section E - Charitable Donations	23,481	1,057	22,424		47
13	To record the effect of Interest Synchronization on Income Taxes	(1,349,037)	0	(1,349,037)		48
14	Additional Current Income Taxes due to under-accrual on books (@38 9%)	960,847	79,942	880,905		49
15	Eliminate Taxes for Other Income/(Expense)	(6,641)	0	(6,641)		50
	Total Current Income Taxes Adjustments	(3,002,239)	(80,178)	(2 922,062)		
	E Taxes Other Than Income Adjustments	0	0	0		
	F. Charitable Donations Adjustments					
16	To eliminate 1/2 of the charitable contributions	(60,362)	(2,716)	(57,646)	4 5000%	30
	G Interest Expense Adjustments					
17	To adjust interest expense as a result of using VNG's capital structure for ratemaking purposes	3,412,068	0	3,412,068		51
	H JDC Capital Expense Adjustments					
18	To adjust JDC expense as a result of using VNG's capital structure for ratemaking purposes	171,454	0	171,454		52
	I Allowance For Working Capital Adjustments					
19	To adjust cash working capital for adjustments based on lead-lag study	381,923	0	381,923		53
	J Common Equity Capital Adjustments					
20	To adjust common equity capital to reflect ratemaking capital structure	1,507,688	0	1,507,688		54
	K. Other Rate Base Deductions					
21	To record accumulated deferred income taxes related to goodwill and transition cost amortizations	(3,023,300)	(139,676)	(2,883,624)	4 6200%	55
22	To adjust taxes to remove effects of special payment	838,985	38,006	800,979	4 53%	56
23	To adjust deferred income taxes for non-jurisdictional goodwill	(434,244)	(20,062)	(414,182)	4 6200%	57

VIRGINIA NATURAL GAS, INC
CASH WORKING CAPITAL - EARNINGS TEST
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 21 OF SCHEDULE 10

Description	(1) VA Juris. Before Ratemaking Adjustments	(2) Per Books Regulatory Accounting Adjustments	(3) Amounts After Adj	(4) Average Daily Amount	(5) Expense (Lead)Lag Days	(6) Revenue Lag	(7) Net Lead(Lag) Days	(8) Working Capital (Provided) Required
OPERATING EXPENSES								
O&M Expenses								
Purchased Gas Expense	$97,153,595	$0	$97,153,595	$266,174	-39 96	39 60	-0 36	($95,823)
Deferred Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Storage Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Materials & Supplies Expensed	0	0	0	0	-39 96	39 60	-0 36	0
OPEB Expense	1,705,666	0	1 705,666	4,673	-39 96	39 60	-0 36	(1,682)
Regulatory Asset Amortization Exp	0	0	0	0	-39 96	39 60	-0 36	0
Pension Expense	129,490	0	129,490	355	-39 96	39 60	-0 36	(128)
Prepaid Insurance Expense	37,747	0	37,747	103	-39 96	39 60	-0 36	(37)
Payroll Expense	12,078,243	0	12,078,243	33,091	-39 96	39 60	-0 36	(11,913)
Employee Benefits Expense	1,757,184	0	1,757,184	4,814	-39 96	39 60	-0 36	(1,733)
Accrued Vacation Expense	0	0	0	0	-39 96	39 60	-0 36	0
Uncollectible Expense	397,310	485 360	882 670	2,418	-39 96	39 60	-0 36	(871)
Pension Enhancements	0	0	0	0	-39 96	39 60	-0 36	0
Injuries and Damages Expense	39,996	0	39 996	110	-39 96	39 60	-0 36	(39)
Other O&M Expense	24,690,126	(135,546)	24,554,580	67,273	-39 96	39 60	-0 36	(24,218)
Depreciation Expense								
Depreciation Expense	13,458,056	0	13,458,056	36,871	0 00	39 60	39 60	1,460,107
Amortization Expense	100,208	7 487,070	7,587,278	20,787	0 00	39 60	39 60	823,168
Federal Income Taxes								
Current	(4,204,214)	(2,922,062)	(7,126,276)	(19,524)	-39 75	39 60	-0 15	2,929
Deferred	11,993,428	0	11 993,428	32,859	-39 75	39 60	-0 15	(4,929)
DFIT on items excl from Rate Base	0	0	0	0	-39 75	39 60	-0 15	0
Deferred ITC	0	0	0	0	-39 75	39 60	-0 15	0
State Income Tax Expense	1,579,674		1,579,674	4,328	-39 75	39 60	-0 15	(649)
Taxes Other Than Income								
Property Tax Expense	4,178,916	0	4,178,916	11,449	-162 51	39 60	-122 91	(1,407,206)
Virginia Gross Receipts Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Valuation Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Business License Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Franchise Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Payroll Tax Expense	1,030 643	0	1,030,643	2,824	-162 51	39 60	-122 91	(347,059)
Sales/Use Expense	0	0	0	0	-162 51	39 60	-122 91	0
Compressed Natural Gas Tax	0	0	0	0	-162 51	39 60	-122 91	0
Other Taxes	31,177	0	31,177	85	-162 51	39 60	-122 91	(10,499)
AFUDC	0	0	0	0	-39 60	39 60	0 00	0
Gain/Loss on Disposition of Property	0	0	0	0	-39 60	39 60	0 00	0
Charitable Donations	115,353	(57 646)	57,707	158	-39 60	39 60	0 00	0
Interest on Customer Deposits	284,737	0	284,737	780	-182 50	39 60	-142 90	(111,476)
Interest on Supplier Refunds	34,199	0	34,199	94	-182 50	39 60	-142 90	(13,390)
Other Expense/Income (A-t-l)	0	0	0	0	-39 60	39 60	0 00	0
Other Income/Expense (B-t-l)	0	0	0	0	-39 60	39 60	0 00	0
Interest Expense								
Long-Term	7,616,988	3 412,068	11,029,056	30,217	-85 73	39 60	-46 13	(1 393,891)
Short-Term	0	0	0	0	-39 60	39 60	0 00	0
Preferred Dividends	0	0	0	0	-39 60	39 60	0 00	0
JDC Expense	0	171 454	171,454	470	-39 60	39 60	0 00	0
Income Avail to Common Equity	16,847,663	(6 952,689)	9,894,974	27,110	-39 60	39 60	0 00	0
Totals	$191,056,185	1 488 009	$192,544,194	$527,518				($1 139,339)
Plus Customer Utility Taxes	13,199,001	0	$13,199,001	36,162	-68 78	39 60	-29 18	(1 055,197)
BALANCE SHEET ITEMS								(5 584,333)
TOTAL CASH WORKING CAPITAL								($7,778,869)

Cash Working Capital Adjustment	
Total Per Schedule 13	(7,778,869)
Less	
Total Per Schedule 19 p 2	(8,160,792)
Equals	
Cash Working Capital Adjustment	381,923

VIRGINIA NATURAL GAS, INC.
BALANCE SHEET ANALYSIS - EARNINGS TEST
FOR THE THIRTEEN MONTHS ENDED SEPTEMBER 30, 2002

Description	(1) Total Company Average Balance	(2) Non-Jurisdictional Business	(3) Jurisdictional Business	(4) Non-Jurisdictional Percentage
Individual Uses of Cash Working Capital:				
Bank Compensatory Balances	$0	0	0	0 0000%
A/R Misc Employee	143,973	5,485	138,488	3 8100%
A/R Salary Advances	0	0	0	0 0000%
A/R Misc Public	89,023	3,392	85,631	3 8100%
A/R Safety Program	0	0	0	0 0000%
Other Work in Progress - Cust Pay	1,003	38	965	3 8100%
Prepaid Va Auto License Fees	0	0	0	0 0000%
Workers' Comp Retainer Fee	15,000	572	14,428	3 8100%
Prepaid Insurance - Excluding ESRP	9,943	379	9,564	3 8100%
Total Additional Uses of Cash Working Capital	258,942	9,866	249,076	
Individual Sources of Cash Working Capital:				
Pension Liability - Net of ADFIT	(1,957,595)	(74,584)	(1,883,011)	3 8100%
Accrued Vacation Liability - Net of ADFIT	(534,985)	(20,383)	(514,602)	3 8100%
Payroll Witholdings	(75,741)	(2,886)	(72,855)	3 8100%
Sales Tax on Inventory Purchased	0	0	0	0 0000%
Directors' Deferred Compensation - Net of ADFIT	0	0	0	0 0000%
Miscellaneous Escheats	(266,128)	(10,139)	(255,989)	3 8100%
Reserve for Injuries and Damages	0	0	0	0 0000%
Contract Retainage	0	0	0	0 0000%
Margin Sharing-Net of ADFIT	48,066	1,831	46,235	3 8100%
Accounts Payable - Materials and Supplies	0	0	0	0 0000%
Accounts Payable - Gas Supply Inventory	(1,608,248)	(61,274)	(1,546,974)	3 8100%
Accounts Payable - CWIP	0	0	0	0 0000%
Accounts Payable - CWIP (Year End Accruals)	0	0	0	0 0000%
Accrued Payroll - CWIP	0	0	0	0 0000%
Merger Costs-Net of ADFIT	(1,669,835)	(63,621)	(1,606,214)	3 8100%
Total Additional Sources of Cash Working Capital	(6,064,465)	(231,056)	(5,833,409)	
Net Use/(Source) of Cash Working Capital	($5,805,523)	($221,190)	($5,584,333)	

VIRGINIA NATURAL GAS, INC
ADJUSTED RATE OF RETURN STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
ADJUSTED FROM AVERAGE TO END OF PERIOD RATE BASE AND COMMON EQUITY

Schedule 15

Line No.	Description	(1) Total Company Business	(2) Non-Jurisdictional Business	(3) Virginia Jurisdictional Business	(4) Ratemaking Adjustments	(5) Amounts After Adjustments	(6) Revenue Requirement for a 10.90% ROE	(7) Amounts after Additional Revenue Requirement
1	**Operating Revenues**							
2	Base Rate Revenues	$92,855,321	5,614,851	$87,240,470	$11,571,492	98,811,962	$6,682,407	$105,494,369
3	Fuel Revenues	110,138,981	12,980,351	97,158,630	0	97,158,630	0	97,158,630
4	Late Payment Fees	652,903	70,503	582,400	0	582,400	0	582,400
5	Other Operating Revenues	6,100,861	26,085	6,074,776	0	6,074,776	0	6,074,776
6	**Total Operating Revenues**	209,748,066	18,691,790	191,056,276	11,571,492	202,627,768	6,682,407	209,310,175
7	**Operating Revenue Deductions**							
8	Operations & Maintenance Expense	152,957,827	14,968,470	137,989,357	1,790,076	139,779,433	28,815	139,808,248
9	Depreciation and Amortization	14,214,998	656,548	13,558,450	7,671,874	21,230,324	0	21,230,324
10	Income Taxes	10,219,460	850,572	9,368,888	509,848	9,878,736	2,588,247	12,466,983
11	Taxes Other Than Income Taxes	5,491,710	251,068	5,240,642	70,606	5,311,248	0	5,311,248
12	(Gain)/Loss on Disposition of Property	0	0	0	0	0	0	0
13	**Total Operating Revenue Deductions**	182,883,995	16,726,658	166,157,337	10,042,404	176,199,741	2,617,062	178,816,803
14	**Operating Income**	26,864,071	1,965,132	24,898,939	1,529,088	26,428,027	4,065,345	30,493,372
15	Plus AFUDC	0	0	0	0	0	0	0
16	Less Donations	120,724	5,371	115,353	(57,646)	57,707	0	57,707
17	Interest on Customer Deposits	319,206	34,469	284,737	(75,918)	208,819	0	208,819
18	Interest on Supplier Refunds	38,339	4,140	34,199	(13,640)	20,559	0	20,559
19	**Adjusted Operating Income**	26,385,802	1,921,152	24,464,650	1,676,292	26,140,942	4,065,345	30,206,287
20	Plus Other Income/(Expense)	17,073	17,073	0	0	0	0	0
21	Less Interest Expense-Capital Structure	7,991,104	374,116	7,616,988	3,068,783	10,685,771	0	10,685,771
22	Preferred Dividends-Capital Structure	0	0	0	0	0	0	0
23	JDC Capital Expense-Capital Structure	0	0	0	160,966	160,966	0	160,966
24	**Income Available For Common Equity**	18,411,772	1,564,109	16,847,662	(1,553,457)	15,294,205	4,065,345	19,359,550
25	Allowance For Working Capital	7,117,412	1,189,176	5,928,236	453,812	6,382,048	0	6,382,048
26	Plus Net Utility Plant	368,014,551	16,912,432	351,102,119	(184,804)	350,917,315	0	350,917,315
27	Less Other Rate Base Deductions	24,696,220	1,695,395	23,000,825	(4,717,030)	18,283,795	0	18,283,795
28	**Total Rate Base**	350,435,743	16,406,213	334,029,530	4,986,038	339,015,568	0	339,015,568
29	Total Capital For Ratemaking	350,435,743	16,406,213	334,029,530	4,986,038	339,015,568	0	339,015,568
30	Common Equity Capital	183,533,783	8,592,429	174,941,354	2,611,339	177,552,693	0	177,552,693
31	% Rate of Return Earned on Rate Base	7 53%	N/A	7 32%	N/A	7 71%	N/A	8 91%
32	% Rate of Return Earned on Common Equity	10 03%	N/A	9 63%	N/A	8 61%	N/A	10 90%
33	% Rate of Return Authorized on Common Equity = 10 90%							

VIRGINIA NATURAL GAS, INC
NON-JURISDICTIONAL BUSINESS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 2 OF SCHEDULE 15

		(1)	(2)	(3)	(4)	(5)
Line No.	Description	AFUDC	Non-Utility	Acquisition Adjustment	Non-Jurisdictional Business (From Study)	Non-Jurisdictional Business (Sch 15, Col 2)
1	**Operating Revenues**					
2	Base Rate Revenues	$0	$0	$0	$5,614,851	$5,614,851
3	Fuel Revenues	0	0	0	12,980,351	12,980,351
4	Late Payment Fees	0	0	0	70,503	70,503
5	Other Operating Revenues	0	0	0	26,085	26,085
6	**Total Operating Revenues**	0	0	0	18,691,790	18,691,790
7	**Operating Revenue Deductions**					
8	Operations & Maintenance Expense	0	0	0	14,968,470	14,968,470
9	Depreciation and Amortization	0	0	0	656,548	656,548
10	Income Taxes	0	0	0	850,572	850,572
11	Taxes Other Than Income Taxes	0	0	0	251,068	251,068
12	(Gain)/Loss on Disposition of Property	0	0	0	0	0
13	**Total Operating Revneue Deductions**	0	0	0	16,726,658	16,726,658
14	**Operating Income**	0	0	0	1,965,132	1,965,132
15	Plus AFUDC	0	0	0	0	0
16	Less Donations	0	0	0	5,371	5,371
17	Interest on Customer Deposits	0	0	0	34,469	34,469
18	Interest on Supplier Refunds	0	0	0	4,140	4,140
19	**Adjusted Operating Income**	0	0	0	1,921,152	1,921,152
20	Plus Other Income/(Expense)	0	17,073	0	0	17,073
21	Less Interest Expense-Capital Structure	0	0	0	374,116	374,116
22	Preferred Dividends-Capital Structure	0	0	0	0	0
23	JDC Capital Expense-Capital Structure	0	0	0	0	0
24	**Income Available For Common Equity**	0	17,073	0	1,547,036	1,564,109
25	Allowance For Working Capital	0	0	0	1,189,176	1,189,176
26	Plus Net Utility Plant	0	0	0	16,912,432	16,912,432
27	Less Other Rate Base Deductions	0	0	0	1,695,395	1,695,395
28	**Total Rate Base**	0	0	0	16,406,213	16,406,213

VIRGINIA NATURAL GAS, INC.
ITEMS EXCLUDED FOR RATE MAKING
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002

Line No	Description	Amount
6	Revenues for non-jurisdictional customers	$18,691,790
8	O&M expenses for non-jurisdictional customers	14,968,470
9	Amortization associated with AFUDC	0
9	Depreciation and amortization expenses for non-jurisdictional customers	656,548
	Total depreciation and amortization	656,548
10	Current income taxes associated with AFUDC	0
10	Current income taxes for non-jurisdictional customers	218,422
10	Deferred income taxes for non-jurisdictional customers	632,150
10	Federal investment tax credit for non-jurisdictional customers	0
	Total income taxes	850,572
11	Taxes other than income taxes for non-jurisdictional customers	251,068
15	Allowance for funds used during construction (AFUDC)	0
16	Charitable donations for non-jurisdictional customers	5,371
17	Interest expense on customer deposits for non-jurisdictional customers	34,469
18	Interest expense on suppliers refunds for non-jurisdictional customers	4,140
20	Other income/expenses for ratemaking purposes	17,073
	Total other income / (expense)	17,073
21	Interest expense for non - jurisdictional customers	374,116
25	Working capital for materials and supplies for non-jurisdictional customers	27,432
25	Working capital for fuel inventory for non-jurisdictional customers	2,375,817
25	Working capital for cash for non-jurisdictional customers	(311,963)
25	Working capital for deferred purchased gas for non-jurisdictional customers	(902,110)
	Total working capital adjustments	1,189,176

VIRGINIA NATURAL GAS, INC.
ITEMS EXCLUDED FOR RATEMAKING
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002

Line No.	Description	Amount
26	Gas plant acquistion adjustment resulting from sale of VNG	$0
26	Accumulated amortization resulting from sale of VNG	0
26	Gas plant investment associated with AFUDC	0
26	Accumulated depreciation associated with AFUDC	0
26	Gas plant investment for non-jurisdictional customers	25,132,721
26	Accumulated depreciation for non-jurisdictional customers	(8,220,289)
	Total net plant	16,912,432
27	Deferred taxes on various items for non-jurisdictional customers	515,267
27	Working capital for customer deposits for non-jurisdictional customers	1,149,020
27	Working capital for supplier refunds for non-jurisdictional customers	31,108
	Total rate base deductions	1,695,395

VIRGINIA NATURAL GAS, INC
INTEREST ON SUPPLIER RATE REFUNDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002

Month	Virginia Natural Gas per Books
October-01	$2,319
November-01	4,989
December-01	7,286
January-02	6,122
February-02	5,157
March-02	5,353
April-02	3,554
May-02	1,834
June-02	1,485
July-02	77
August-02	76
September-02	87
	$38,339

VIRGINIA NATURAL GAS, INC.
OTHER INCOME AND DEDUCTIONS - NET
TWELVE MONTHS ENDED SEPTEMBER 30, 2002

Sch 15 Column 1 Line No	FERC No	Description	VNG Per Books
		OTHER INCOME & DEDUCTIONS	
		OTHER INCOME	
20	415 0	REVENUES FROM MERCHANDISING, JOBBING & CONTRACT WORK	$0 00
20	417 0	REVENUES FROM NONUTILITY OPERATIONS	0 00
20	419 0	INTEREST AND DIVIDEND INCOME	1,484 00
20	421 0	MISCELLANEOUS NONOPERATING INCOME	79,976 00
12	421 1	GAIN ON DISPOSITION OF PROPERTY	0 00
		TOTAL OTHER INCOME	$81,460 00
		OTHER INCOME DEDUCTIONS	
20	406 0	AMORTIZATION OF ACQUISITION ADJUSTMENT	$0 00
20	416 0	EXPENSES OF MERCHANDIS , JOBBING & CONTRACT WORK	$0 00
20	417 1	EXPENSES OF NONUTILITY OPERATIONS	0 00
12	421 2	LOSS ON DISPOSITION OF PROPERTY	0 00
16	426 1	DONATIONS	120,724 00
20	426 2	LIFE INSURANCE	$0 00
20	426 3	PENALTIES	$0 00
20	426 4	EXPENDITURES FOR CERTAIN CIVIC, POLITICAL & RELATED ACTIVITIES	$25,030 00
20	426 5	OTHER DEDUCTIONS	39,357 00
		TOTAL OTHER INCOME DEDUCTIONS	185,111 00
		TOTAL OTHER INCOME AND DEDUCTIONS	($103,651 00)

VIRGINIA NATURAL GAS, INC.
INTEREST EXPENSE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002

Schedule 15 Column 1 Line No.	FERC No.	Description	Virginia Natural Gas Per Books
		Long-Term Debt Interest Expense	
21	428 0	Amortization of Debt Discount and Expenses	$0 00
21	430 0	Interest Expense - AGLR Note	8,731,799 00
21	430 0	Intercompany Money Pool Interest	(740,695 00)
		Total Long-Term Debt Interest Exp	$7,991,104 00
		Other Interest Expense	
20	430 0	Interest on Commitment Fees	0 00
20	431 0	Other Interest Expense	0 00
18	431 0	Interest on Supplier Refunds	38,339 00
17	431 0	Interest on Customer Deposits	319,206 00
20	431 0	Interest on Rate Refunds	0 00
20	431 0	Interest Expense - IRS	0 00
20	431 0	Interest Exp -Deferred Compensation	0 00
		Total Other Interest Expense	$357,545 00
15	432 0	**Interest Capitalized (AFUDC)**	$0 00
		Total Interest Expense	$8,348,649 00

VIRGINIA NATURAL GAS, INC
RATE BASE STATEMENT
AS OF SEPTEMBER 30, 2002

Schedule 16
Page 1 OF 2

Line No.	Description	(1) Total Company Business	(2) Non-Jurisdictional Business	(3) Virginia Jurisdictional Business	(4) Ratemaking Adjustments	(5) Amounts After Adjustments
1	**Allowance For Working Capital**					
2	Materials and Supplies (13 Month Average)	$634,177	$27,432	$606,745	$0	$606,745
3	Cash Working Capital (Lead Lag Study)	(8,472,755)	(311,963)	(8,160,792)	453,812	(7,706,980)
4	Deferred Purchased Gas (13 Month Avg)	(8,418,578)	(902,110)	(7,516,468)	0	(7,516,468)
5	Fuel Inventory (13 Month Average)	23,374,568	2,375,817	20,998,751	0	20,998,751
6	**Total Allowance For Working Capital**	7,117,412	1,189,176	5,928,236	453,812	6,382,048
7	**Net Utility Plant**					
8	Utility Plant In Service	528,381,675	24,160,269	504,221,406	0	504,221,406
9	Acquisition Adjustments - Net	0	0	0	0	0
10	Construction Work in Progress	20,746,382	972,452	19,773,930	0	19,773,930
11	Plant Held for Future Use	0	0	0	0	0
12	Less Accum Provision for Depreciation and Amortization	180,516,613	8,192,458	172,324,155	184,804	172,508,959
13	Customer Advances for Construction	596,893	27,831	569,062	0	569,062
14	**Total Net Utility Plant**	368,014,551	16,912,432	351,102,119	-184,804	350,917,315
15	**Rate Base Deductions**					
16	Customer Deposits	10,640,720	1,149,020	9,491,700	0	9,491,700
17	Supplier Refunds (13-Month Average)	288,083	31,108	256,975	0	256,975
18	Accumulated Deferred Income Taxes					
19	Bad Debts	(174,635)	(18,858)	(155,777)	0	(155,777)
20	Special Payment	(142,732)	(6,464)	(136,268)	136,268	0
21	Computer Software	2,852	141	2,711	0	2,711
22	Book/Tax Difference Partnership Income	(33,147)	(3,579)	(29,568)		(29,568)
23	NSP	5,399	245	5,154		5,154
24	Restricted Stock	6,737	305	6,432		6,432
25	Accrued Bonus	1,150	50	1,100		1,100
26	Misc Accrued Liabilities	(160,106)	(28,369)	(131,737)		(131,737)
27	Over/Under - Collections - PGA	(1,476,938)	(159,485)	(1,317,453)		(1,317,453)
28	Accrued Postretirement Benefits	(136,643)	(6,196)	(130,447)		(130,447)
29	Pension	(684,480)	(31,007)	(653,473)		(653,473)
30	Liberalized Depreciation	(1,384,266)	(65 011)	(1 319 255)	38 805	(1,280,450)
31	Amortization Goodwill	17,779,231	824,956	16,954,275	(4,892,103)	12,062,172
32	CIAC and Customer Advances	(145,483)	(6,783)	(138,700)		(138,700)
33	Engineering Costs	523,382	25,828	497,554		497,554
34						
35						
36						
37						
38	Property - State	(212,904)	(10,506)	(202,398)	0	(202,398)
39						
40						
41						
42						
43	Total Accumulated Deferred Income Taxes	13,767,417	515,267	13,252,150	(4,717,030)	8,535,120
44	**Total Rate Base Deductions**	24,696,220	1,695,395	23,000,825	(4,717,030)	18,283,795
45	**Total Rate Base**	350,435,743	16,406,213	334,029,530	4,986,038	339,015,568

VIRGINIA NATURAL GAS, INC
THIRTEEN MONTH AVERAGE BALANCES

Month	(1) Materials & Supplies A/C 154.0, 155.0, & 163 0	(2) Gas Stored A/C 164.1	(3) Deferred Gas A/C 191 0	(4) Supplier Refunds A/C 242.0
September-01	787,075	35,459,993	(3,260,818)	(614,271)
October	855,361	37,189,597	(5,370,004)	(651,696)
November	793,815	36,992,835	(7,208,034)	(576,372)
December	695,981	34,246,492	(15,791,956)	(484,028)
January-02	628,009	26,204,958	(17,352,715)	(380,154)
February	596,863	15,003,362	(14,825,292)	(273,459)
March	544,036	7,864,935	(11,375,585)	(198,027)
Apnl	538,708	10,850,633	(7,402,971)	(137,304)
May	531,297	14,042,379	(2,115,505)	(105,794)
June	616,824	17,317,801	(6,503,057)	(83,874)
July	534,128	20,854,373	(5,561,240)	(79,882)
August	546,343	22,808,999	(6,823,362)	(76,220)
September	575,866	25,033,024	(5,850,977)	(84,003)
Total	8,244,306	303,869,381	(109,441,516)	(3,745,083)
13 Month Avg Balance	634,177	23,374,568	(8,418,578)	(288,083)

VIRGINIA NATURAL GAS, INC
DETAIL OF RATEMAKING ADJUSTMENTS
REFLECTED IN COL (4) OF SCHEDULES 15 AND 16

Co Adj No	Description	Total Company	Non-Juris	Virginia Juris	Non-Juris. %
	A. Operating Revenue Adjustments				
1	To annualize test year revenues	1,488,009	0	1,488,009	
2	To reflect the annualized effect of new customers added during the test year	1,525,997	0	1,525,997	
3	To adjust test year revenues to reflect normal weather	8,557,486	0	8,557,486	
	Total Operating Revenue Adjustments	11,571,492	0	11,571,492	
	B. Operation and Maintenance Expense Adjustments				
4	To adjust uncollectible expense to reflect annualized revenues under normal weather	533,999	57,672	476,327	10 8000%
5	To annualize end of test year base salary and wages	113,248	5,258	107,990	4 6431%
6	To adjust the test year for the annualized cost of medical, flex benefits deductions and savings plans	703,210	32,651	670,559	4 6431%
7	To eliminate lobbying expenses from test year expenses	(15,934)	(740)	(15,194)	4 6431%
8	To reflect a decrease in pension expense	(76,570)	(3,555)	(73,015)	4 6431%
9	To adjust the test year for a decrease in Postretirement Benefits Other Than Pensions	(467,284)	(21,696)	(445,588)	4 6431%
10	To eliminate nonqualifying advertising expenses booked "above the line"	(67,933)	0	(67,933)	0 0000%
11	To adjust test period level of AGLR intercompany billings	1,193,753	56,823	1,136,930	4 7600%
12	To reflect changes in VNG's allocated share of O & M costs of the joint use pipeline	0	0	0	4 6200%
13	To include the proper amount of bonus charges	0	0	0	4 7600%
14	To eliminate workforce reduction and severance expenses booked in the test period	0	0	0	[illegible]7600%
	Total Operation and Maintenance Expense Adjustments	1,916,489	126,413	1[illegible]	
	C. Depreciation and Amortization Expense Adjustments				
15	To annualize test year depreciation expense based on current rates and end of test period plant	193,755	8,951	184,804	4 6200%
16 a	To include amortization of expenses related to capitalized transition costs	3,847,116	177,737	3,669,379	4 6200%
16 b	To include amortization of expenses related differences between acquisition price and book value	4,002,612	184,921	3,817,691	4 6200%
	Total Depreciation and Amortization Expense Adjustments	8,043,483	371,609	7,671,874	
	D. Current Income Tax Adjustments				
17	Income tax effect at 38 9% of the total adjustments under Section A- Revenues	4,501,310	0	4,501,310	
18	Income tax effect at 38 9% of the total adjustments under Section B - O & M	(745,514)	(49,174)	(696,340)	
19	Income tax effect at 38 9% of the deprec amount of the adjustments under Section C - Depreciation and Amortization	(3,169,600)	(146,436)	(3,023,164)	
20	Income tax effect at 38 9% of the total adjustments under Section F - Taxes Other Than Income Taxes	(28,803)	(1,337)	(27,466)	
21	Income tax effect at 38 9% of the total adjs under Section G - Charitable Contributions	23,481	1,057	22,424	
22	Income tax effect at 38 9% of the total adjustments under Section H - Interest Expense	39,056	4,218	34,838	
23	To record the effect of Interest Synchronization on Income Taxes (@ 38 9%)	(1,214,822)	0	(1,214,822)	
24	Additional current income taxes due to under-accrual on books (@38 9%)	960,847	79,942	880,905	8 3200%
25	Eliminate Taxes for Other Income/(Expense)	(6,641)	0	(6,641)	
	Total Current Income Tax Adjustments	359,313	(111,729)	471,043	

VIRGINIA NATURAL GAS, INC
DETAIL OF RATEMAKING ADJUSTMENTS
REFLECTED IN COL (4) OF SCHEDULES 15 AND 16

Co Adj No	Description	Total Company	Non-Juris	Virginia Juris.	Non-Juris. %
	E. Deferred Income Tax Adjustments				
26	To reflect deferred tax related to Section C	40,685	1,880	38,805	4 2400%
	F Taxes Other Than Income Adjustments				
27	To adjust for the increase in FICA taxes related to changes in base payroll	8,245	383	7,862	4 6431%
28	To adjust the test year to reflect an increase in the social security tax base	5,627	261	5,366	4 6431%
29	To annualize property taxes based on end of test period plant	60,172	2,794	57,378	4 6431%
	Total Taxes Other Than Income Adjustments	74,044	3,438	70,606	
	G Charitable Donations Adjustments				
30	To eliminate 1/2 of the charitable contributions	(60,362)	(2,716)	(57,646)	4 5000%
	H Interest Expense Adjustments				
31	To annualize interest expense on customer deposits	(85,110)	(9,192)	(75,918)	10 8000%
32	To annualize interest expense on supplier refunds	(15,292)	(1,652)	(13,640)	10 8000%
33	To adjust interest expense as a result of using proposed capital structure for ratemaking purposes	3,068,783	0	3 068,783	
	Total Interest Expense Adjustments	2,968,381	(10,844)	2,979,225	
	I. JDC Capital Expense Adjustments				
34	To adjust JDC expense as a result of using VNG's capital structure for ratemaking purposes	160,966	0	160,966	
	J Allowance For Working Capital Adjustments				
35	To adjust cash working capital for adjustments based on lead-lag study	453,812	0	453,812	
	K Accumulated Depreciation and Amortization Adjustments				
36	To adjust the accumulated provision for depreciation and amortization	193,755	8,951	184,804	Various
	L Other Rate Base Deductions Adjustments				
37	To adjust test year to reflect accumulated deferred tax effect of liberalized depreciation	40,685	1,880	38,805	4 2400%
38	To record accumulated deferred income taxes related to goodwill and transition costs amortizations	(4,550,072)	(210,213)	(4,339,859)	4 6200%
39	To adjust taxes to eliminate effects of special payment	142,732	6,464	136,268	
40	To adjust deferred income taxes for non-jurisdictional goodwill	(578,994)	(26,750)	(552,244)	4 6200%
	M. Common Equity Capital				
41	To adjust common equity capital to reflect VNG's capital structure	2,611,339	0	2,611,339	

VIRGINIA NATURAL GAS, INC
CASH WORKING CAPITAL - ADJUSTED
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 1 OF SCHEDULE 16

Description	(1) Total Company Per Books Amounts	(2) Average Daily Amount	(3) Expense (Lead)Lag Days	(4) Revenue Lag	(5) Net Lead(Lag) Days	(6) Working Capital (Provided) Required
OPERATING EXPENSES						
O&M Expenses						
Purchased Gas Expense	$110,138,981	$301,751	-39 96	39 60	-0 36	($108,630)
Deferred Gas Expense		0	-39 96	39 60	-0 36	0
Storage Gas Expense		0	-39 96	39 60	-0 36	0
Materials & Supplies Expensed		0	-39 96	39 60	-0 36	0
OPEB Expense	1,786,599	4,895	-39 96	39 60	-0 36	(1,762)
Regulatory Asset Amortization Exp	0	0	-39 96	39 60	-0 36	0
Pension Expense	135,634	372	-39 96	39 60	-0 36	(134)
Prepaid Insurance Expense	39,704	109	-39 96	39 60	-0 36	(39)
Payroll Expense	12,704,579	34,807	-39 96	39 60	-0 36	(12,531)
Employee Benefits Expense	1,840,561	5,043	-39 96	39 60	-0 36	(1,815)
Accrued Vacation Expense	0	0	-39 96	39 60	-0 36	0
Uncollectible Expense	445,415	1,220	-39 96	39 60	-0 36	(439)
Pension Enhancements	0	0	-39 96	39 60	-0 36	0
Injuries and Damages Expense	41,894	115	-39 96	39 60	-0 36	(41)
Other O&M Expense	25,824,460	70,752	-39 96	39 60	-0 36	(25,471)
Depreciation Expense						
Depreciation Expense	14,109,935	38,657	0 00	39 60	39 60	1,530,831
Amortization Expense	105,062	288	0 00	39 60	39 60	11,398
Federal Income Taxes:						
Current	(4,585,407)	(12,563)	-39 75	39 60	-0 15	1,884
Deferred	13,081,837	35,841	-39 75	39 60	-0 15	(5,376)
DFIT on items excl from Rate Base	0	0	-39 75	39 60	-0 15	0
Deferred ITC	0	0	-39 75	39 60	-0 15	0
State Income Tax Expense	1,723,030	4,721	-39 75	39 60	-0 15	(708)
Taxes Other Than Income:						
Property Tax Expense	4,379,038	11,997	-162 51	39 60	-122 91	(1,474,596)
Virginia Gross Receipts Tax Expense	0	0	-162 51	39 60	-122 91	0
Valuation Tax Expense	0	0	-162 51	39 60	-122 91	0
Business License Tax Expense	0	0	-162 51	39 60	-122 91	0
Franchise Tax Expense	0	0	-162 51	39 60	-122 91	0
Payroll Tax Expense	1,079,999	2,959	-162 51	39 60	-122 91	(363,678)
Sales/Use Expense	0	0	-162 51	39 60	-122.91	0
Compressed Natural Gas Tax	0	0	-162 51	39 60	-122 91	0
Other Taxes	32,670	90	-162 51	39 60	-122 91	(11,002)
AFUDC	0	0	-39 60	39 60	0 00	0
Gain/Loss on Disposition of Property	0	0	-39 60	39 60	0 00	0
Charitable Donations	120,724	331	-39 60	39 60	0 00	0
Interest on Customer Deposits	319,206	875	-182 50	39 60	-142 90	(124,972)
Interest on Supplier Refunds	38 339	105	-182 50	39 60	-142 90	(15,010)
Other Expense/Income (A-t-I)	0	0	-39 60	39 60	0 00	0
Other Income/Expense (B-t-I)	(17,073)	(47)	-39 60	39 60	0 00	0
Interest Expense:						
Long-Term	7,991,104	21,893	-85 73	39 60	-46 13	(1,009,944)
Short-Term	0	0	-39 60	39 60	0 00	0
Preferred Dividends	0	0	-39 60	39 60	0 00	0
JDC Expense	0	0	-39 60	39 60	0 00	0
Income Avail. to Common Equity	18,411,772	50,443	-39 60	39 60	0 00	0
Totals	$209,748,063	$574,652				($1,612,035)
Plus Cust. Util & Cons. Taxes	$13,199,001	36,162	-68 78	39 60	-29 18	(1,055,197)
BALANCE SHEET ITEMS						(5,805,523)
TOTAL CASH WORKING CAPITAL						($8,472,755)

VIRGINIA NATURAL GAS, INC.
CASH WORKING CAPITAL - ADJUSTED
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 3 OF SCHEDULE 16

Description	(1) Total Company Per Books Amounts	(2) Non-Jurisdictional Business	(3) VA Juris. Before Ratemaking Adjustments	(4) Average Daily Amount	(5) Expense (Lead)Lag Days	(6) Revenue Lag	(7) Net Lead(Lag) Days	(8) Working Capital (Provided) Required
OPERATING EXPENSES								
O&M Expenses								
Purchased Gas Expense	$110,138,981	$12,985,386	$97,153,595	$266,174	-39 96	39 60	-0 36	($95,823)
Deferred Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Storage Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Materials & Supplies Expensed	0	0	0	0	-39 96	39 60	-0 36	0
OPEB Expense	1,786,599	80,933	1,705,666	4,673	-39 96	39 60	-0 36	(1,682)
Regulatory Asset Amortization Exp	0	0	0	0	-39 96	39 60	-0 36	0
Pension Expense	135,634	6,144	129,490	355	-39 96	39 60	-0 36	(128)
Prepaid Insurance Expense	39,704	1,957	37,747	103	-39 96	39 60	-0 36	(37)
Payroll Expense	12,704,579	626,336	12,078,243	33,091	-39 96	39 60	-0 36	(11,913)
Employee Benefits Expense	1,840,561	83,377	1,757,184	4,814	-39 96	39 60	-0 36	(1,733)
Accrued Vacation Expense	0	0	0	0	-39 96	39 60	-0 36	0
Uncollectible Expense	445,415	48,105	397,310	1,089	-39 96	39 60	-0 36	(392)
Pension Enhancements	0	0	0	0	-39 96	39 60	-0 36	0
Injuries and Damages Expense	41,894	1,898	39,996	110	-39 96	39 60	-0 36	(39)
Other O&M Expense	25,824,460	1,134,334	24,690,126	67,644	-39 96	39 60	-0 36	(24,352)
Depreciation Expense								
Depreciation Expense	14,109,935	651,879	13,458,056	36,871	0 00	39 60	39 60	1,460,107
Amortization Expense	105,062	4,854	100,208	275	0 00	39 60	39 60	10,872
Federal Income Taxes:								
Current	(4,585,407)	(381,193)	(4,204,214)	(11,518)	-39 75	39 60	-0 15	1,728
Deferred	13,081,837	1,088,409	11,993,428	32,859	-39 75	39 60	-0 15	(4,929)
DFIT on items excl from Rate Base	0	0	0	0	-39 75	39 60	-0 15	0
Deferred ITC	0	0	0	0	-39 75	39 60	-0 15	0
State Income Tax Expense	1,723,030	143,356	1,579,674	4,328	-39 75	39 60	-0 15	(649)
Taxes Other Than Income.								
Property Tax Expense	4,379,038	200,122	4,178,916	11,449	-162 51	39 60	-122 91	(1,407,206)
Virginia Gross Receipts Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Valuation Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Business License Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Franchise Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Payroll Tax Expense	1,079,999	49,356	1,030,643	2,824	-162 51	39 60	-122 91	(347,059)
Sales/Use Expense	0	0	0	0	-162 51	39 60	-122 91	0
Compressed Natural Gas Tax	0	0	0	0	-162 51	39 60	-122 91	0
Other Taxes	32,670	1,493	31,177	85	-162 51	39 60	-122 91	(10,499)
AFUDC	0	0	0	0	-39 60	39 60	0 00	0
Gain/Loss on Disposition of Property	0	0	0	0	-39 60	39 60	0 00	0
Charitable Donations	120,724	5,371	115,353	316	-39 60	39 60	0 00	0
Interest on Customer Deposits	319,206	34,469	284,737	780	-182 50	39 60	-142 90	(111,476)
Interest on Supplier Refunds	38,339	4,140	34,199	94	-182 50	39 60	-142 90	(13,390)
Other Expense/Income (A-t-I)	0	0	0	0	-39 60	39 60	0 00	0
Other Income/Expense (B-t-I)	(17,073)	(17,073)	0	0	-39 60	39 60	0 00	0
Interest Expense:								
Long-Term	7,991,104	374,116	7,616,988	20,868	-85 73	39 60	-46 13	(962,662)
Short-Term	0	0	0	0	-39 60	39 60	0 00	0
Preferred Dividends	0	0	0	0	-39 60	39 60	0 00	0
JDC Expense	0	0	0	0	-39 60	39 60	0 00	0
Income Avail to Common Equity	18,411,772	1,564,109	16,847,663	46,158	-39 60	39 60	0 00	0
Totals	$209,748,063	$18,691,878	$191,056,185	$523,442				($1,521,262)
Plus: Cust. Util. & Cons Taxes	13,199,001	0	13,199,001	36,162	-68 78	39 60	-29 18	(1,055,197)
BALANCE SHEET ITEMS								(5,584,333)
TOTAL CASH WORKING CAPITAL								($8,160,792)

VIRGINIA NATURAL GAS, INC.
CASH WORKING CAPITAL - ADJUSTED
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 5 OF SCHEDULE 16

Description	(1) VA Juris. Before Ratemaking Adjustments	(2) Ratemaking Adjustments	(3) Amounts After Adj.	(4) Average Daily Amount	(5) Expense (Lead)Lag Days	(6) Revenue Lag	(7) Net Lead(Lag) Days	(8) Working Capital (Provided) Required
OPERATING EXPENSES								
O&M Expenses								
Purchased Gas Expense	$97,153,595	$0	$97,153,595	$266,174	-39 96	39 60	-0 36	($95,823)
Deferred Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Storage Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Materials & Supplies Expensed	0	0	0	0	-39 96	39 60	-0 36	0
OPEB Expense	1,705,666	(445,588)	1,260,078	3,452	-39 96	39 60	-0 36	(1,243)
Regulatory Asset Amortization Exp	0	0	0	0	-39 96	39 60	-0 36	0
Pension Expense	129,490	(73,015)	56,475	155	-39 96	39 60	-0 36	(56)
Prepaid Insurance Expense	37,747	0	37,747	103	-39 96	39 60	-0 36	(37)
Payroll Expense	12,078,243	107,990	12,186,233	33,387	-39 96	39 60	-0 36	(12,019)
Employee Benefits Expense	1,757,184	670,559	2,427,743	6,651	-39 96	39 60	-0 36	(2,394)
Accrued Vacation Expense	0	0	0	0	-39 96	39 60	-0 36	0
Uncollectible Expense	397,310	476,327	873,637	2,394	-39 96	39 60	-0 36	(862)
Pension Enhancements	0	0	0	0	-39 96	39 60	-0 36	0
Injuries and Damages Expense	39,996	0	39,996	110	-39 96	39 60	-0 36	(39)
Other O&M Expense	24,690,126	1,053,803	25,743,929	70,531	-39 96	39 60	-0 36	(25,391)
Depreciation Expense								
Depreciation Expense	13,458,056	7,671,874	21,129,930	57,890	0 00	39 60	39 60	2,292,453
Amortization Expense	100,208	0	100,208	275	0 00	39 60	39 60	10,872
Federal Income Taxes:								
Current	(4,204,214)	471,043	(3,733,171)	(10,228)	-39 75	39 60	-0 15	1,534
Deferred	11,993,428	38,805	12,032,233	32,965	-39 75	39 60	-0 15	(4,945)
DFIT on items excl from Rate Base	0	0	0	0	-39 75	39 60	-0 15	0
Deferred ITC	0	0	0	0	-39 75	39 60	-0 15	0
State Income Tax Expense	1,579,674		1,579,674	4,328	-39 75	39 60	-0 15	(649)
Taxes Other Than Income:								
Property Tax Expense	4,178,916	57,378	4,236,294	11,606	-162 51	39 60	-122 91	(1,426,528)
Virginia Gross Receipts Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Valuation Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Business License Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Franchise Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Payroll Tax Expense	1,030,643	13,228	1,043,871	2,860	-162 51	39 60	-122 91	(351,513)
Sales/Use Expense	0	0	0	0	-162 51	39 60	-122 91	0
Compressed Natural Gas Tax	0	0	0	0	-162 51	39 60	-122 91	0
Other Taxes	31,177	0	31,177	85	-162 51	39 60	-122 91	(10,499)
AFUDC	0	0	0	0	-39 60	39 60	0 00	0
Gain/Loss on Disposition of Property	0	0	0	0	-39 60	39 60	0 00	0
Charitable Donations	115,353	(57,646)	57,707	158	-39 60	39 60	0 00	0
Interest on Customer Deposits	284,737	(75,918)	208,819	572	-182 50	39 60	-142 90	(81,755)
Interest on Supplier Refunds	34,199	(13,640)	20,559	56	-182 50	39 60	-142 90	(8,050)
Other Expense/Income (A-t-I)	0	0	0	0	-39 60	39 60	0 00	0
Other Income/Expense (B-t-I)	0	0	0	0	-39 60	39 60	0 00	0
Interest Expense:								
Long-Term	7,616,988	3,068,783	10,685,771	29,276	-85 73	39 60	-46 13	(1,350,506)
Short-Term	0	0	0	0	-39 60	39 60	0 00	0
Preferred Dividends	0	0	0	0	-39 60	39 60	0 00	0
JDC Expense	0	160,966	160,966	441	-39 60	39 60	0 00	0
Income Avail. to Common Equity	16,847,663	(1,553,457)	15,294,206	41,902	-39 60	39 60	0 00	0
Totals	$191,056,185	$11,571,492	$202,627,677	$555,144				($1,067,450)
Plus Cust. Util. & Cons. Taxes	13,199,001	$0	$13,199,001	36,162	-68 78	39 60	-29 18	(1,055,197)
BALANCE SHEET ITEMS								(5,584,333)
TOTAL CASH WORKING CAPITAL								($7,706,980)

Cash Working Capital Adjustment

Total Per Schedule 19 p 3	($7,706,980)
Less	
Total Per Schedule 19 p 2	($8,160,792)
Equals	
Cash Working Capital Adjustment	**$453,812**

VIRGINIA NATURAL GAS, INC.
CASH WORKING CAPITAL - ADJUSTED
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002
SUPPORTING COLUMN 5 OF SCHEDULE 16

Description	(1) VA Juris. Before Ratemaking Adjustments	(2) Ratemaking Adjustments	(3) Amounts After Adj	(4) Average Daily Amount	(5) Expense (Lead)Lag Days	(6) Revenue Lag	(7) Net Lead(Lag) Days	(8) Working Capital (Provided) Required
OPERATING EXPENSES								
O&M Expenses								
Purchased Gas Expense	$97,153,595	$0	$97,153,595	$266,174	-39 96	39 60	-0 36	($95,823)
Deferred Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Storage Gas Expense	0	0	0	0	-39 96	39 60	-0 36	0
Materials & Supplies Expensed	0	0	0	0	-39 96	39 60	-0 36	0
OPEB Expense	1,705,666	(445,588)	1,260,078	3,452	-39 96	39 60	-0 36	(1,243)
Regulatory Asset Amortization Exp	0	0	0	0	-39 96	39 60	-0 36	0
Pension Expense	129,490	(73,015)	56,475	155	-39 96	39 60	-0 36	(56)
Prepaid Insurance Expense	37,747	0	37,747	103	-39 96	39 60	-0 36	(37)
Payroll Expense	12,078,243	107,990	12,186,233	33,387	-39 96	39 60	-0 36	(12,019)
Employee Benefits Expense	1,757,184	670,559	2,427,743	6,651	-39 96	39 60	-0 36	(2,394)
Accrued Vacation Expense	0	0	0	0	-39 96	39 60	-0 36	0
Uncollectible Expense	397,310	476,327	873,637	2,394	-39 96	39 60	-0 36	(862)
Pension Enhancements	0	0	0	0	-39 96	39 60	-0 36	0
Injuries and Damages Expense	39,996	0	39,996	110	-39 96	39 60	-0 36	(39)
Other O&M Expense	24,690,126	1,053,803	25,743,929	70,531	-39 96	39 60	-0 36	(25,391)
Depreciation Expense								
Depreciation Expense	13,458,056	7,671,874	21,129,930	57,890	0 00	39 60	39 60	2,292,453
Amortization Expense	100,208	0	100,208	275	0 00	39 60	39 60	10,872
Federal Income Taxes:								
Current	(4,204,214)	471,043	(3,733,171)	(10,228)	-39 75	39 60	-0 15	1,534
Deferred	11,993,428	38,805	12,032,233	32,965	-39 75	39 60	-0 15	(4,945)
DFIT on items excl from Rate Base	0	0	0	0	-39 75	39 60	-0 15	0
Deferred ITC	0	0	0	0	-39 75	39 60	-0 15	0
State Income Tax Expense	1,579,674		1,579,674	4,328	-39 75	39 60	-0 15	(649)
Taxes Other Than Income								
Property Tax Expense	4,178,916	57,378	4,236,294	11,606	-162 51	39 60	-122 91	(1,426,528)
Virginia Gross Receipts Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Valuation Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Business License Tax Expense	0	0	0	0	-162 51	39 60	-122.91	0
Franchise Tax Expense	0	0	0	0	-162 51	39 60	-122 91	0
Payroll Tax Expense	1,030,643	13,228	1,043,871	2,860	-162 51	39 60	-122 91	(351,513)
Sales/Use Expense	0	0	0	0	-162 51	39 60	-122 91	0
Compressed Natural Gas Tax	0	0	0	0	-162 51	39 60	-122 91	0
Other Taxes	31,177	0	31,177	85	-162 51	39 60	-122 91	(10,499)
AFUDC	0	0	0	0	-39 60	39 60	0 00	0
Gain/Loss on Disposition of Property	0	0	0	0	-39 60	39 60	0 00	0
Charitable Donations	115,353	(57,646)	57,707	158	-39 60	39 60	0 00	0
Interest on Customer Deposits	284,737	(75,918)	208,819	572	-182 50	39 60	-142 90	(81,755)
Interest on Supplier Refunds	34,199	(13,640)	20,559	56	-182 50	39 60	-142 90	(8,050)
Other Expense/Income (A-t-I)	0	0	0	0	-39 60	39 60	0 00	0
Other Income/Expense (B-t-I)	0	0	0	0	-39 60	39 60	0 00	0
Interest Expense:								
Long-Term	7,616,988	3,068,783	10,685,771	29,276	-85 73	39 60	-46 13	(1,350,506)
Short-Term	0	0	0	0	-39 60	39 60	0 00	0
Preferred Dividends	0	0	0	0	-39 60	39 60	0 00	0
JDC Expense	0	160,966	160,966	441	-39 60	39 60	0 00	0
Income Avail. to Common Equity	16,847,663	(1,553,457)	15,294,206	41,902	-39 60	39 60	0 00	0
Totals	$191,056,185	$11,571,492	$202,627,677	$555,144				($1,067,450)
Plus. Cust. Util & Cons. Taxes	13,199,001	$0	$13,199,001	36,162	-68 78	39 60	-29 18	(1,055,197)
BALANCE SHEET ITEMS								(5,584,333)
TOTAL CASH WORKING CAPITAL								($7,706,980)

Cash Working Capital Adjustment

Total Per Schedule 19 p 3	($7,706,980)
Less	
Total Per Schedule 19 p 2	($8,160,792)
Equals	
Cash Working Capital Adjustment	**$453,812**

VIRGINIA NATURAL GAS, INC.
BALANCE SHEET ANALYSIS
FOR THE THIRTEEN MONTHS ENDED SEPTEMBER 30, 2002

Description	(1) Total Company Average Balance	(2) Non-Jurisdictional Business	(3) Jurisdictional Business	(4) Non-Jurisdictional Percentage
Individual Uses of Cash Working Capital:				
Bank Compensatory Balances	0	0	0	0 0000%
A/R Misc Employee	143,973	5,485	138,488	3 8100%
A/R Salary Advances	0	0	0	0 0000%
A/R Misc Public	89,023	3,392	85,631	3 8100%
A/R Safety Program	0	0	0	0 0000%
Other Work in Progress - Cust Pay	1,003	38	965	3 8100%
Prepaid Va Auto License Fees	0	0	0	0 0000%
Workers' Comp Retainer Fee	15,000	572	14,428	3 8100%
Prepaid Insurance - Excluding ESRP	9,943	379	9,564	3 8100%
Total Additional Uses of Cash Working Capital	258,942	9,866	249,076	
Individual Sources of Cash Working Capital·				
Pension Liability	(1,957,595)	(74,584)	(1,883,011)	3 8100%
Accrued Vacation Liability	(534,985)	(20,383)	(514,602)	3 8100%
Payroll Witholdings	(75,741)	(2,886)	(72,855)	3 8100%
Sales Tax on Inventory Purchased	0	0	0	0 0000%
Directors' Deferred Compensation	0	0	0	0 0000%
Miscellaneous Escheats	(266,128)	(10,139)	(255,989)	3 8100%
Reserve for Injuries and Damages	0	0	0	0 0000%
Contract Retainage	0	0	0	0 0000%
Margin Sharing-Net of ADFIT	48,066	1,831	46,235	3 8100%
Accounts Payable - Materials and Supplies	0	0	0	0 0000%
Accounts Payable - Gas Supply Inventory	(1,608,248)	(61,274)	(1,546,974)	3 8100%
Accounts Payable - CWIP	0	0	0	0 0000%
Accounts Payable - CWIP (Year End Accruals)	0	0	0	0 0000%
Accrued Payroll - CWIP	0	0	0	0 0000%
Merger Costs	(1,669,835)	(63,621)	(1,606,214)	3 8100%
Total Additional Sources of Cash Working Capital	(6,064,465)	(231,056)	(5,833,409)	
Net Use/(Source) of Cash Working Capital	(5,805,523)	(221,190)	(5,584,333)	

VIRGINIA NATURAL GAS, INC
BALANCE SHEET ANALYSIS
THIRTEEN MONTH AVERAGE BALANCES
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2002

AGL Account Number	Account Title	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	13-Month Average Sep 30 ,2002
	A/R Misc. Employees														
134100	Employees A/R - Misc	233,524	210,258	185,977	163,968	153,920	143,493	138,281	127,386	118,230	107,260	100,389	97,358	91,611	143,973
	A/R Salary Advances														
			-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	A/R Misc Public														
134610	Damages / Relocation A/R	168,103	201,492	194,668	116,929	83,651	102,765	59,019	39,279	35,058	33,095	36,114	43,015	44,106	89,023
			-	-	-	-	-	-	-	-	-	-	-	-	-
		168,103	201,492	194,668	116,929	83,651	102,765	59,019	39,279	35,058	33,095	36,114	43,015	44,106	89,023
	Other Work in Progress														
162200	OWIP-New construction	6,519	6,519	-	-	-	-	-	-	-	-	-	-	-	1,003
		6,519	6,519	-	-	-	-	-	-	-	-	-	-	-	1 003
	Prepaid Va. Auto License Fees														
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Workers' Comp Retainer Fee														
112100	Workers' Comp Retainer Fee	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Prepaid Insurance														
157100	Prepaid Insurance-Incl ESRP	5,619	3,746	1,873	0	20,607	18,734	16,860	14 987	13,114	11,240	9,367	7,494	5,620	9,943
		5,619	3,746	1,873	0	20,607	18,734	16,860	14,987	13,114	11,240	9,367	7,494	5,620	9,943
	Pension Liability														
157200	Pension Asset - Union Plans	-	-	-	(2,044,451)	-	-	(2,009,815)	(1,998,269)	(1,986,724)	(1,975,178)	(1,963,633)	(1,952,088)	(1,940,542)	(1,220,823)
100601	Intangible Asset - Add'l Min Liab	161,663	-	-	-	-	-	-	-	-	-	-	-	-	12,436

VIRGINIA NATURAL GAS, INC
BALANCE SHEET ANALYSIS
THIRTEEN MONTH AVERAGE BALANCES
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2002

AGL Account Number	Account Title	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	13-Month Average Sep 30 ,2002
247030	Pension Liability/Qualified Plan	-	(1,880,951)	(1,962,701)	-	(2 032,906)	(2,021,360)	-	-	-	-	-	-	-	(607,532)
247400	Pension Liability - System Plan	(1,788,089)	-	-	-	-	-	-	-	-	-	-	-	-	(137,545)
0	Pension Liability - Union Plans	-	-	-	-	-	-	-	(38,000)	-	-	-	-	-	(2,923)
247402	Pension Liability - ERISA Excess	(5,225)	-	-	-	-	-	-	-	-	-	-	-	-	(402)
247403	Pension Liability - VNG Executive	(12,328)	-	-	-	-	-	-	-	-	-	-	-	-	(948)
247404	Pension Liability - Add'l Min Liab	-	-	-	-	-	-	-	-	-	-	-	-	-	-
247406	Acc Prov Pens & Bene Non-Union	735	-	-	-	-	-	-	-	-	-	-	-	-	57
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-
258890	Workforce Reduction - Severance	283	283	283	283	-	-	-	-	-	-	-	-	-	87
0	ADFIT-Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	ADFIT- Special Term Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(1,642,961)	(1,880,668)	(1,962,418)	(2,044,168)	(2 032,906)	(2,021,360)	(2,009,815)	(2,036 269)	(1,986,724)	(1,975,178)	(1,963,633)	(1,952,088)	(1,940,542)	(1,957,595)
	Accrued Vacation														
251112	Accrued Vacation Liability	(410,772)	(410,772)	(410,772)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(534,985)
0	ADFIT-Accrued Vacation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(410,772)	(410,772)	(410,772)	(572,249)	(572,249)	(572,249)	(572 249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(572,249)	(534,985)
	Payroll Withholdings														
225500	Payroll Deductions	2,882	2,882	-	-	(6,598)	-	-	-	-	-	-	-	-	(64)
225501	U S Savings Bonds Payable	113	113	113	113	-	-	-	-	-	-	-	-	(50)	31
225507	One Pledge Club Atlanta	-	-	-	(20)	(60)	(100)	(140)	(180)	(220)	-	-	-	-	(55)
225512	Employee Stock Purchase Plan	-	-	-	-	-	(1,200)	(2,400)	(3,550)	(1,150)	(2,875)	(4,450)	(3,000)	(5,000)	(1,817)
225521	P A C Payable	(97)	(7)	(185)	(90)	(240)	(22)	(22)	(22)	(22)	(97)	(97)	(22)	(22)	(73)
225526	Employee Court Orders	(1,765)	(1,335)	(1,335)	(3,836)	(1,418)	(1,418)	(1,335)	(1,335)	(1,418)	(3,829)	(3,364)	(1,418)	(1,418)	(1,940)
225536	Flx Ben Health Reim Payable	(1,975)	(2,314)	(2,335)	(1,876)	(1,834)	(1,714)	(1,589)	(1,469)	(1,469)	(1,469)	(1,469)	(1,469)	(1,469)	(1,727)
225537	Flx Ben Dep Daycare Payable	(3,895)	(4,295)	(4,495)	(5,146)	(6,146)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(2,128)
225546	Health Care Reim Payable 2000	-	-	-	-	(502)	(1,004)	(679)	(1,181)	(593)	(1,192)	(1,540)	(1,232)	(1,580)	(731)
225547	Dep Care Reim Payable	-	-	-	-	(1,216)	(1,807)	(949)	(1,701)	(2,500)	(3,619)	(4,146)	(1,988)	(2,403)	(1,564)
225550	Group Life Insurance VNG	(37,045)	-	-	-	-	-	-	-	-	-	-	-	-	(2,850)
225551	Thrift Alternate VNG	(156,070)	-	-	-	-	-	-	-	-	-	-	-	-	(12,005)
225552	Thrift General VNG	(133,871)	-	-	-	-	-	-	-	-	-	-	-	-	(10,298)
225553	Thrift Loans VNG	(69,788)	-	-	-	-	-	-	-	-	-	-	-	-	(5,368)
225555	Thrift Company Portion VNG	(84,270)	-	-	-	-	-	-	-	-	-	-	-	-	(6,482)
225556	VNG Savings Plan	(150,732)	-	-	-	-	-	-	-	-	-	-	-	-	(11,595)
225557	GUL Cash Accumulation EE - VNG	(1,425)	(1,582)	(1,716)	(1,884)	(1,913)	(1,979)	(2,013)	(67)	(133)	(233)	(300)	(333)	(400)	(1,076)
225558	GUL Cash Accum Spouse - VNG	(2,708)	(2,766)	(2,821)	(2,900)	(2,916)	(2,970)	(2,998)	(159)	(212)	(292)	(346)	(373)	(426)	(1,683)
225559	Voluntary Benefits Assn - VNG	(13,810)	(15,445)	(17,105)	(3,180)	(3,175)	(3,170)	(2,345)	-	-	(720)	(700)	80	(1,475)	(4,696)
225560	Union Dues VNG Local 50	-	96	96	(2,664)	(2,626)	(2,683)	96	-	-	(3,044)	(2,963)	(321)	(5,840)	(1,527)
225561	United Way Richmond	-	-	-	(48)	(133)	(219)	(304)	(389)	(475)	(309)	(105)	(211)	(316)	(193)
225562	United Way South Hampton	(6,529)	(2,126)	(4,151)	(1,682)	(3,955)	(5,779)	(7,610)	(9,440)	(11,270)	(6,606)	(2,064)	(3,589)	(5,273)	(5,390)
225563	United Way Peninsula	(3,211)	(1,204)	(2,370)	(593)	(1,579)	(2,490)	(3,391)	(4,282)	(5,163)	(3,096)	(886)	(1,732)	(2,578)	(2,506)
225565	Computer Purchase Plan - VNG	(50)	-	-	-	-	-	-	-	-	-	-	-	-	(4)
		(664,246)	(27,984)	(36,305)	(23,805)	(33,308)	(27,140)	(26,263)	(24,361)	(25,212)	(27,967)	(23,016)	(16,193)	(28,836)	(75,741)

Sales Tax on Inventory Purchased

VIRGINIA NATURAL GAS, INC
BALANCE SHEET ANALYSIS
THIRTEEN MONTH AVERAGE BALANCES
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2002

AGL Account Number	Account Title	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	13-Month Average Sep 30 ,2002
	Deferred Directors' Comp														
	Deferred Directors' Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ADFIT-Directors' Def Comp(RB Deduct)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous Escheats														
245600	Escheat - Deposit Balance-2001	(131,272)	(131,065)	(130,961)	(130,419)	(129,965)	(129,775)	(127,571)	(127,015)	(126,885)	(126,702)	(126,702)	(70,607)	(71,177)	(120,009)
245601	Escheat Credit Balance-2001	(34,275)	(34,370)	(34,321)	(34,242)	(34,248)	(34,081)	(33,737)	(33,729)	(33,733)	(33,746)	(33,763)	(20,341)	(18,757)	(31,796)
245602	Escheat Deposit Balance-2000	(57,376)	(9,065)	(13,008)	(22,267)	(31,521)	(41,482)	(48,931)	(55,173)	(62,149)	(68,489)	(73,079)	(72,110)	(71,861)	(48,193)
245603	Escheat Credit Balance-2000	(17,733)	(17,063)	(17,063)	(17,063)	(17,063)	(17,063)	(17,062)	(17,062)	(17,062)	(17,062)	(17,062)	(17,061)	(17,061)	(17,114)
245604	Escheat Credit Balance-1999	(19,524)	(19,524)	(19,508)	(19,493)	(19,493)	(19,493)	(19,479)	(17,551)	(17,551)	(17,551)	(17,551)	(17,551)	(17,551)	(18,601)
245605	Escheat Credit Balance-1998	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,015)	(6,016)	(6,013)	(6,013)	(6,015)
245606	Escheat Credit Balance-1997	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(7,897)	(6,326)	(9,615)	(7,908)
245607	Escheat Credit Balance-1996	(11,100)	(6,732)	(7,485)	(8,080)	(9,785)	(11,670)	(17,927)	(20,683)	(22,139)	(23,707)	(25,121)	(24,993)	(24,966)	(16,491)
		(285,193)	(231,732)	(236 258)	(245,476)	(255,987)	(267,477)	(278,619)	(285,125)	(293,431)	(301,170)	(307,191)	(235,002)	(237,001)	(266,128)
	Reserve for Inj. & Damages														
	Reserve for Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ADFIT-Inj, & Damages (RB Deduct)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contract Retainage														
225100	Contract Retainage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Margin Sharing														
251112	Margin Sharing	(108,023)	(108,023)	(108,023)	-	-	-	-	96,316	142,513	177,523	177,523	177,523	177,523	48,066
	ADFIT-Margin Sharing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(108,023)	(108,023)	(108,023)	-	-	-	-	96,316	142,513	177,523	177,523	177,523	177,523	48,066
	A/P Materials and Supplies														
	A/P Trade / Purchasing Exp Accruals		-	-	-	-	-	-	-	-	-	-	-	-	-
225105	A/P Trade / Inventory Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	A/P Gas Supply Inventory	(1,930,838)	(1,570,219)	-	-	-	-	-	(3,193,767)	(3,202,038)	(3,275,422)	(3,543,220)	(1,967,688)	(2,224,027)	(1,608,248)
	Merger Related Costs														
225210	Accrued Severance	(4,867,283)	(3,815,836)	(3,132,130)	(1,997,108)	(1 694,556)	(1,435,554)	(1,179,664)	(935,993)	(696,651)	(618,774)	(526,256)	(441,124)	(366,920)	(1,669,835)
	ADFIT-Merger costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(4,867,283)	(3,815,836)	(3,132,130)	(1,997,108)	(1 694,556)	(1,435,554)	(1,179,664)	(935,993)	(696,651)	(618,774)	(526,256)	(441,124)	(366,920)	(1,669,835)

Virginia Natural Gas, Inc.
Annual Informational Filing
Workpapers for Earnings Test and Ratemaking Adjustments
Based on the Twelve Months Ended September 30, 2002

Schedule 21- Workpapers for Earnings Test and Ratemaking Adjustments provided under separate cover

Virginia Natural Gas, Inc
Annual Informational Filing
AGLR Intercompany Billing Adjustment by Function (1)
For the Twelve Months Ended September 30, 2002

Test Year Intercompany Billing (Actual)

Description of Services	Oct-01 through Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	12 Months Ended September 30, 2002
Business Support-Facilities Management	38,736	33,380	23,853	84,842	33,722	12,346	37,115	13,168	31,545	17,769	326,476
Business Support-Fleet	7,643	(4,344)	(2,371)	11,564	9,809	6,292	9,539	9,587	7,600	7,963	63,283
Business Support-Other	101,608	20,947	11,411	15,370	33,051	12,379	23,357	19,013	(14,860)	21,958	244,235
Business Support-Purchasing	31,174	8,705	7,993	10,987	8,583	7,796	7,957	6,382	7,261	7,393	104,231
Customer Services	629,840	170,892	193,150	313,400	395,670	221,277	96,426	244,699	246,430	290,170	2,801,954
Employee Services	309,626	110,198	92,786	119,416	168,125	128,916	138,399	175,535	103,614	160,705	1,507,319
Engineering	133,833	50,832	37,272	53,727	46,596	41,917	48,391	47,097	43,394	53,287	556,346
Executive	201,973	132,179	65,151	45,635	51,526	32,525	32,022	46,344	43,435	48,567	699,357
External Relations	70,266	25,742	20,628	22,194	22,366	18,383	48,842	22,490	19,789	20,816	291,516
Financial Services	244,926	90,475	113,083	117,091	117,898	141,712	106,247	112,979	132,706	135,554	1,312,670
Gas Supply & Capacity Management	216,386	76,767	77,555	88,399	104,299	100,670	64,395	117,481	130,250	139,153	1,115,355
Information Systems & Technology	589,291	168,920	152,791	182,321	181,108	29,720	232,744	56,910	(40,988)	76,120	1,628,936
Internal Auditing	37,886	8,062	6,359	8,525	13,675	31,048	7,797	11,751	14,086	11,513	150,702
Investor Relations	42,105	35,540	108,340	-	-	-	12,635	8,077	5,309	19,851	231,858
Legal Services & Risk Management	144,787	87,498	107,542	129,307	30,982	153,883	104,932	119,891	103,671	49,453	1,031,947
Marketing	57,087	14,473	13,829	24,138	16,691	15,944	7,923	12,424	7,494	2,806	172,810
Other	324,200	27,985	33,025	411,217	(293,086)	177,733	(63,009)	280,499	17,822	46,379	962,764
Rates & Regulatory	24,749	14,402	9,101	15,131	10,801	7,776	6,534	8,312	13,356	8,364	118,526
Cost of Capital	187,358	55,935	55,366	54,708	52,830	22,874	18,720	16,893	(18,326)	47,521	493,880
AGLR Alloc Other benefits	271,178	-	-	533,653	237,318	-	138,345	-	-	324,409	1,504,902
Info Svcs Lights On Chargeback	262,002	74,287	74,287	74,287	71,551	71,551	71,551	71,980	71,740	71,596	914,832
PC Printer Leases Alloc	-	-	-	1,129	765	765	765	856	947	947	6,174
Total	3,926,653	1,202,876	1,201,153	2,317,040	1,314,279	1,235,506	1,151,625	1,402,369	926,277	1,562,295	16,240,072

(1) For AGLR Intercompany Billing Adjustment by Account, Reference Schedule 21, Adjustment 11

Virginia Natural Gas
Annual Informational Filing
AGLR Intercompany Billing Adjustment by Function (1)
For the Twelve Months Ended September 30, 2003

	Oct-02 Actual	Nov-02 Actual	Dec-02 Actual	Jan-03 Forecast	Feb-03 Forecast	Mar-03 Forecast	Apr-03 Forecast	May-03 Forecast	Jun-03 Forecast	Jul-03 Forecast	Aug-03 Forecast	Sep-03 Forecast	12 Months Ended September 30, 2003
Proforma Intercompany Billing													
Business Support-Facilities	23,841	9,836	109,516	12,882	(18,019)	125,939	39,826	51,814	20,696	17,227	16,703	19,005	429,266
Business Support-Fleet	13,157	7,906	25,830	6,124	4,862	8,079	5,726	5,577	8,310	6,459	5,948	5,553	103,528
Business Support-Other	28,183	35,700	20,602	8,476	8,042	9,113	8,331	4,986	5,329	5,038	4,918	4,966	143,682
Business Support-Purchasing	7,645	4,969	10,487	9,134	7,945	9,499	8,006	8,138	9,849	8,381	7,916	7,984	99,953
Customer Service Provider	218,285	195,197	124,920	228,692	206,092	261,418	220,945	221,088	259,853	227,686	212,595	220,366	2,597,137
Employee Service Provider	152,122	120,322	171,155	180,061	148,656	259,200	188,069	208,961	213,527	149,452	163,027	203,701	2,158,251
Engineering Provider	43,448	26,991	72,749	67,554	63,336	78,713	69,539	66,961	81,422	69,246	65,596	68,946	774,500
Executive Provider	43,346	47,116	76,996	30,414	21,398	25,264	22,490	22,301	25,190	22,974	21,819	22,258	381,566
External Relations Provider	22,327	18,502	28,015	26,056	24,144	36,207	30,529	24,521	43,423	23,872	22,441	22,403	322,440
Financial Service Provider	177,601	92,615	302,157	203,958	155,829	197,387	174,539	163,804	191,518	155,139	146,814	163,781	2,125,141
Gas Supply Provider	133,383	113,997	155,563	142,405	135,690	155,073	140,061	132,476	157,564	135,714	128,280	133,280	1,663,487
Info Services Provider	169,959	(44,376)	206,876	192,116	130,189	177,164	144,892	126,981	220,151	247,966	184,852	207,358	1,964,128
Internal Audit Provider	13,294	11,167	19,528	16,205	14,819	17,766	15,613	15,613	17,679	15,964	15,082	15,369	188,099
Investor Relations Provider	20,524	12,652	10,364	-	-	-	-	-	-	-	-	-	43,540
Legal Services Provider	102,344	136,256	61,318	131,373	142,814	145,651	174,106	120,167	127,731	126,532	120,730	124,091	1,513,115
Marketing Services Provider	2,627	1,139	2,568	58,902	41,566	43,068	31,467	28,231	31,006	28,860	28,223	28,368	326,025
Other Provider	47,332	48,999	76,949	39,869	30,344	60,125	92,689	26,995	33,355	32,224	26,279	36,283	551,441
Rates Provider	9,988	8,676	15,918	11,764	10,853	13,396	14,027	12,724	13,571	12,064	12,050	11,790	146,820
Cost of Capital	18,336	20,255	17,045	17,069	17,069	17,069	17,069	17,069	17,069	17,069	17,069	17,069	209,257
AGLR Alloc Other benefits	-	-	296,736	-	-	304,206	-	-	309,210	-	-	-	910,152
Info Svcs Lights On Chargeba	71,499	71,499	71,355	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	772,299
PC Printer Leases Alloc	765	765	765	856	856	856	856	856	856	856	856	856	9,999
Total	1,320,007	940,180	1,877,409	1,445,904	1,208,479	2,007,188	1,460,773	1,321,260	1,849,300	1,364,716	1,263,191	1,375,418	17,433,827

(1) For AGLR Intercompany Billing Adjustment by Account, Reference Schedule 21, Adjustment 11

Functional Areas-Definitions

Business Support

Facilities Management

AGL Services Company provides facilities management services for offices owned by AGL Systems Companies. Costs of a general nature are allocated using the Square Footage Factor.

Fleet Management

AGL Services Company provides fleet services to AGL System Companies. Costs of a general nature are allocated using the Number of Vehicles Factor.

Other

AGL Services Company provides other services to AGL System companies such as records management, media & visual services, business process innovation. Costs of a general nature are allocated using the Composite Ratio.

Purchasing

AGL Services Company provides procurement services to AGL System Companies. Costs of a general nature are allocated using the Number of Stores Issues Ratio.

Customer Services

AGL Services Company provides billing, mailing, remittance processing, call center and customer communication services for customers. Costs of a general nature are allocated using the Number of End-Use Customers.

Employee Services

AGL Services Company assists AGL System Companies in developing employee relations policies and programs, and training personnel in a coordinated manner throughout the AGL System Companies. Each AGL System Company may maintain a human resources group to handle the individualized application of policies and programs. AGL Services also provides payroll services, management of the employee benefit plans, employee communications and mail service. Costs of a general nature are allocated using the Number of Employees Ration (FTE's).

Engineering

AGL Services Company provides engineering services for the AGL System Companies. These services include infrastructure expansion and improvements, corrosion control, right-of-way maintenance and acquisition, leak surveys, mapping, laboratory, and environmental services. Costs of a general nature are allocated using the Number of End-Use Customers Ratio.

Functional Areas-Definitions

Executive

AGL Services Company utilizes the executive staff of AGL in order to assist the AGL System Companies in formulating and executing general plans and policies including operations, issuance of securities, appointment of executive personnel, budgets and financing plans, expansion of services, acquisitions and dispositions of property, public relationships and other related matters. Costs of a general nature are allocated using the Composite Factor.

External Relations

AGL Services Company maintains relationships with government policy makers, conducts lobbying activities and provides community relations support. Costs of a general nature are allocated using the Composite Ratio.

Financial Services

AGL Services Company provides various services to AGL System Companies including corporate tax, treasury, corporate accounting and reporting, hedging policy and oversight, financial planning and rates (For Virginia Natural Gas ("VNG"), Chattanooga Gas Company ("Chattanooga"), and Atlanta Gas Light Company ("AGLC") and other AGL System Companies that interact with regulators or regulated companies). Each AGL System Company may also maintain its own corporate and accounting group and engage AGL Services Company to provide advice and assistance on accounting matters including the development of accounting practices, procedures and controls, the preparation and analysis of financial reports and the filing of financial reports with regulatory bodies on a system-wide basis. Costs of a general nature are allocated using the Composite Ratio.

Gas Supply and Capacity Management

AGL Services Company assists VNG and Chattanooga in coordinating the management of their gas supply and assist VNG, Chattanooga and AGLC in coordinating gas transmission and storage services to ensure the most efficient use of services and to capture economies of scale as a larger purchaser in the market. Individually, VNG, Chattanooga and AGLC may, however, remain as the contract party under any agreement. Non-regulated marketing subsidiaries such as Sequent Energy Services ("SEQT") may also use AGL Services Company for certain transportation and storage capacity management services. Costs of a general nature are allocated using the Number of End-Use Customers Ratio.

Information Systems and Technology

AGL Services Company provides the AGL System Companies with electronic data processing and telecommunication network services. Costs of a general nature are allocated using the Number of Employees Ratio (FTE's).

Functional Areas-Definitions

Internal Auditing

AGL Services Company conducts periodic audits of administration and accounting processes. Audits would include examinations of AGL System Companies' service agreements, accounting systems, source documents, allocation methods and billings to assure proper authorization and accounting for services. Costs of a general nature are allocated using the Composite Ratio.

Investor Relations

AGL Services Company maintains relationships with the financial community, provides shareholder services, and performs corporate secretarial functions for the benefit of AGL System Companies. Costs of a general nature are allocated using the Composite Ratio.

Legal Services and Risk Management

AGL Services Company provides various legal services and general legal oversight. In addition, AGL Services Company provides insurance, claims, security, environmental and safety related services. Costs of a general nature are allocated using the Composite Ratio.

Marketing

AGL Services Company assists AGL System Companies by providing customer service surveys to improve customer service and efficiency, by providing analysis, implementation and maintenance of line extension policies, by providing analysis of tariff rates in response to customer needs and by developing marketing strategies and programs. Individually, AGL System Companies may maintain independent marketing personnel to handle the day-to-day details of marketing campaigns. Costs of a general nature are allocated using the Number of End-Use Customer Ratio.

Other

AGL Services Company provides other services such as business development, as identified in this document or requested by the AGL System Companies. Costs of a general nature are allocated using the Composite Ratio.

Rates and Regulatory

AGL Services Company assists the AGL System Companies in the analysis of its rate structure in the formulation of rate policies and advises and assists AGL System Companies in proceedings before regulatory bodies involving the rates operations of AGL System Companies and of other competitors where such rates and operations directly or indirectly affect the AGL System Companies. Costs of a general nature are allocated using the Number of End-Use Customer Ratio.

Strategic Planning

AGL Services Company advises and assists AGL System Companies with the preparation of strategic business plans and corporate strategies. Costs of a general nature are allocated using the Composite Ratio.

ACCT	DETAIL OF RATE BASE		TOTAL	NON-JURS	PT-1	JURISDICTIONAL	ALLOCATION
	GAS PLANT IN SERVICE		EXCL PT-1				
	INTANGIBLE PLANT						
301	ORGANIZATION	11	647,861	31,971	0	615,890	95 07%
302	FRANCHISES & CONSENTS	11	103,361	5,101	0	98,260	95 07%
303	MISC INTANGIBLE PLANT	11	20,486,170	1,010,961	0	19,475,209	95 07%
	TOTAL INTANGIBLE PLANT		21,237,392	1,048,032	0	20,189,360	95 07%
	MANUFACTURED GAS PRODUCTION						
304	LAND & LAND RIGHTS	1	20,844	2,119	0	18,725	89 84%
305	STRUCTURES AND IMPROVEMENTS	1	629,305	63,963	0	565,342	89 84%
311	LIQUIFUED PETROLEUM GAS EQUIPMENT	1	4,969,646	505,120	0	4,464,525	89 84%
320	OTHER EQUIPMENT	1	465,029	47,266	0	417,763	89.84%
	TOTAL MANUFACTURED GAS PRODUCTION		6,084,824	618,468	0	5,466,356	89 84%
	TRANSMISSION PLANT						
365	LAND/RIGHTS-OF-WAY	1	4,509,922	458,393	0	4,051,529	89 84%
366	STRUCTURES AND IMPROVEMENTS	3	348,370	2,680	0	345,690	99 23%
367	MAINS	7	13,039,965	776,112	38,498,354	50,762,207	98 49%
369	MEASUREMENT & REG STATION EQUIP	4	3,685,978	653,120	0	3,032,858	82 28%
370	COMMUNICATION EQUIPMENT	11	155,416	7,670	0	147,746	95 07%
	TOTAL TRANSMISSION PLANT		21,739,651	1,897,975	38,498,354	58,340,030	96 85%
	DISTRIBUTION PLANT						
374	LAND & LAND RIGHTS	3	4,303,415	33,103	0	4,270,312	99 23%
375	STRUCTURES & IMPROVEMENTS	3	204,749	1,575	0	203,174	99 23%
376	MAINS	7	235,805,740	14,034,672	0	221,771,068	94 05%
376	YORKTOWN PIPELINE	DIR	2,909,317	0	0	2,909,317	100 00%
377	COMPRESSOR STATION EQUIPMENT	4	2,107,027	373,345	0	1,733,682	82 28%
380	SERVICES	8	126,575,591	2,645,099	0	123,930,492	97 91%
381	METERS	9	15,857,765	838,723	0	15,019,042	94 71%
382	METER INSTALLATIONS	9	14,484,083	766,068	0	13,718,015	94 71%
383	HOUSE REGULATORS	9	4,572,532	241,843	0	4,330,689	94 71%
384	HOUSE REGULATOR INSTALLATIONS	9	5,496,792	290,727	0	5,206,065	94 71%
387	OTHER EQUIPMENT	10	7,827,702	364,983	0	7,462,719	95 34%
	TOTAL DISTRIBUTION PLANT		420,144,713	19,590,137	0	400,554,576	95 34%
	GENERAL PLANT						
389	LAND & LAND RIGHTS	11	1,838,360	90,720	0	1,747,640	95 07%
390	STRUCTURES & IMPROVEMENTS	11	6,882,953	339,663	0	6,543,290	95 07%
391	OFFICE FURNITURE & EQUIPMENT	11	5,855,004	288,935	0	5,566,069	95 07%
392	TRANSPORTATION EQUIPMENT	11	1,281,956	63,263	0	1,218,693	95 07%
393	STORES EQUIPMENT	11	94,778	4,677	0	90,101	95 07%
394	TOOLS, SHOP, & GARAGE EQUIP	11	1,269,875	62,666	0	1,207,209	95 07%
395	LABORATORY EQUIPMENT	11	618,819	30,538	0	588,281	95 07%
396	POWER OPERATION EQUIPMENT	11	522,988	25,809	0	497,179	95 07%
397	COMMUNICATIONS EQUIPMENT	11	2,105,469	103,902	0	2,001,567	95 07%
398	MISCELLANEOUS EQUIPMENT	11	206,537	10,192	0	196,345	95 07%
	TOTAL GENERAL PLANT		20,676,739	1,020,365	0	19,656,374	95 07%
	COMMON PLANT ADJUSTMENT	DIR	(298,053)	(14,708)	298,053	14,708	0 00%
	NET TOTAL GENERAL PLANT		20,378,686	1,005,656	298,053	19,671,083	95 14%
	TOTAL GAS PLANT IN SERVICE		489,585,266	24,160,269	38,796,407	504,221,404	95 43%
	CONSTRUCTION WORK IN PROGRESS						
	PRODUCTION PLANT	1	28,672	2,914	0	25,757	89 84%
	TRANSMISSION PLANT	10	151,422	7,060	0	144,361	95 34%
	DISTRIBUTION PLANT	10	19,268,906	898,454	0	18,370,452	95 34%
	GENERAL PLANT	11	1,297,382	64,024	0	1,233,359	95 07%
	TOTAL CONSTRUCTION WORK IN PROGRESS		20,746,382	972,452	0	19,773,930	95 31%
	TOTAL GAS PLANT INVESTMENT		510,331,648	25,132,721	38,796,407	523,995,334	95 42%

ACCT	DETAIL OF RATE BASE		TOTAL	NON-JURS	PT-1	JURISDICTIONAL	ALLOCATION
	GAS PLANT IN SERVICE		EXCL PT-1				
	ACCUMULATED PROVISION FOR DEPRECIATION						
	INTANGIBLE PLANT	11	16,185,755	798,742	0	15,387,013	95.07%
	PRODUCTION PLANT	1	5,663,289	575,623	0	5,087,666	89.84%
	DISTRIBUTION PLANT	10	132,894,141	6,196,471	0	126,697,670	95.34%
	TRANSMISSION PLANT	10	5,313,617	247,759	11,029,778	16,095,636	98.48%
	GENERAL PLANT	11	7,575,998	373,864	0	7,202,134	95 07%
	YORKTOWN	DIR	1,854,035	0		1,854,035	100 00%
	TOTAL ACCUMULATED PROVISION		169,486,835	8,192,458	11,029,778	172,324,155	95 46%
	NET PLANT INVESTMENT		340,844,813	16,940,263	27,766,629	351,671,179	95 40%
	COST FREE CAPITAL DEDUCTIONS						
	ACCUMULATED DEFERRED INCOME TAXES						
	RESEARCH AND DEVELOPMENT	11	523,382	25,828	0	497,554	95 07%
	BAD DEBTS	5	(174,635)	(18,858)	0	(155,777)	89.20%
	PENSION & BENEFITS	12	(821,123)	(37,203)	0	(783,920)	95 47%
	COMPUTER SOFTWARE	11	2,852	141	0	2,711	95 07%
	BK/TAX DIFF PARTNERSHIP INC	5	(33,147)	(3,579)	0	(29,568)	89 20%
	NSP	12	5,399	245	0	5,154	95 47%
	CIAC	10	(145,483)	(6,783)	0	(138,700)	95 34%
	LIBERALIZED DEPRECIATION	11	15,399,581	759,945	995,384	15,635,020	95 36%
	MISC ACCRUED LIABILITIES	4	(160,106)	(28,369)	0	(131,737)	82 28%
	SPECIAL PAYMENT	12	(134,845)	(6,109)	0	(128,736)	95 47%
	OVER/UNDER COLLECTIONS -PGA	5	(1,476,938)	(159,485)	0	(1,317,453)	89 20%
	PROPERTY TAX	11	(212,904)	(10,506)	0	(202,398)	95 07%
	TOTAL ACCUMULATED DEFERRED INCOME TAXES		12,772,033	515,266	995,384	13,252,152	96 26%
	CUSTOMER ADVANCES FOR CONSTRUCTION	10	596,893	27,831	0	569,062	0 00%
	TOTAL COST FREE CAPITAL DEDUCTIONS		13,368,926	543,097	995,384	13,821,213	96 22%
	WORKING CAPITAL AND DEFERRED DEBITS & CREDITS						
	MATERIALS AND SUPPLIES	10	588,326	27,432	45,851	606,745	95 67%
	FUEL INVENTORY	1	23,374,568	2,375,817	0	20,998,751	89 84%
	CASH	DIR	(7,946,649)	(324,062)	(552,642)	(8,175,229)	96 19%
	DEFERRED PURCH GAS	DIR	(8,418,578)	(902,110)	0	(7,516,468)	89 28%
	LESS						
	CUSTOMER DEPOSITS	5	10,640,720	1,149,020	0	9,491,700	89 20%
	SUPPLIER REFUNDS	5	288,083	31,108	0	256,975	89 20%
	TOTAL WORK CAP & DEFERRED DEBITS & CREDITS		(3,331,136)	(3,051)	(506,791)	(3,834,876)	
	TOTAL RATE BASE		324,144,751	16,394,114	26,264,454	334,015,090	95 32%

ACCT	DETAIL OF OPERATING INCOME		TOTAL	NON-JURIS	PT-1	JURISDICTIONAL	ALLOCATION
	OPERATING REVENUE		EXCL PT-1				
480	RESIDENTIAL SALES	DIR	132,611,706			132,611,706	100 00%
481	/489 COMMERCIAL & INDUSTRIAL DELIVERIES	DIR	70,382,620	18,595,226	4,525,568	56,312,962	75 18%
487	FORFITED DISCOUNTS	5	652,903	70,503	0	582,400	89 20%
488	MISCELLANEOUS SERVICE REVENUES	3	1,239,956	9,538	0	1,230,418	99 23%
495	OTHER GAS REVENUES	11	335,314	16,547	0	318,767	95 07%
	TOTAL OPERATING REVENUE		205,222,499	18,691,814	4,525,568	191,056,253	91 09%
	OPERATION & MAINTENANCE EXPENSES						
	PRODUCTION EXPENSES-OPERATION						
750	OPERATION SUPERVISION & ENGINEERING	1	547	56	0	491	89 84%
	TOTAL PRODUCTION EXPENSES-OPERATION		547	56	0	491	89.84%
	PRODUCTION EXPENSES-MAINTENANCE						
740	MAINTENANCE SUPERVISION & ENGINEERING	1	195 251	19,846	0	175,405	89 84%
	TOTAL PRODUCTION EXPENSES-MAINTENANCE		195,251	19,846	0	175,405	89 84%
	TOTAL PRODUCTION EXPENSES		195,798	19,901	0	175,897	89 84%
	OTHER GAS SUPPLY EXPENSES						
804	GAS PURCHASED EXPENSES	DIR	110,138,981	12980351		97,158,630	88 21%
	TOTAL GAS SUPPLY EXPENSES		110,138,981	12,980,351	0	97,158,630	88 21%
	TRANSMISSION EXPENSES-OPERATION						
850	OPERATION SUPERVISION & ENG	14	28,942	1,338	23,547	51,151	97 45%
851	SYSTEM CONTROL & LOAD DISPATCHING	10	561	26	686	1,221	97 90%
857	MEASURING & REGULATING STATION	4	6,006	1,064	5,939	10,881	91 09%
859	OTHER EXPENSES	10	67,841	3,163	125,002	189 680	98 36%
	TOTAL TRANSMISSION OPERATION		103,350	5,592	155,174	252,932	97 84%
	TRANSMISSION EXPENSES-MAINTENANCE						
862	MAINTENANCE OF STRUCTURES & IMPROVE	3	30,502	235	26,599	56 866	99 59%
863	MAINTENANCE OF MAINS	7	2,553	152	2,505	4,906	97 00%
865	MAINTENANCE OF MEASURE & REG STATION EQUIP	4	14,022	2,485	41,424	52,961	95 52%
867	MAINTENANCE OF OTHER EQUIPMENT	10	634	30	0	604	95 34%
	TOTAL TRANSMISSION MAINTENANCE		47,711	2,901	70,528	115,338	97 55%
	TOTAL TRANSMISSION EXPENSES		151,061	8,492	225,702	368,271	97 75%
	DISTRIBUTION EXPENSES-OPERATIONS						
870	OPERATION SUPERVISION & ENGINEERING	14	509,193	23,542	0	485,651	95 38%
871	LOAD DISPATCHING	10	13,448	627	0	12,821	95 34%
874	MAINS & SERVICES	15	3,854,934	179,242	0	3,675,692	95 35%
875	MEASURING AND REGULATOR STATION	4	53,871	9,545	0	44,326	82 28%
878	METER AND HOUSE REGULATOR	9	1,757,322	92,945	0	1,664,377	94 71%
879	CUSTOMER INSTALLATION	3	261,478	2,011	0	259,467	99 23%
880	OTHER EXPENSES	10	365,679	17,051	0	348,628	95 34%
	TOTAL DISTRIBUTION EXPENSES-OPERATION		6,815,925	324,964	0	6,490,961	95 23%
	DISTRIBUTION EXPENSES-MAINTENANCE						
885	SUPERVISION & ENGINEERING	14	987	46	0	941	95 38%
887	MAINS	7	902,410	53,710	0	848,700	94 05%
889	MEASURING & REGULATING STATION EQUIPMENT	4	58,902	10,437	0	48,465	82 28%
892	SERVICES	8	1,309,436	27,364	0	1,282,072	97 91%
893	METERS & HOUSE REGULATORS	9	547,784	28,972	0	518,812	94 71%
894	OTHER EQUIPMENT	14	26,511	1,226	0	25,285	95 38%
	TOTAL DISTRIBUTION EXPENSES-MAINTENANCE		2,846,030	121,754	0	2,724 276	95 72%
	TOTAL DISTRIBUTION EXPENSES		9,661,955	446,718	0	9,215,237	95 38%

ACCT	DETAIL OF OPERATING INCOME		TOTAL	NON-JURIS	PT-1	JURISDICTIONAL	ALLOCATION
	OPERATION & MAINTENANCE EXPENSES						
	CUSTOMER ACCOUNTS EXPENSES-OPERATION						
902	METER READING	3	1,636,198	12,586	0	1,623,612	99 23%
903	CUSTOMER RECORDS & COLLECTION	DIR	222,722	11,780		210,942	94 71%
904	UNCOLLECTIBLE ACCOUNTS	5	445,415	48,097	0	397,318	89 20%
	TOTAL CUSTOMER ACCOUNTS EXPENSES		2,304,335	72,463	0	2,231,872	96 86%
	CUSTOMER SERVICE AND INFO EXPENSES-OPERATION						
908	CUSTOMER ASSISTANCE	3	370	3	0	367	99 23%
	TOTAL CUSTOMER SERVICE AND INFO EXPENSES		370	3	0	367	99 23%
	SALES EXPENSES-OPERATION						
912	DEMONSTRATION AND SELLING	DIR	22,712	1,200		21,512	94 72%
913	ADVERTISING	3	78,101	601	0	77,500	99 23%
	TOTAL SALES EXPENSE		100,813	1,801	0	99,012	98 21%
	ADMINISTRATIVE AND GENERAL-OPERATION						
920	ADMINISTRATIVE AND GENERAL SALARIES	12	5,530,934	250,591	0	5,280,342	95 47%
921	OFFICE SUPPLIES AND EXPENSES	12	2,624,528	118,910	0	2,505,618	95 47%
922	ADMINISTRATIVE EXPENSES TRANSFERRED	12	(839,849)	(38,051)	(0)	(801,798)	95 47%
923	OUTSIDE SERVICES EMPLOYED	12	1,916,701	86,840	0	1,829,860	95 47%
925	INJURIES AND DAMAGES	12	252 083	11,421	0	240 661	95 47%
926	EMPLOYEE PENSIONS AND BENEFITS	12	3,020 748	136,861	0	2,883,886	95 47%
928	REGULATORY COMMISSION EXPENSES	11	4,787	236	0	4,551	95 07%
930	MISCELLANEOUS AND GENERAL	11	14,900,010	735,292	0	14,164,718	95 07%
931	RENTS	11	737,788	36,409	0	701,379	95 07%
	TOTAL ADMINISTRATIVE & GENERAL-OPERATION		28,147,730	1,338,509	0	26,809,217	95 24%
	ADMINISTRATIVE AND GENERAL-MAINTENANCE						
932	MAINTENANCE OF GENERAL PLANT	11	2,031,083	100,231	0	1,930,852	95 07%
	TOTAL ADMINISTRATIVE & GENERAL		30,178,813	1,438,740	0	28 740,069	95 23%
	ADJUSTMENTS NOT ASSIGNED TO O&M ACCOUNT						
	TOTAL OPERATION AND MAINTENANCE EXPENSES		152,732,126	14,968,470	225,702	137,989,355	90 21%
	DEPRECIATION AND AMORTIZATION EXPENSES						
	INTANGIBLE PLANT	11	1,913,548	94,431	0	1,819,117	95 07%
	PRODUCTION PLANT	1	31,324	3,184	0	28,140	89 84%
	DISTRIBUTION PLANT	10	10,300,487	480,282	0	9,820,205	95 34%
	TRANSMISSION PLANT	10	335,894	15,662	531,277	851,509	98 19%
	GENERAL PLANT	11	999,142	49,306	0	949,836	95 07%
	NGV	DIR	44,266	13,684		30,582	69 09%
	YORKTOWN	DIR	59,059	0		59,059	100 00%
	TOTAL DEPRECIATION AND AMORTIZATION EXPENSES		13,683,720	656,548	531,277	13,558,449	95 38%
	TAXES OTHER THAN INCOME TAXES						
	FICA	12	1,080,290	48,945	(291)	1,031,054	95 47%
	PROPERTY TAX	11	4,063,167	200,511	315,871	4,178,527	95 42%
	OTHER	11	32,670	1,612	0	31,058	95 07%
	TOTAL TAXES OTHER THAN INCOME TAXES		5,176,127	251,068	315,580	5,240,639	95 43%

ACCT	DETAIL OF OPERATING INCOME		TOTAL	NON-JURIS	PT-1	JURISDICTIONAL	ALLOCATION
	FEDERAL INCOME TAX COMPUTATION						
	OPERATING INCOME BEFORE FEDERAL INCOME TAX		33,630,526	2,815,728	3,453,009	34,267,811	92 41%
	LESS INTEREST	11	8,348,650	411,993	0	7,936,657	95 07%
	NET OPERATING INCOME		25,281,876	2,403,735	3,453,009	26,331,154	91 63%
	SCHEDULE M ADDITIONS TO OPERATING INCOME						
	BAD DEBT RESERVE	5	47,408	5,119	0	42,289	89 20%
	CIAC	10	373,993	17,438	0	356,555	95 34%
	PENSION	12	2,291,810	103,835	0	2,187,974	95 47%
	OVER/UNDER COLLECTION PGA	5	3,796,756	409,986	0	3,386,770	89 20%
	BK/TAX DIFFERENCE PTNERSHIP	5	85,148	9,195	0	75,953	89 20%
	ACCRUED LIABILITIES	4	411,584	18,648	0	392,936	95 47%
	TOTAL ADDITIONS		7,006,699	564,221	0	6,442,477	91 95%
	SCHEDULE M DEDUCTIONS FROM OPERATING INCOME						
	DEPRECIATION /AMORTIZATION	11	32,413,591	1,599,560	0	30,814,031	95 07%
	RETIREMENT PLAN	12	334,893	15,173	0	319,720	95 47%
	SELF CONSTRUCTED / MACRS / R&D	11	745,456	36,787	0	708,669	95 07%
	AMORTIZATION SOFTWARE & SOFTWARE	11	530,204	26,165	0	504,039	95 07%
	NSP	12	13,879	629	0	13,250	95 47%
	SPECIAL PAYMENT	12	5,218,134	236,419	0	4,981,714	95 47%
				0	0	0	
	TOTAL DEDUCTIONS		39,256,157	1,914,732	0	37,341,423	95 12%
	CALCULATION OF TAX						
	FIT TAXABLE INCOME		(6,967,582)	1,053,224	3,453,009	(4,567,792)	
	TAX @ 38 9 %		(2,710,389)	409,704	1,343,220	(1,776,871)	
	ADJUSTMENTS		(2,361,872)	(100,159)	(0)	(2,261,713)	
	TOTAL CURRENT FEDERAL INCOME TAX		(5,072,261)	309,545	1,343,220	(4,038,584)	

ACCT	DETAIL OF OPERATING INCOME		TOTAL	NON-JURIS	PT-1	JURISDICTIONAL	ALLOCATION
	FEDERAL INCOME TAX COMPUTATION						
	ADJUSTMENTS		(958,411)	(91,123)	0	(867,288)	90 49%
	INCOME TAXES DEFERRED						
	YEAR END ACCRUAL	4	82,767	14,666	0	68,101	82 28%
	DEFERRED FUEL	DIR	(1,476,938)	(158,264)	0	(1,318,674)	89 28%
	LIBERALIZED DEPRECIATION-PLANT	11	14,711,373	725,983	0	13,985,390	95 07%
	COMPUTER SOFTWARE COSTS / AMORT	11	496,231	24,488	0	471,743	95 07%
	CONTRIBUTIONS IN AID OF CONSTRUCTION	10	(145,483)	(6,783)	(0)	(138,700)	95 34%
	BK/TAX DIFFERENCE PTNERSHIP	5	(33,160)	(3,581)	0	(29,579)	89 20%
	PROPERTY TAX	11	68,363	3,374	0	64,989	95 07%
	SPECIAL PAYMENT	12	2,029,854	91,967	0	1,937,887	95 47%
	ACCRUED LIABILITIES	4	(160,106)	(28,369)	0	(131,737)	82 28%
	OPEB FAS106	12	(652,946)	(29,583)	(0)	(623,363)	95 47%
	BAD DEBTS	5	(18,442)	(1,991)	0	(16,451)	89 20%
	TOTAL INCOME TAXES DEFERRED		14,906,912	632,150	0	14,274,762	95 76%
	TOTAL INCOME TAXES		8,876,240	850,572	1,343,220	9,368,889	91 68%
	TOTAL OPERATING EXPENSES AND TAXES		180,468,212	16,726,658	2,415,780	166,157,331	90 85%
	DEDUCTIONS FROM OPERATING INCOME						
	CHARITABLE DONATIONS	14	116,164	5,371	4,560	115,353	95 55%
	INTEREST EXPENSE ON CUSTOMER DEPOSITS	5	319,206	34,469	0	284,737	89 20%
	INTEREST EXPENSE ON SUPPLIER REFUNDS	5	38,339	4,140	0	34,199	89 20%

ACCT	DETAIL OF OPERATING INCOME		TOTAL	NON-JURIS	PT-1	JURISDICTIONAL	ALLOCATION
	TOTAL DEDUCTIONS FROM OPERATING INCOME		473,709	43,980	4,560	434,289	90 80%
	ADJUSTED OPERATING INCOME		24,280,578	1,921,176	2,105,228	24,464,633	92 72%