

FARMER & LUNA

A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AT LAW

333 UNION STREET
SUITE 300
NASHVILLE, TENNESSEE 37201

TELEPHONE (615) 254-9146
TELECOPIER (615) 254-7123
www.farmerluna.com

Jennifer L. Brundige
jbrundige@farmerluna.com

September 15, 2006

VIA ELECTRONIC MAIL AND HAND DELIVERY

Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

Re: Docket 06-00175 Petition of Chattanooga Gas Company to Increase Rates,
Including a Comprehensive Rate Design Proposal and Revised Tariff

Dear Chairman Kyle:

Chattanooga Gas Company ("CGC") is filing in the above-referenced matter an original and four (4) copies of its response to discovery request no. 48 issued by the Tennessee Regulatory Staff ("TRA") Staff on September 5, 2006, which by agreement is due today. Also by agreement, CGC is filing a response today to TRA Staff request no. 26 based on the adjustments requested in request no. 48. As TRA Staff discovery request no. 49 deals with potential issues in Phase II, the TRA Staff has agreed to allow CGC to wait to respond to this request, which is consistent with how the parties have treated other requests involving Phase II issues.

Sincerely yours,



Jennifer L. Brundige

Enclosures

cc: Darlene Standley
Timothy Phillips, Esq.
Stephen R. Butler, Esq.
Henry Walker, Esq.
David C. Higney, Esq.
Catharine H. Giannasi, Esq.

Question 26: Please provide rates based on the proposed revenue requirement using CGC's current rate structure.

Response:

Please refer to attached and the enclosed CD, which also includes the Company's response to TRA Staff 2-48.

Chattanooga Gas Company

Impact to Customer Bills

TRA 26 Schedule-1

TRA Staff-1

No. 26

Class	Description	Current Revenue	Proposed Revenue	Increase or (Decrease) including Sharing	% Change including Sharing
System Total		\$ 121,232,065	\$ 126,383,469	\$ 5,151,404	4.25%
R-1	Residential	\$ 53,043,860	\$ 54,908,390	\$ 1,864,530	3.52%
R-4	Multi-Family Heating	\$ 119,982	\$ 123,653	\$ 3,671	3.06%
C-1	C&I General	\$ 9,632,840	\$ 10,026,700	\$ 393,860	4.09%
C-2 & T-3	Medium C&I General	\$ 42,192,430	\$ 44,038,940	\$ 1,846,510	4.38%
I-1/T-2	Large Volume Firm	\$ 11,806,722	\$ 12,076,000	\$ 269,278	2.28%
L-1	Interruptible Sales	\$ 505,452	\$ 515,572	\$ 10,120	2.00%
I-1/T-2 + T-1	Lrg. Vol. Partial Firm	\$ 1,899,187	\$ 2,178,351	\$ 279,164	14.70%
T-1 & SS-1	Large Volume Interruptible	\$ 2,031,593	\$ 2,515,864	\$ 484,271	23.84%

Note :

- 1.) Interruptible rates share same commodity charge as firm.
- 2.) Revenue d on projected attrition year gas costs
- 3.) Includes revenue from proposed base revenue sharing

Jhettanoga Gas Company
2007 Attribution Year Base Revenue and Total Revenue at Present and Proposed Rates
RA-26 Schedule 2

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No. 26

Firm Customer Classes

		Post Test Year Billing Units		Present Winter Rates		Present Summer Rates		Present		Proposed Winter Rates		Proposed Summer Rates		Proposed		Percent	
		Winter	Summer	Nov-April	Rate	May-Oct	Rate	Total	Revenue	Nov-April	Rate	May-Oct	Rate	Total	Revenue	Increase	Increase
		Nov-April	May-Oct														
Residential (R-1)																	
Number of Bills	321,541	311,888	633,429	\$ 7.50	\$ 2,411,560	\$ 7.50	\$ 2,339,180	\$ 4,750,720	\$ 2,339,180	\$ 7.50	\$ 2,411,560	\$ 7.50	\$ 2,339,180	\$ 4,750,720	\$ -		
Distribution Charges																	
0 - 24 therms	7,474,950	3,902,070	11,377,020	\$ 0.20385	\$ 2,196,520	\$ 0.21279	\$ 830,320	\$ 3,026,840	\$ 0.38793	\$ 2,750,260	\$ 0.26644	\$ 1,039,870	\$ 1,039,870	\$ 3,789,930	\$ 743,090		
25-50 therms	8,087,780	759,740	8,847,500	\$ 0.20285	\$ 1,233,960	\$ 0.15198	\$ 115,470	\$ 1,349,430	\$ 0.25374	\$ 1,544,710	\$ 0.19031	\$ 144,590	\$ 144,590	\$ 1,689,300	\$ 340,150		
Over 50 Therms	16,676,090	602,590	17,278,680	\$ 0.17732	\$ 2,982,470	\$ 0.04560	\$ 27,480	\$ 3,010,950	\$ 0.22202	\$ 3,748,630	\$ 0.05710	\$ 34,410	\$ 34,410	\$ 3,781,240	\$ 770,290		
Revenue Adjustment																	
Total Residential Margin	30,438,800	5,284,400	35,723,200		\$ 8,834,230		\$ 3,312,430	\$ 12,146,660		\$ 10,453,360		\$ 3,557,830		\$ 14,011,190	\$ 1,864,530		
Margin Sharing Credit																	
Total Residential Base Rate Revenues					\$ 8,834,230		\$ 3,312,430	\$ 12,146,660		\$ 10,453,360		\$ 3,557,830		\$ 14,011,190	\$ 1,864,530		
CARES Discount																	
PGA					\$ 35,815,400		\$ 5,281,800	\$ 40,897,200		\$ 35,815,400		\$ 5,281,800		\$ 40,897,200			
Total Revenues					\$ 44,449,630		\$ 8,594,230	\$ 53,043,860		\$ 46,068,760		\$ 8,839,630		\$ 54,908,390	\$ 1,864,530		3.52%

Residential (R-4)																	
Number of Bills	1,110	1,110	2,220	\$ 6.00	\$ 6,660	\$ 6.00	\$ 6,660	\$ 13,320	\$ 6,660	\$ 6.00	\$ 6,660	\$ 6.00	\$ 6,660	\$ 13,320	\$ -		
Distribution Charges																	
Revenue Adjustment	81,243	20,570	81,813	\$ 0.18311	\$ 11,214	\$ 0.18277	\$ 3,348	\$ 14,562	\$ 0.22927	\$ 14,041	\$ 0.20381	\$ 4,182	\$ 4,182	\$ 18,223	\$ 3,671		
Total Residential (R-4) Margin	81,243	20,570	81,813		\$ 17,874		\$ 10,008	\$ 27,882		\$ 20,701		\$ 10,852		\$ 31,553	\$ 3,671		
Margin Sharing Credit																	
Total Residential (R-4) Base Rate Revenues					\$ 17,874		\$ 10,008	\$ 27,882		\$ 20,701		\$ 10,852		\$ 31,553	\$ 3,671		
PGA					\$ 71,500		\$ 20,600	\$ 92,100		\$ 71,500		\$ 20,600		\$ 92,100			
Total Revenues					\$ 89,374		\$ 30,608	\$ 119,982		\$ 92,201		\$ 31,452		\$ 123,653	\$ 3,671		3.09%

Commercial (C-1)																	
Number of Bills	40,014	37,922	77,935	\$ 20.00	\$ 800,270	\$ 15.00	\$ 568,830	\$ 1,369,100	\$ 568,830	\$ 20.00	\$ 800,270	\$ 15.00	\$ 568,830	\$ 1,369,100	\$ -		
Distribution Charges																	
0 - 1200 therms	5,245,800	510,600	5,756,600	\$ 0.27687	\$ 1,451,360	\$ 0.21722	\$ 110,960	\$ 1,562,320	\$ 0.34642	\$ 1,817,250	\$ 0.27188	\$ 138,880	\$ 138,880	\$ 1,956,180	\$ 393,860		
1,001 - 5,000 therms				\$ 0.25253		\$ 0.17944			\$ 0.31820		\$ 0.21591						
5,001 - 15,000 therms				\$ 0.24598		\$ 0.18077			\$ 0.30801		\$ 0.20130						
over 15,000 therms				\$ 0.12727		\$ 0.12727			\$ 0.15838		\$ 0.15838						
Revenue Adjustment																	
Total Commercial (C-1) Margin	5,245,800	510,600	5,756,600		\$ 2,251,630		\$ 679,790	\$ 2,931,420		\$ 2,817,520		\$ 707,760		\$ 3,325,280	\$ 393,860		
Margin Sharing Credit																	
Total Commercial (C-1) Base Rate Revenues					\$ 2,251,630		\$ 679,790	\$ 2,931,420		\$ 2,817,520		\$ 707,760		\$ 3,325,280	\$ 393,860		
PGA					\$ 6,190,670		\$ 510,750	\$ 6,701,420		\$ 6,190,670		\$ 510,750		\$ 6,701,420			
Total Revenues					\$ 6,442,300		\$ 1,190,540	\$ 9,632,840		\$ 8,908,190		\$ 1,218,510		\$ 10,028,700	\$ 393,860		4.09%

Chattanooga Gas Company
 007 Attrition Year Base Revenue and Total Revenue at Present and Proposed Rates
 revised Rate Design without ECP
 RA-26 Schedule 2

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 No. 26

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present	Proposed Winter Rates		Proposed Summer Rates		Proposed		Percent
	Winter Nov-April	Summer May-Oct	Total	Nov - April Rate	Revenue	May - Oct Rate	Revenue	Total Revenue	Nov - April Rate	Revenue	May - Oct Rate	Revenue	Total Revenue	Increase	Increase
Commercial (C-2)															
Number of Bills	10,888	10,696	21,384	\$ 20.00	\$ 213,760	\$ 15.00	\$ 180,440	\$ 374,200	\$ 20.00	\$ 213,760	\$ 15.00	\$ 180,320	\$ 374,080	\$ (120)	
Demand in Dths			30,825						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Charges															
0 - 3000 therms	13,410,204	6,380,555	19,770,759	\$ 0.27667	\$ 3,710,200	\$ 0.21722	\$ 1,381,840	\$ 5,091,840	\$ 0.34642	\$ 4,845,580	\$ 0.27198	\$ 1,729,940	\$ 6,375,500	\$ 1,283,880	
3,001 - 5,000 therms	2,011,030	832,288	2,843,298	\$ 0.25253	\$ 507,850	\$ 0.17244	\$ 143,520	\$ 651,370	\$ 0.31620	\$ 635,990	\$ 0.21591	\$ 179,690	\$ 815,580	\$ 164,210	
5,001 - 15,000 therms	3,304,240	1,279,021	4,583,261	\$ 0.24699	\$ 812,810	\$ 0.18077	\$ 205,830	\$ 1,018,440	\$ 0.30801	\$ 1,017,740	\$ 0.20130	\$ 257,470	\$ 1,275,210	\$ 258,770	
over 15,000 therms	2,825,428	922,358	3,747,784	\$ 0.12727	\$ 359,590	\$ 0.12727	\$ 117,390	\$ 476,980	\$ 0.15936	\$ 450,260	\$ 0.15936	\$ 146,990	\$ 597,250	\$ 120,270	
Revenue Adjustment													\$ -	\$ -	
Total Commercial (C-2) Margin	21,550,900	9,394,200	30,945,100		\$ 5,804,210		\$ 2,008,820	\$ 7,812,830		\$ 6,983,210		\$ 2,474,410	\$ 9,437,620	\$ 1,824,790	
Margin Sharing Credit														\$ -	
Total Commercial (C-2) Base Rate Revenues					\$ 5,804,210		\$ 2,008,820	\$ 7,812,830		\$ 6,983,210		\$ 2,474,410	\$ 9,437,620	\$ 1,824,790	
PGA					\$ 25,057,280		\$ 9,435,770	\$ 34,493,050		\$ 25,057,280		\$ 9,435,770	\$ 34,493,050	\$ -	
Total Revenues					\$ 30,861,490		\$ 11,444,390	\$ 42,105,880		\$ 32,020,480		\$ 11,910,180	\$ 43,930,670	\$ 1,824,790	4.33%
Interruptible Sales (L-1)															
Number of Bills	8	6	12	\$ 300.00	\$ 1,800	\$ 300.00	\$ 1,800	\$ 3,600	\$ 300.00	\$ 1,800	\$ 300.00	\$ 1,800	\$ 3,600	\$ -	
Demand in Dths			446												
Distribution Charges															
0 - 15,000 therms	90,000	90,000	180,000	\$ 0.08945	\$ 8,050	\$ 0.08945	\$ 8,050	\$ 16,100	\$ 0.11200	\$ 10,080	\$ 0.11200	\$ 10,080	\$ 20,160	\$ 4,060	
15,001 - 40,000 therms	132,418	142,900	275,318	\$ 0.07844	\$ 10,120	\$ 0.07844	\$ 10,820	\$ 21,040	\$ 0.09571	\$ 12,870	\$ 0.09571	\$ 13,880	\$ 26,350	\$ 5,310	
40,001 - 150,000 therms	20,486	48,200	68,686	\$ 0.04335	\$ 890	\$ 0.04335	\$ 2,090	\$ 2,980	\$ 0.05428	\$ 1,110	\$ 0.05428	\$ 2,620	\$ 3,730	\$ 750	
over 150,000 therms				\$ 0.02864	\$ -	\$ 0.02864	\$ -	\$ -	\$ 0.03338	\$ -	\$ 0.03338	\$ -	\$ -	\$ -	
Revenue Adjustment															
Total Interruptible Sales (L-1) Margin	242,884	281,100	523,984		\$ 20,860		\$ 22,860	\$ 43,720		\$ 25,660		\$ 28,180	\$ 53,840	\$ 10,120	
PGA					\$ 232,433		\$ 229,299	\$ 461,732		\$ 232,433		\$ 229,299	\$ 461,732	\$ -	
Total Revenues to Customer					\$ 253,293		\$ 252,159	\$ 505,452		\$ 258,093		\$ 257,479	\$ 515,572	\$ 10,120	2.00%
Margin Sharing														\$ -	
Company Retained Base Rate Revenue								\$ 43,720					\$ 53,840	\$ 10,120	
Commercial Transportation (T-3)															
Number of Bills	12	12	24	\$ 20.00	\$ 240	\$ 15.00	\$ 180	\$ 420	\$ 20.00	\$ 240	\$ 15.00	\$ 180	\$ 420	\$ -	
Demand in Dths			242						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Charges															
0 - 3000 therms	36,000	36,000	72,000	\$ 0.27667	\$ 9,960	\$ 0.21722	\$ 7,820	\$ 17,780	\$ 0.34642	\$ 12,470	\$ 0.27198	\$ 9,790	\$ 22,260	\$ 4,480	
3,001 - 5,000 therms	24,000	24,000	48,000	\$ 0.25253	\$ 6,060	\$ 0.17244	\$ 4,140	\$ 10,200	\$ 0.31620	\$ 7,590	\$ 0.21591	\$ 5,180	\$ 12,770	\$ 2,570	
5,001 - 15,000 therms	113,005	115,200	228,205	\$ 0.24599	\$ 27,800	\$ 0.18077	\$ 18,520	\$ 46,320	\$ 0.30801	\$ 34,810	\$ 0.20130	\$ 23,190	\$ 58,000	\$ 11,880	
over 15,000 therms	66,085	26,900	92,985	\$ 0.12727	\$ 8,410	\$ 0.12727	\$ 3,420	\$ 11,830	\$ 0.15936	\$ 10,530	\$ 0.15936	\$ 4,290	\$ 14,820	\$ 2,990	
Revenue Adjustment													\$ -	\$ -	
Total Commercial Transportation (T-3) Margin	239,070	202,100	441,170		\$ 52,470		\$ 34,080	\$ 86,550		\$ 66,640		\$ 42,830	\$ 108,270	\$ 21,720	
Margin Sharing Credit															
Total Commercial Transportation (T-3) Base Rate Revenues								\$ 86,550					\$ 108,270	\$ 21,720	25.10%

Chattanooga Gas Company
2007 Attrition Year Base Revenue and Total Revenue at Present and Proposed Rates
Revised Rate Design without ECP
RA-26 Schedule 2

TRA Staff-1
No. 26

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present	Proposed Winter Rates		Proposed Summer Rates		Proposed		
	Winter	Summer	Total	Nov - April	Revenue	May - Oct	Revenue	Total	Nov - April	Revenue	May - Oct	Revenue	Total	Increase	Percent
	Nov-April	May-Oct		Rate		Rate		Revenue	Rate		Rate		Revenue		Increase
Industrial Transport with Full Standby (I-1/T-2)															
Number of Bills	138	138	276	\$ 300.00	\$ 41,400	\$ 300.00	\$ 41,400	\$ 82,800	\$ 300.00	\$ 41,400	\$ 300.00	\$ 41,400	\$ 82,800	\$ -	
Demand in Dths			6,768	\$ 3.00	\$ 158,184	\$ 3.00	\$ 158,184	\$ 316,368	\$ 3.00	\$ 158,184	\$ 3.00	\$ 158,184	\$ 316,368	\$ 8	
Distribution Charges															
0 - 15,000 therms	2,062,932	1,951,700	4,014,632	\$ 0.08945	\$ 184,530	\$ 0.08945	\$ 174,580	\$ 359,110	\$ 0.11200	\$ 231,050	\$ 0.11200	\$ 218,590	\$ 449,640	\$ 90,530	
15,001 - 40,000 therms	2,895,639	1,981,100	4,876,739	\$ 0.07644	\$ 206,050	\$ 0.07644	\$ 151,440	\$ 357,490	\$ 0.09571	\$ 258,000	\$ 0.09571	\$ 189,610	\$ 447,610	\$ 90,120	
40,001 - 150,000 therms	2,707,689	2,062,800	4,770,489	\$ 0.04335	\$ 117,390	\$ 0.04335	\$ 89,420	\$ 206,800	\$ 0.05428	\$ 146,970	\$ 0.05428	\$ 111,970	\$ 256,940	\$ 52,140	
over 150,000 therms	2,505,127	2,824,500	5,429,627	\$ 0.02664	\$ 66,740	\$ 0.02664	\$ 77,910	\$ 144,650	\$ 0.03338	\$ 83,570	\$ 0.03338	\$ 97,560	\$ 181,130	\$ 36,480	
Revenue Adjustment															
Total Industrial Transport with Full Standby (I-1/T-2) Margin	9,971,387	8,920,100	18,891,487		\$ 774,280		\$ 692,930	\$ 1,467,210		\$ 919,174		\$ 817,314	\$ 1,736,488	\$ 269,278	
Margin Sharing Credit														\$ -	
Total Industrial Transport with Full Standby (I-1/T-2) Base Rate Revenues					\$ 774,280		\$ 692,930	\$ 1,467,210		\$ 919,174		\$ 817,314	\$ 1,736,488	\$ 269,278	
PGA					\$ 3,926,515		\$ 6,412,997	\$ 10,339,512		\$ 3,926,515		\$ 6,412,997	\$ 10,339,512	\$ -	
Total Revenues					\$ 4,700,795		\$ 7,105,927	\$ 11,806,722		\$ 4,845,689		\$ 7,230,311	\$ 12,076,000	\$ 269,278	2.28%
Industrial Transport with Partial Standby (I-1/T-2+T-1)															
Number of Bills	90	90	180	\$ 300.00	\$ 27,000	\$ 300.00	\$ 27,000	\$ 54,000	\$ 300.00	\$ 27,000	\$ 300.00	\$ 27,000	\$ 54,000	\$ -	
Demand in Dths															
Firm Demand (T-2)			3,966	\$ 3.00	\$ 71,390	\$ 3.00	\$ 71,390	\$ 142,780	\$ 3.00	\$ 71,390	\$ 3.00	\$ 71,390	\$ 142,780	\$ -	
Non-Firm Demand (T-1)			8,204											\$ -	
Total demand			12,170		\$ 71,390		\$ 71,390	\$ 142,780		\$ 71,390		\$ 71,390	\$ 142,780	\$ -	
Distribution Charges															
0 - 15,000 therms	1,350,000	1,350,000	2,700,000	\$ 0.08945	\$ 120,760	\$ 0.08945	\$ 120,760	\$ 241,520	\$ 0.11200	\$ 151,200	\$ 0.11200	\$ 151,200	\$ 302,400	\$ 60,880	
15,001 - 40,000 therms	2,132,732	1,908,400	4,041,132	\$ 0.07644	\$ 163,030	\$ 0.07644	\$ 145,880	\$ 308,910	\$ 0.09571	\$ 204,120	\$ 0.09571	\$ 182,650	\$ 386,770	\$ 77,860	
40,001 - 150,000 therms	4,063,673	3,107,200	7,180,773	\$ 0.04335	\$ 175,720	\$ 0.04335	\$ 134,700	\$ 310,420	\$ 0.05428	\$ 220,030	\$ 0.05428	\$ 198,860	\$ 388,890	\$ 78,270	
over 150,000 therms	1,215,429	928,000	2,143,429	\$ 0.02664	\$ 32,380	\$ 0.02664	\$ 24,720	\$ 57,100	\$ 0.03338	\$ 40,550	\$ 0.03338	\$ 30,960	\$ 71,510	\$ 14,410	
Revenue Adjustment															
sub-Total Industrial Transport with Partial Standby (I-1/T-2+T-1) Margin	8,751,734	7,293,600	16,045,334		\$ 590,280		\$ 524,450	\$ 1,114,730		\$ 714,290		\$ 631,860	\$ 1,346,150	\$ 231,420	
Special Contracts	2,833,203	3,152,100	8,085,303		\$ 114,393		\$ 119,727	\$ 234,119		\$ 137,803		\$ 144,260	\$ 281,863	\$ 47,744	
Total Industrial Transport with Partial Standby (I-1/T-2+T-1) Margin	11,684,937	10,445,700	22,130,637		\$ 704,673		\$ 644,177	\$ 1,348,849		\$ 851,893		\$ 776,120	\$ 1,628,013	\$ 278,164	
PGA					\$ 345,977		\$ 204,361	\$ 550,338		\$ 345,977		\$ 204,361	\$ 550,338	\$ -	
Total Revenues					\$ 1,050,649		\$ 848,538	\$ 1,899,187		\$ 1,197,870		\$ 980,481	\$ 2,178,351	\$ 278,164	14.70%
Margin Sharing														\$ -	
Company Retained Base Rate Revenue								\$ 1,899,187					\$ 2,178,351	\$ 278,164	

Shattanooga Gas Company
2007 Attrition Year Base Revenue and Total Revenue at Present and Proposed Rates
Revised Rate Design without ECP
RA-26 Schedule 2

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No. 26

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present	Proposed Winter Rates		Proposed Summer Rates		Proposed		Percent
	Winter	Summer	Total	Nov - April	Revenue	May - Oct	Revenue	Total	Nov - April	Revenue	May - Oct	Revenue	Total	Increase	Increase
	Nov-April	May-Oct		Rate		Rate		Revenue	Rate		Rate		Revenue		
Interruptible Industrial Transportation (T-1)															
Number of Bills	180	180	360	\$ 300.00	\$ 54,000	\$ 300.00	\$ 54,000	\$ 108,000	\$ 300.00	\$ 54,000	\$ 300.00	\$ 54,000	\$ 108,000	\$ -	
Demand in Dths			25,721	\$ -		\$ -		\$ -	\$ -		\$ -		\$ -	\$ -	
Distribution Charges															
0 - 15,000 therms	1,826,077	1,892,300	3,720,377	\$ 0.08945	\$ 163,520	\$ 0.08945	\$ 169,270	\$ 332,790	\$ 0.11200	\$ 204,740	\$ 0.11200	\$ 211,940	\$ 416,680	\$ 83,890	
15,001 - 40,000 therms	2,803,899	2,869,800	5,273,299	\$ 0.07944	\$ 199,030	\$ 0.07944	\$ 204,060	\$ 403,090	\$ 0.09571	\$ 249,200	\$ 0.09571	\$ 255,510	\$ 504,710	\$ 101,620	
40,001 - 150,000 therms	4,874,098	4,000,800	8,674,898	\$ 0.04335	\$ 202,620	\$ 0.04335	\$ 173,430	\$ 376,050	\$ 0.05428	\$ 253,710	\$ 0.05428	\$ 217,150	\$ 470,860	\$ 94,810	
over 150,000 therms	5,163,026	4,846,800	10,009,826	\$ 0.02684	\$ 137,540	\$ 0.02684	\$ 129,120	\$ 266,660	\$ 0.03336	\$ 172,240	\$ 0.03336	\$ 161,690	\$ 333,930	\$ 67,270	
Revenue Adjustment															
sub-Total Interruptible Industrial Transportation (T-1) Margin	14,266,900	13,409,300	27,678,200		\$ 756,710		\$ 729,880	\$ 1,486,590		\$ 933,890		\$ 900,290	\$ 1,834,180	\$ 347,590	
Special Contracts (SS-1)	6,351,725	7,994,100	14,345,825		\$ 257,858		\$ 306,046	\$ 545,003		\$ 317,912		\$ 376,507	\$ 881,884	\$ 136,681	
Total Interruptible Industrial Transportation Margin	20,620,625	21,403,400	42,024,025		\$ 1,014,368		\$ 1,034,926	\$ 2,031,593		\$ 1,251,802		\$ 1,276,797	\$ 2,515,864	\$ 484,271	23.84%
Margin Sharing														\$ -	
Company Retained Base Rate Revenue			42,024,025		\$ 1,014,368		\$ 1,034,926	\$ 2,031,593		\$ 1,251,802		\$ 1,276,797	\$ 2,515,864	\$ 484,271	
Total Firm Base Rate Revenues to Customers															
								\$ 24,469,312					\$ 28,647,181	\$ 4,377,869	17.89%
Firm SPECIAL CONTRACTS															
								\$ 234,119					\$ 281,863	\$ 47,744	20.39%
MISCELLANEOUS REVENUES															
								\$ 1,099,080					\$ 1,099,080	\$ -	0.00%
TOTAL FIRM Base Rate REVENUES w/ Special Contracts															
								\$ 25,802,512					\$ 30,228,125	\$ 4,425,613	17.15%
TOTAL NON-FIRM Base Rate Revenues to Customers															
								\$ 2,448,280					\$ 3,037,390	\$ 589,130	24.08%
Non-Firm SPECIAL CONTRACTS															
								\$ 545,003					\$ 681,684	\$ 136,681	25.08%
TOTAL NON-FIRM base Rate REVENUES w/ Special Contracts															
								\$ 2,993,283					\$ 3,719,074	\$ 725,811	24.25%
TOTAL FIRM AND INTERRUPTIBLE Base Rate REVENUES															
								\$ 28,795,775					\$ 33,947,199	\$ 5,151,424	17.89%

Chattanooga Gas Company
2007 Attrition Year Base Revenue and Total Revenue at Present and Proposed Rates
Revised Rate Design without ECP
RA-25 Schedule 2

TRA Staff-1
No. 26

Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present Total Revenue	Proposed Winter Rates		Proposed Summer Rates		Proposed Total Revenue	Increase	Percent Increase
Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue		Rate	Revenue	Rate	Revenue			

Chattanooga Gas Company

Impact to Customer Bills (Update to TRA Staff - 1, Number 23)

TRA 28 Schedule-3

TRA Staff-1

No. 26

Class	Description	Proposed Revenue	Customer Charges	Demand Charges	Total Fixed Charges	Volumetric Charges	% Fixed Charges	% Volumetric Charges
System Total		\$ 33,947,199	\$ 7,855,120	\$ 459,148	\$ 8,314,268	\$25,632,930	24.49%	75.51%
R-1	Residential	\$ 14,011,190	\$ 4,750,720		\$ 4,750,720	\$ 9,260,470	33.91%	66.09%
R-4	Multi-Family Heating	\$ 31,553	\$ 13,320		\$ 13,320	\$ 18,233	42.21%	57.79%
C-1	C&I General	\$ 3,325,280	\$ 1,369,100		\$ 1,369,100	\$ 1,956,180	41.17%	58.83%
C-2 & T-3	Medium C&I General	\$ 9,545,890	\$ 374,500	\$ -	\$ 374,500	\$ 9,171,390	3.92%	96.08%
I-1/T-2	Large Volume Firm	\$ 1,736,488	\$ 82,800	\$ 316,368	\$ 399,168	\$ 1,337,320	22.99%	77.01%
L-1	Interruptible Sales	\$ 53,840	\$ 3,600		\$ 3,600	\$ 50,240	6.69%	93.31%
I-1/T-2 + T-1	Lrg. Vol. Partial Firm	\$ 1,628,013	\$ 54,000	\$ 142,780	\$ 196,780	\$ 1,431,233	12.09%	87.91%
T-1 & SS-1	Large Volume Interruptible	\$ 2,515,864	\$ 108,000		\$ 108,000	\$ 2,407,864	4.29%	95.71%
Miscellaneous		\$ 1,099,080	\$ 1,099,080					

Note :

- 1.) Interruptible rates share same commodity charge as firm.
- 2.) Revenue d on projected attrition year gas costs
- 3.) Includes revenue from proposed base revenue sharing

Question 48: Please provide all company schedules and exhibits electronically in working excel files via CD adjusted to remove all of the items to be considered in Phase II.

Response:

For purposes of this response, the Company is including in the enclosed CD's the applicable exhibits included in the pre-filed direct testimony of Dave Heintz, Michael Morley and Daniel Nikolich to remove the items to be considered in Phase II of this proceeding. The only item removed was the costs associated with the Company's proposed Energy Conservation Program of \$738,980. The Company did not adjust all of its work papers it previously provided to reflect this change.