

AGL Resources
Atlanta Gas Light
Chattanooga Gas
Virginia Natural Gas
AGL Networks
Sequent Energy Management

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Chattanooga, TN 37421

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November 15, 2004

Chairman Pat Miller
Tennessee Regulatory Authority
Attention Sharla Dillon
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Chairman Miller,

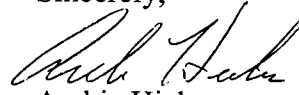
04-00403

Pursuant to the provisions of the Performance Based Ratemaking Mechanism approved by the Tennessee Regulatory Authority's January 8, 2002 Order in Docket 01-00619, Chattanooga Gas Company is filing an original and thirteen copies of the report of actual gas cost and the applicable index cost for each month of the plan year ended June 30, 2003 (Attachment A). As shown on Attachment A, the commodity cost of gas purchased by CGC during the plan year was approximately 0.006% above the index cost and the commodity cost did not exceed the benchmark cost by more than 2% during any month.

For the Authority's convenience, spreadsheets showing the volumes of gas, the indices, and the purchase prices for each month and each day are provided as Attachments B & C respectively. Chattanooga Gas Company considers the detailed information on Attachments B & C to be confidential and proprietary. As a result these Attachments are being filed under seal.

Should there be any questions, I will be pleased to discuss this filing in further detail with you. I can be reached at 404-584-3855.

Sincerely,


Archie Hickerson
Manager-Rates

C: Ms. Sharron Wilkins
Ms. Amanda Hwang
Mr. Pat Murphy
Mr. Russell Perkins



Chattanooga Gas

Attachment A

Chattanooga Gas Company
PBR Filing For ACA Year Ended June 30, 2004

Summary Sheet
Gas Cost Over (Under) Benchmark
July 1, 2003 through June 30, 2004

	SONAT (FOM)	Tenn/Z0 (FOM)	Tenn/500leg (FOM)	Tenn/800leg (FOM)	Tenn/Z1 (FOM-Nora)	SONAT (FOM-Storage)	Tenn/Z1 (FOM-Storage)	Tenn/Z1 (FOM-City Gate)	SONAT (Gas Daily)	Tenn/Zone 0 (Gas Daily)	Tenn500L (Gas Daily)	Tenn800L (Gas Daily)	Tenn500L (Gas Daily - NORA)	SONAT (Gas Daily - City Gate)	Tenn500L (Gas Daily - City Gate)	Cost Over (Under)	Benchmark
																\$	%
Jul-03	\$ -	\$ -	\$ -	\$ -	\$ (1,212.51)	\$ 5,457.62	\$ 7,570.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,815.75	0.1184%
Aug-03	\$ -	\$ -	\$ 2,888.18	\$ -	\$ -	\$ 4,102.04	\$ (5,553.17)	\$ -	\$ 1,660.81	\$ -	\$ -	\$ -	\$ -	\$ 1,358.02	\$ -	\$ 4,455.87	-0.0330%
Sep-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523.77	\$ -	\$ -	\$ (4,807.27)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,283.50)	-0.1441%
Oct-03	\$ -	\$ -	\$ -	\$ -	\$ 2,357.56	\$ -	\$ -	\$ -	\$ (423.08)	\$ 0.00	\$ -	\$ (341.22)	\$ -	\$ 674.01	\$ -	\$ 2,267.28	-0.0608%
Nov-03	\$ -	\$ -	\$ -	\$ -	\$ (8,323.76)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,323.76)	-0.3740%
Dec-03	\$ -	\$ -	\$ -	\$ -	\$ (15,943.67)	\$ -	\$ -	\$ -	\$ (0.00)	\$ -	\$ -	\$ 0.32	\$ (389.76)	\$ -	\$ -	\$ (16,333.11)	-0.2959%
Jan-04	\$ -	\$ -	\$ -	\$ -	\$ (7,422.72)	\$ -	\$ -	\$ 4,758.04	\$ -	\$ -	\$ -	\$ 1,397.44	\$ -	\$ -	\$ -	\$ 24,165.10	0.2003%
Feb-04	\$ -	\$ -	\$ -	\$ -	\$ (12,041.02)	\$ -	\$ -	\$ (1,654.61)	\$ -	\$ 49,217.22	\$ 25,432.34	\$ (150.19)	\$ 20,445.36	\$ -	\$ -	\$ 55,816.76	0.3996%
Mar-04	\$ -	\$ -	\$ -	\$ -	\$ (11,642.84)	\$ -	\$ -	\$ -	\$ (1.94)	\$ 53.30	\$ 0.00	\$ -	\$ 38.77	\$ -	\$ -	\$ (11,552.71)	-0.4202%
Apr-04	\$ -	\$ -	\$ -	\$ -	\$ (282.25)	\$ -	\$ -	\$ -	\$ 102.71	\$ -	\$ -	\$ (185.92)	\$ -	\$ -	\$ -	\$ (365.46)	0.0059%
May-04	\$ -	\$ -	\$ -	\$ -	\$ (537.08)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (537.08)	0.0209%
Jun-04	\$ -	\$ -	\$ -	\$ -	\$ (430.30)	\$ 3,273.30	\$ (4,196.03)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,353.03)	-0.0567%
% Bench	0.0000%	0.0000%	2.88818	0.0000%	(55,478.60)	13,356.73	(2,178.56)	3,103.43	(3,468.78)	49,270.52	25,432.35	720.44	20,094.37	2,032.03	-	\$ 55,772.10	0.0061%

Total CGC Purchase Gas Cost. \$ 51,275,877.64
Total Benchmark Purchase Gas Cost. \$ 51,272,759.60