

AGL Resources
Atlanta Gas Light
Chattanooga Gas
Elizabethtown Gas
Elkton Gas
Florida City Gas
Virginia Natural Gas
AGL Networks
Sequent Energy Management

800 477 5463 phone
www.chattanoogaogas.com

2207 Olan Mills Drive
Chattanooga TN 3742

RECEIVED

2005 DEC -1 AM 8:57

T.R.A. DOCKET ROOM

November 29, 2005

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

05-00321

Re: Chattanooga Gas Company Report of Transactions in the Deferred Gas Cost Account in compliance with Tennessee Regulatory Authority Administrative Rule 1220-4-7-.03(2).

Dear Chairman Jones,

Attached is an original and thirteen copies of the Summary of the Transactions in Chattanooga Gas Company's Deferred Gas Cost Account for the twelve months ended June 30, 2005 and the computation of ACA factor effective January 1, 2006 (Attachment A) as required by Tennessee Regulatory Authority Administrative Rule 1220-4-7- 03(2). The resulting ACA factors are:

Rate Schedule		ACA Factor
R-1/C-1		(\$0.0156/Therm)
L-1		(\$0 1783/Dth)
A/C		(\$0 0178/Therm)
Rates Schedules with two part rates		
	ACA Demand	ACA Commodity
	Factor	Factor
I-1	\$0.1029/Dth	(\$0 1783/Dth)
T-2	\$0 1029/Dth	

Due to the voluminous nature of the material, two copies of the underlying accounting documents needed for the audit are being provided as agreed to with the Staff in previous filings.



Chattanooga Gas

Also enclosed are revisions to Chattanooga Gas Tariff No. 1.

Seventy-Seventh Revised Sheet No 55

If you have any questions please call me at 757 616 7510.

Sincerely,

A handwritten signature in cursive script, appearing to read "Archie R. Hickerson".

Archie R. Hickerson
Director-Regulatory Affairs

C. Ms Amanda Hwang
Mrs Pat Murphy
Mr. Russell Perkins

CHATTANOOGA GAS COMPANY
ANALYSIS OF DEFERRED GAS COST
JULY 1, 2004 THRU JUNE 30, 2005

	JULY 04	AUG	SEPT	OCT	NOV	DEC	JAN 05	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
BEG. BALANCE-COMMODITY	(859,522.08)	(1,218,943.00)	(2,016,792.14)	(2,516,209.72)	(3,287,259.20)	(3,681,141.42)	(4,947,512.76)	(3,397,443.01)	(3,456,512.20)	(2,862,471.68)	(2,288,528.61)	(1,932,755.43)	(659,522.08)
COST OF GAS PURCHASED - COMMODITY													
Other Suppliers - End Users													57,114,892.55
Supplier Refund												(112,568.24)	0.00
LNG Selloff													15,620,645.02
LNG Billoff	118,164.43	110,857.64	109,755.77	106,874.82	97,998.43	387,580.08	457,794.43	156,094.06	177,614.68	104,935.12	222,010.26	112,418.63	2,162,094.47
LNG Inventory Adjustment													0.00
Consulting Fees													0.00
Taxes													0.00
TOTAL	5,857,156.58	4,260,497.47	1,364,777.41	3,067,149.01	4,902,071.45	11,557,422.42	9,735,894.41	7,653,282.51	8,171,173.23	7,150,764.88	5,111,960.26	5,933,018.16	74,785,167.80
Or-System Sales													(14,887,746.05)
LNG Liquefaction & Fuel				(61,052.03)						(6,152.10)	(510,536.94)		0.00
TOTAL PURCHASED	1,184,054.10	1,176,603.88	1,211,892.16	1,609,861.65	4,783,433.47	11,113,368.62	9,230,629.27	7,386,264.97	8,092,271.88	7,144,612.78	4,128,652.45	2,258,035.47	59,319,680.68
COST OF GAS RECOVERED - COMMODITY													
Actual Balances	1,631,730.39	1,775,302.57	1,756,927.71	1,927,221.55	2,312,337.45	5,859,018.07	9,983,925.85	9,371,147.91	9,176,187.95	9,467,750.34	4,858,269.86	2,903,704.00	61,023,523.75
Current Month Unbilled	990,837.00	1,249,601.00	1,280,904.00	1,748,700.00	4,639,096.00	11,132,845.00	8,903,648.00	7,154,747.00	5,667,374.00	2,868,824.00	2,062,049.00	1,298,064.00	49,086,689.00
Prior Month Unbilled	(983,169.00)	(990,837.00)	(1,249,601.00)	(1,280,904.00)	(1,748,700.00)	(4,639,096.00)	(11,132,845.00)	(8,903,648.00)	(7,154,747.00)	(5,667,374.00)	(2,062,049.00)	(1,298,064.00)	(48,781,794.00)
ACA Refund													0.00
1999-2000													0.00
2000-2001													0.00
2002-2003													0.00
2003-2004													0.00
ACA Surcharges													0.00
2000-2001													0.00
2001-2002													0.00
2002-2003													0.00
2003-2004													0.00
2004-2005	26,809.00	27,514.00	27,340.00	30,010.00	36,870.00	78,632.00	(8,468.00)	(117,000.00)	(120,880.00)	(126,808.00)	(65,360.00)	(39,264.00)	(250,706.00)
Company Use Gas Consumption	1,275.58	1,484.36	894.52	1,176.28	2,789.28	8,466.54	535.43	451.10	396.12	120.21	87.94	11.29	17,718.65
TOTAL RECOVERY	1,667,482.97	2,063,064.93	1,798,465.23	2,448,203.83	5,242,373.73	12,439,885.61	7,748,796.28	7,505,728.01	7,568,231.07	6,662,511.55	3,866,272.90	2,100,466.29	61,105,431.40
SS 1 (Neotated Margin Loss)	52,029.05	63,963.42	62,685.35	56,339.86	63,445.88	50,848.34	46,233.77	39,276.71	42,477.80	44,410.41	53,303.93	60,188.41	535,202.95
SS 1 (Neotated Margin Loss) Alternate Fuel	11,250.32	0.00	0.00	13,675.87	14,393.69	29,106.27	36,186.71	35,856.95	31,935.45	32,638.95	1,522.35	5,415.62	211,982.16
WNA Underrecovery/Overrecovery						(450.35)	(186.94)						(637.29)
Uncollected Gas Costs (See Footnote)	64,235.58	30,032.51	30,012.14	5,487.95	(522.53)	(4,177.61)	(1,314.79)	(2,680.80)	6,704.48	26,142.48	47,818.35	102,061.94	303,799.68
ACA Adjustment 2004 Audit													
Uncollected Gas Costs	(29,361.39)												
MONTHLY ACTIVITY - COMMODITY	(385,275.51)	(792,465.14)	(491,875.56)	(690,838.49)	(981,622.22)	(1,251,190.34)	1,564,751.75	(47,010.19)	695,156.51	585,293.07	365,074.18	325,235.15	(634,785.91)
ENDING BALANCE	(1,244,797.59)	(2,011,408.14)	(2,508,667.72)	(3,217,046.20)	(3,668,881.42)	(4,932,331.76)	(3,342,761.01)	(3,444,453.20)	(2,851,353.68)	(2,277,178.61)	(1,923,454.43)	(1,607,520.28)	(1,494,287.99)
AVERAGE ENDING BALANCE	(1,052,159.73)	(1,615,175.57)	(2,262,729.63)	(2,896,628.96)	(3,478,070.31)	(4,306,736.59)	(4,165,136.86)	(3,420,848.10)	(3,153,832.94)	(2,569,825.15)	(2,105,891.52)	(1,770,137.86)	(747,144.00)
INTEREST	(3,507.00)	(5,384.00)	(7,542.00)	(10,211.00)	(12,260.00)	(15,181.00)	(14,682.00)	(12,059.00)	(11,118.00)	(11,350.00)	(9,301.00)	(7,818.00)	(120,413.00)
CUMM. END BAL. - COMMODITY	(1,218,843.00)	(2,016,792.14)	(2,516,209.72)	(3,287,259.20)	(3,681,141.42)	(4,947,512.76)	(3,397,443.01)	(3,456,512.20)	(2,862,471.68)	(2,288,528.61)	(1,932,755.43)	(1,615,338.28)	(1,615,338.28)
BEGINNING BALANCE - DEMAND	(1,273,234.16)	(619,177.23)	35,962.34	688,198.45	1,178,850.40	1,126,488.77	(163,501.05)	(695,032.62)	(1,061,319.14)	(1,423,330.92)	(1,053,359.56)	(495,529.73)	(1,273,234.16)
COST OF GAS PURCHASED - DEMAND													
TOTAL GAS PURCHASED	964,348.76	961,533.56	961,685.10	960,626.94	960,733.38	952,463.22	960,706.55	960,706.55	966,228.73	966,277.86	966,277.86	966,277.86	11,547,866.35
Company Use													0.00
Demand Refund - LNG Fire Claim						(467,771.84)							(467,771.84)
TOTAL	964,348.76	961,533.56	961,685.10	960,626.94	960,733.38	484,691.38	960,706.55	960,706.55	966,228.73	966,277.86	966,277.86	966,277.86	11,080,094.51
COST OF GAS RECOVERED - DEMAND													
Actual Balances	356,269.83	373,565.99	379,001.99	338,014.99	491,581.99	1,037,947.20	1,806,251.12	1,870,920.07	1,692,567.51	1,306,410.50	677,134.03	514,189.47	10,903,854.69
Current Month Unbilled	273,849.00	255,670.00	257,983.00	357,787.00	949,220.00	1,829,243.00	1,738,811.00	1,397,265.00	1,213,286.00	639,655.00	441,448.00	277,893.00	9,632,311.00
Prior Month Unbilled	(271,730.00)	(273,849.00)	(255,670.00)	(257,983.00)	(357,787.00)	(949,220.00)	(1,829,243.00)	(1,738,811.00)	(1,397,265.00)	(1,213,286.00)	(639,655.00)	(441,449.00)	(9,626,146.00)
ACA Refund													
1999-2000													
2000-2001													
2002-2003													
2003-2004													
2004-2005	(51,246.00)	(49,963.00)	(50,894.00)	(44,594.00)	(85,844.00)	(141,615.00)	(225,082.00)	(205,471.00)	(184,719.00)	(142,130.00)	(73,683.00)	(55,988.00)	(1,291,047.00)
ACA Surcharges													
2001-2002													
TOTAL RECOVERY	307,142.83	305,423.99	330,620.99	453,224.99	1,017,170.99	1,776,355.20	1,490,727.12	1,323,903.07	1,323,869.51	590,649.50	405,035.03	294,647.47	9,618,970.69
MONTHLY ACTIVITY - DEMAND	(657,205.93)	(656,109.57)	(631,064.11)	(507,401.95)	(56,437.93)	(1,291,663.82)	(530,020.57)	(363,196.52)	(357,640.78)	375,428.36	561,242.83	671,630.39	1,461,123.82
ENDING BALANCE	(616,028.23)	36,932.34	667,026.45	1,175,600.40	1,122,412.77	(165,195.05)	(1,058,229.14)	(1,418,959.92)	(1,047,902.56)	(492,116.73)	176,100.66	187,689.66	187,689.66
AVERAGE ENDING BALANCE	(944,631.20)	(291,122.45)	351,494.40	921,899.43	1,150,631.59	490,636.86	(428,511.34)	(876,630.88)	(1,240,139.53)	(1,235,616.74)	(772,738.15)	(159,714.54)	(542,672.25)
INTEREST	(3,149.00)	(970.00)	1,172.00	3,250.00	4,056.00	1,694.00	(1,511.00)	(3,090.00)	(4,371.00)	(5,457.00)	(3,413.00)	(705.00)	(12,494.00)
CUMM. END BAL. - DEMAND	(619,177.23)	35,962.34	668,198.45	1,178,850.40	1,126,488.77	(163,501.05)	(635,032.62)	(1,061,319.14)	(1,423,330.92)	(1,053,359.56)	(495,529.73)	176,385.68	176,385.68
ENDING BALANCE - TOTAL	(1,838,120.23)	(1,980,829.80)	(1,848,011.27)	(2,108,408.80)	(2,554,672.65)	(5,111,013.81)	(4,092,475.63)	(4,517,631.34)	(4,285,602.60)	(3,341,888.17)	(2,428,285.16)	(1,439,942.62)	(1,439,942.62)
MONTHLY INTEREST RATE	0.3333%	0.3333%	0.3333%	0.3525%	0.3525%	0.3525%	0.3525%	0.3525%	0.3525%	0.4417%	0.4417%	0.4417%	0.3700%
YRLY INTEREST RATE	4.00%	4.00%	4.00%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	5.30%	5.30%	5.30%	

* Footnote: An adjustment was made to actual uncollectible gas costs for the months of July - September 2004 for the 2005 ACA filing. This adjustment reflects the last three months that uncollectible gas costs were included in base rates.
The pro rata share of the \$88,082 for this period is calculated as 3/1 of \$88,082 yielding \$22,015.50 of uncollectible gas costs. This amount is applied ratably to July - September 2004 at \$7,338.60

CHATTANOOGA GAS COMPANY
COMPUTATION OF ACA FACTOR
EFFECTIVE JANUARY 1, 2006

ALLOCATION OF ACA REFUND/SURHCARGE TO RATE CALSSIFICATION
BASED ON VOLUMES FOR TWELVE MOTHS ENDED SEPTEMBER 2005

RATE SCHEDULE	Contract Demand	Annual Commodity DT Sales	Demand	Commodity	TOTAL	Demand Per Unit	Demand	Commodity	TOTAL
I-1	9,653	1,057,610	11,921	(188,622)	(176,701)	\$ 0 1029		\$ (0 1783)	\$ (0 1783)
L-1		682,466	-	(121,716)	(121,716)			\$ (0 1783)	\$ (0 1783)
T-2	0					\$ 0 1029			
ALL OTHER V-1	132,380	7,317,179	163,475	(1,305,000)	(1,141,525)		\$ 0 0223	\$ (0 1783)	\$ (0 1560)
TOTAL	142,033	9,057,255	175,396	(1,615,338)	(1,439,943)				

MCF SALES BY RATE CLASS AND OFF-SYSTEM REVENUE CREDIT ESTIMATE
TWELVE MONTHS ENDED August 1, 2005

Month	I-1	L-1	All Other	TOTAL	T-1 & T-2	TOTAL	SUMMER	WINTER
Jan-05	21,625	9,845	1,269,002	1,300,472	761,738	2,062,210		1,300,472
Feb-05	13,656	5,614	1,282,274	1,301,544	664,390	1,965,934		1,301,544
Mar-05	146,434	51,815	1,147,476	1,345,725	750,142	2,095,867		1,345,725
Apr-05	136,212	402,174	872,176	1,410,562	659,710	2,070,272		1,410,562
May-05	151,024	146,209	429,796	727,029	785,427	1,512,456	727,029	
Jun-05	107,938	4,932	314,904	427,774	672,625	1,100,399	427,774	
Jul-05	114,755	4,371	214,204	333,330	593,894	927,224	333,330	
Aug-05	141,213	5,272	211,643	358,128	592,084	950,212	358,128	
Sep-05	138,693	3,290	211,228	353,211	522,502	875,713	353,211	
Oct-04	34,487	13,582	229,750	277,819	744,428	1,022,247	277,819	
Nov-04	26,915	19,834	293,698	340,447	750,082	1,090,529		340,447
Dec-04	24,658	15,528	841,028	881,214	725,647	1,606,861		881,214
TOTAL	1,057,610	682,466	7,317,179	9,057,255	8,222,669	17,279,924	2,477,291	6,579,964

Month	Off-System							DEMAI		
	R - 1	R - 4	C - 1	Revenue Credit	T-1*	T-2	T-3	I - 1	T - 2	TOTAL
Jan-05	702,962	1,273	564,767	\$0 00	555,055	206,683		9,664	0	9,664
Feb-05	692,312	1,172	588,790	\$0 00	480,309	184,081		9,509	0	9,509
Mar-05	608,745	1,124	537,607	\$0 00	561,547	188,595		9,644	0	9,644
Apr-05	432,682	518	438,976	\$0 00	510,342	149,368		9,644	0	9,644
May-05	198,767	442	230,587	\$0 00	607,869	177,558		9,644	0	9,644
Jun-05	127,587	0	187,317	\$0 00	562,045	107,938	2642	9,725	0	9,725
Jul-05	75,983	0	138,221	\$0 00	457,337	133,548	3009	9,415	0	9,415
Aug-05	72,263	237	139,143	\$0 00	438,930	149,854	3300	9,300	0	9,300
Sep-05	70,982	316	139,930	\$0 00	387,675	131,596	3231	9,725	0	9,725
Oct-04	83,476	406	145,868	\$0 00	573,017	171,411		9,951	0	9,951
Nov-04	127,820	735	165,143	\$0 00	566,575	183,507		10,008	0	10,008
Dec-04	384,013	1,594	300,265	\$0 00	528,436	197,211		9,611	0	9,611
TOTAL	3,577,592	7,817	3,576,614	\$0 00	6,229,137	1,981,350		115,840	0	115,840

* SS-1 and Discounted Volumes are included in T-1 Transportation and L-1 Sales

CHATTANOOGA GAS COMPANY GAS TARIFF--- TRA NO. 1					
January 1 2005					
		BASE RATE	PGA	REFUNDS & SURCHARGES	BILLING CUMULATIVE RATE PGA/Refund
R-1	WINTER (NOV - APR)				
Residential	Base Use Charge/Bill	\$7 50			\$7 5000
General Service	First 25 Therms	\$0 29385	\$1 4753		\$1 7305 \$1 4367
	Next 25 Therms	\$0 20265	\$1 4753		\$1 6393 \$1 4367
	Over 50 Therms	\$0 17732	\$1 4753		\$1 6140 \$1 4367
	SUMMER (MAY - OCT)				
	Base Use Charge/Bill	\$7 50			\$7 5000
	First 25 Therms	\$0 21279	\$1 4753		\$1 6494 \$1 4367
	Next 25 Therms	\$0 15199	\$1 4753		\$1 5886 \$1 4367
	Over 50 Therms	\$0 04560	\$1 4753		\$1 4823 \$1 4367
Air Conditioning	SUMMER (MAY - OCT)				
	Over 50 Therms	\$0 04560	\$1 3889		\$1 4167 \$1 3711
Standby Service					
Demand Charge	Rate Per Therm of Input per Mo	\$0 30000	\$0 7021		\$0 9062 \$0 6062
R-4	WINTER (NOV - APR)				
Multi-Family	Base Use Charge/Unit	\$6 00			\$6 0000
Housing Service	Commodity Charge/Therm	\$0 18311	\$1 4753		\$1 6198 \$1 4367
	SUMMER (MAY - OCT)				
	Base Use Charge/Bill	\$6 00			\$6 0000
	Commodity Charge/Therm	\$0 16277	\$1 4753		\$1 5994 \$1 4367
Air Conditioning	SUMMER (MAY - OCT)				
	Flat Rate / Therm	\$0 04560	\$1 3889		\$1 4167 \$1 3711
C-1	WINTER (NOV - APR)				
Commercial & Industrial	Base Use Charge/Bill	\$20 00			\$20 0000
General Service	First 3 000 Therms	\$0 27667	\$1 4753		\$1 7133 \$1 4367
	Next 2 000 Therms	\$0 25253	\$1 4753		\$1 6892 \$1 4367
	Next 10 000 Therms	\$0 24599	\$1 4753		\$1 6826 \$1 4367
	Over 15 000 Therms	\$0 12727	\$1 4753		\$1 5639 \$1 4367
	SUMMER (MAY - OCT)				
	Base Use Charge/Bill	\$15 00			\$15 0000
	First 3 000 Therms	\$0 21722	\$1 4753		\$1 6539 \$1 4367
	Next 2 000 Therms	\$0 17244	\$1 4753		\$1 6091 \$1 4367
	Next 10 000 Therms	\$0 16077	\$1 4753		\$1 5974 \$1 4367
	Over 15 000 Therms	\$0 12727	\$1 4753		\$1 5639 \$1 4367
Air Conditioning	SUMMER (MAY - OCT)				
	Flat Rate / Therm	\$0 04560	\$1 3889		\$1 4167 \$1 3711
Standby Service					
Demand Charge	Rate Per Therms of Input per M	\$0 30000	\$0 7021		\$0 9062 \$0 6062
I-1	Base Use Charge	\$300 00			\$300 0000
Large Volume	Demand Charge / Demand Unit	\$3 00	\$7 0206		\$9 0623 \$6 0623
Firm Service	Commodity Charge / Dth				
	First 1,500 Dths	\$0 8945	\$13 2340		\$13 9502 \$13 0557
	Next 2,500 Dths	\$0 7644	\$13 2340		\$13 8201 \$13 0557
	Next 11 000 Dths	\$0 4335	\$13 2340		\$13 4892 \$13 0557
	Over 15,000 Dths	\$0 2664	\$13 2340		\$13 3221 \$13 0557
L-1	Base Use Charge	\$300 00			\$300 0000
Interruptible Service	Commodity Charge/Dth				
	First 1 500 Dths	\$0 8945	\$13 8889		\$14 6051 \$13 7106
	Next 2 500 Dths	\$0 7644	\$13 8889		\$14 4750 \$13 7106
	Next 11,000 Dths	\$0 4335	\$13 8889		\$14 1441 \$13 7106
	Over 15 000 Dths	\$0 2664	\$13 8889		\$13 9770 \$13 7106
T-1	Customer Charge	\$300 00			\$300 0000
Interruptible Transportation	Transportation Charge/Dth				
Service	First 1 500 Dths	\$0 8945	0 0000	\$0 8945	\$0 0000
	Next 2 500 Dths	\$0 7644	0 0000	\$0 7644	\$0 0000
	Next 11 000 Dths	\$0 4335	0 0000	\$0 4335	\$0 0000
	Over 15 000 Dths	\$0 2664	0 0000	\$0 2664	\$0 0000
T-2	Customer Charge	\$300 00			\$300 0000
Interruptible Transportation	Demand Charge/Demand Unit	\$3 00	\$7 0206		\$9 0623 \$6 0623
Service with Firm Backup	Transportation Charge/Dth				
	First 1,500 Dths	\$0 8945	0 0000	\$0 8945	\$0 0000
	Next 2 500 Dths	\$0 7644	0 0000	\$0 7644	\$0 0000
	Next 11 000 Dths	\$0 4335	0 0000	\$0 4335	\$0 0000
	Over 15,000 Dths	\$0 2664	0 0000	\$0 2664	\$0 0000
T-3	WINTER (NOV - APR)				
Low Volume Transport	Base Use Charge/Bill	\$20 00			\$20 00
General Service	First 3 000 Therms	\$0 27667	0 0000	\$0 27667	\$0 0000
	Next 2 000 Therms	\$0 25253	0 0000	\$0 25253	\$0 0000
	Next 10 000 Therms	\$0 24599	0 0000	\$0 24599	\$0 0000
	Over 15 000 Therms	\$0 12727	0 0000	\$0 12727	\$0 0000
	SUMMER (MAY - OCT)				
	Base Use Charge/Bill	\$15 00			\$15 00
	First 3 000 Therms	\$0 21722	0 0000	\$0 21722	\$0 0000
	Next 2 000 Therms	\$0 17244	0 0000	\$0 17244	\$0 0000
	Next 10 000 Therms	\$0 16077	0 0000	\$0 16077	\$0 0000
	Over 15 000 Therms	\$0 12727	0 0000	\$0 12727	\$0 0000
V-1					
Natural Gas Vehicle	Base Use Charge / Bill	\$17 50			\$17 5000
Service	Flat Rate / Therms	\$0 0456	\$1 3465	0 0000	\$1 3921 \$1 3465

CURRENT LEVEL OF SURCHARGES AND REFUND CREDITS

AMOUNTS INDICATED BELOW APPLY TO THE BILLING DETERMINANTS
OF EACH INDIVIDUAL TARIFF

RATES Billing Unit	I-1 Demand DT	I-1 Commodity DT	L-1 Commodity DT	T-1 Commodity DT	T-2 Demand DT	T-2 Commodity DT	All Other Therm	A/C Therm	V-1 Therm
IMCR Refund 4/1/2005*		0 0000	0 0000	0 0000		0 0000		0 0000	0 0000
ACA 01-06 **	0 1029			0 0000	0 1029	0 0000			0 0000
TOTAL				0 0000		0 0000			0 0000

*IMCR refund made effective April 1, 2004 terminated Effective March 31,2005

** Effective January 1, 2006 for a period of 12 months or shorter as may be required ACA01-05 Effective Jan 1, 2005 terminated

EFFECTIVE

December 1, 2005