

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF CHATTANOOGA GAS COMPANY FOR APPROVAL OF
ADJUSTMENT OF ITS RATES AND CHARGES, COMPREHENSIVE RATE
DESIGN PROPOSAL, AND REVISED TARIFF**

DOCKET NO. 06-00175

**EXHIBITS
OF
TERRY BUCKNER**

October 16, 2006

CHATTANOOGA GAS COMPANY
TRA DOCKET #06-00175
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CONSUMER ADVOCATE AND PROTECTION DIVISION
ANALYSIS OF LONG TERM INCENTIVE PLANS ("LTIPs")
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

	A/ AMOUNT	PERCENT DISALLOWANCE	TENNESSEE EXPENSE
LONG TERM INCENTIVE PLAN ("LTIP")	\$ 47,000	100.00%	\$ -
ANNUAL INCENTIVE PLAN ("AIP")	97,000	50.00%	48,500
OFFICER INCENTIVE PLAN ("OIP")	117,000	100.00%	-
TOTAL	\$ 261,000		\$ 48,500

A/ CGC Discovery Response, FG #51.

CHATTANOOGA GAS COMPANY

TRA Docket #06-00175

State of Tennessee Gross Receipts Tax Calculation
For the Attrition Year Ended December 31, 2007

T-OTAX

	2007 Tax year Forecast	2006 Tax Year Forecast
Gross Receipts	\$ 129,058,161 A/	\$ 105,800,548 B/
Taxable Receipts	129,058,161	105,800,548
Tax Rate	1.50%	1.50%
Taxes	1,935,872	1,587,008
Less: Franchise Tax	(344,060) C/	(344,060) C/
Excise Tax	(588,000) C/	(588,000) C/
Net Tax	<u>\$ 1,003,812</u>	<u>\$ 654,948</u>
Tax 1/1/07-6/30/07		
Tax 7/1/07-12/31/07	501,906	\$ 327,474
Total Tax	<u>\$ 829,380</u>	
CGC Forecast	<u>\$ 1,055,046</u>	
Difference	<u>\$ 225,666</u>	

A/ Per June 2006 TRA 3.03 12 MTD.

B/ Per September 2005 TRA 3.03 12 MTD.

C/ Per CGC Discovery Response FG-25, CGC Schedule 25-1.

CONSUMER ADVOCATE AND PROTECTION DIVISION
DEPRECIATION EXPENSE SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #08-00175

EDEP1

	A/ Balance 6/30/2006	A/ Depreciation Reserve 6/30/2006	A/ Net Plant Balance 6/30/2006	A/ Current Depreciation Rate 6/30/2006	July 2006 Expense	Aug 2006 Expense	Sep 2006 Expense	Oct 2006 Expense	Nov 2006 Expense	Dec 2006 Expense	Jan 2007 Expense	Feb 2007 Expense	Mar 2007 Expense	Apr 2007 Expense	May 2007 Expense	Jun 2007 Expense	Jul 2007 Expense	Aug 2007 Expense	Sep 2007 Expense	Oct 2007 Expense	Nov 2007 Expense	Dec 2007 Expense	Net Plant Balance 12/31/2007	
331150 Structures and Improvements	11,704,939	1,097,898	10,607,131	2.67%	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	26,043	10,138,348
331250 Gas Holders/LNG	4,515,240	4,342,955	172,285	2.67%	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	10,046	1,496
331350 Purification Equipment	551,128	333,837	217,291	2.67%	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	1,226	195,218
331450 Liquefaction Equipment	2,479,046	1,475,840	1,003,206	2.67%	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	5,516	993,920	
331550 Vaporizing Equipment	2,387,968	1,071,155	1,316,813	2.67%	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	5,312	1,220,791	
331650 Compressor Equipment	37,726	37,726	37,726	2.67%	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	84	
331750 Measuring Equipment	83,516	83,516	11,732	2.67%	211	211	211	211	211	211	211	211	211	211	211	211	211	211	211	211	211	211	7,925	
331800 Equipment	885,245	716,536	148,709	2.67%	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	114,056	
331100 Structures and Equipment	18,271	10,989	7,282	3.37%	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	6,358	
331200 Compressor Station Equipment	77,571,682	38,722,072	38,849,610	3.37%	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	217,847	34,927,731	
331300 Compressor Station Equipment	1,613,696	1,348,070	265,626	3.37%	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532	164,054	
331330 Measuring and Reg. Station Equipment - General	212,328	51,824	160,504	3.37%	596	596	596	596	596	596	596	596	596	596	596	596	596	596	596	596	596	596	596	149,771
331350 Measuring and Reg. Station Equipment - City Gate	1,083,189	458,831	624,358	3.37%	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	259,603
331400 Services	49,833,155	19,579,204	30,253,951	3.37%	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	139,366	27,569,995	
331500 Meters	6,749,064	3,461,156	3,287,908	3.37%	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	2,926,743	
331550 ERT's	133	37,653	(37,653)	3.37%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	105	
331570 Meterboxes	2,951,240	891,752	2,059,478	3.37%	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	1,910,293	
331600 Meter Stations	2,371,492	1,236,903	1,134,589	3.37%	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	1,594,360	
331800 House Regulator Installations	188,944	62,543	126,401	3.37%	474	474	474	474	474	474	474	474	474	474	474	474	474	474	474	474	474	474	97,861	
331850 Industrial Meter & Reg. Station Equipment	220,719	109,263	111,436	3.37%	620	620	620	620	620	620	620	620	620	620	620	620	620	620	620	620	620	620	100,279	
331900 Other Distribution Equipment	141,330	48,764	92,566	3.37%	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	85,422	
331950 Other Property on Customer's Premises	19,248	9,153	10,093	3.37%	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	9,120	
331100 Structures and Improvements	91,435	11,055	80,380	7.34%	559	559	559	559	559	559	559	559	559	559	559	559	559	559	559	559	559	559	70,313	
331200 Office Furniture	14,405	4,063	10,342	7.34%	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	316,771	
331250 Data Processing Equipment	1,506,614	1,023,965	482,649	7.34%	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	(78,646)	
331300 Transportation Equipment	378,079	456,725	(78,646)	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	(22,326)	
331400 Stores Equipment	71,130	92,456	(21,326)	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	(5,939)	
331500 Tools, Shop and Garage Equipment	359,435	278,614	80,621	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	(36,178)	
331600 Laboratory Equipment	21,879	27,816	(5,939)	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	9,785	
331700 Power-Operated Equipment	48,044	84,222	(36,178)	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	(2,374)	
331800 Communication Equipment	11,511	(9,785)	(17,296)	7.34%	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	2,199	85,976,545	
331900 Miscellaneous Equipment	168,492,963	77,154,725	91,338,238																					
Intangibles	48,229	-	48,229																					
Land and Land Rights	975,414	87,736	887,678																					
Total Gas Plant	189,516,606	77,242,461	92,274,145																					
Net Plant Additions																								
Composite Depreciation Rate/Cumulative Monthly Dep Exp		3.31%																						
Total Monthly Depreciation Expense																								
Total 2007 Depreciation Expense																								\$5,754,482

A/ CGC Discovery Response, CAPD DR #10

B/ CGC Discovery Response, FG #69, CGC Schedule 69-1 (a), CGC Schedule 69-1 (d)

C/ Annualized July 2006 Depreciation Expense divided by June 30, 2006 Total Depreciable Plant

CONSUMER ADVOCATE AND PROTECTION DIVISION
DEPRECIATION EXPENSE SUMMARY
FOR THE YEAR ENDED 2006
(ADOPTING ATLANTA GAS LIGHT DEPRECIATION RATES)

E-DEP GA

	A/ Balance 6/30/2006	A/ Depreciation Reserve 6/30/2006	A/ Net Plant 6/30/2006	A/ Current Depreciation Rates 6/30/2006	July 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Net Plant Balance 12/31/2007
331150 Structures and Improvements	11,704,939	1,097,808	10,607,131	2.57%	25,069	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	10,156,906
331250 Gas holder/LNG	4,515,240	4,342,555	172,685	2.57%	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	10,156,906
331350 Purification Equipment	551,128	333,837	217,291	2.57%	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	196,045
331450 Vaporization Equipment	2,479,046	1,475,840	1,003,206	2.57%	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	907,639
331550 Liquefaction Equipment	2,387,568	1,071,155	1,316,413	2.57%	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	1,224,372
331650 Compressor Equipment	37,726	81,718	37,726	2.57%	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	35,272
331750 Measuring Equipment	865,345	716,536	148,809	2.57%	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	852,811
331850 Miscellaneous Equipment	865,345	716,536	148,809	2.57%	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	852,811
351000 Structures and Equipment	18,271	10,989	7,282	2.23%	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	11,524
351200 Mains	77,571,682	36,722,702	40,848,980	2.23%	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	144,154	36,254,207
351300 Compressor Station Equipment	1,613,686	1,348,070	265,616	2.23%	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	259,681
351330 Measuring and Reg. Station Equipment - Gen-	212,328	51,824	160,504	2.23%	395	395	395	395	395	395	395	395	395	395	395	395	395	395	395	395	395	395	153,402
351350 Measuring and Reg. Station Equipment - City	1,083,899	496,831	587,068	2.23%	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	988,125
351400 Services	49,533,155	19,578,254	30,055,901	2.23%	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	92,235	28,393,722
351500 Electric	6,749,064	3,151,857	3,597,207	2.23%	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	12,542	3,177,653
351600 Meters	133	21	112	2.23%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108
351600 Meter Installations	2,951,240	891,762	2,059,478	2.23%	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	1,960,759
351700 House Regulators	2,971,492	1,235,903	1,735,589	2.23%	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	5,522	1,635,193
351800 Industrial Regulator Installations	168,344	62,543	105,801	2.23%	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	100,750
351900 Industrial Meas. & Reg. Station Equipment	220,719	109,283	111,436	2.23%	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	104,053
351900 Other Distribution Equipment	14,338	48,714	92,556	2.23%	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	87,683
351900 Other Distribution Equipment, Premises	19,435	11,055	8,380	10.63%	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	65,801
361000 Structures and Improvements	14,005	4,063	10,342	10.63%	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128	128	12,846
361200 Office Furniture	1,506,614	1,023,365	483,249	10.63%	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	1,493,268
361250 Data Processing Equipment	378,079	456,725	(78,646)	10.63%	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	(22,326)
361300 Transportation Equipment	71,130	93,456	(22,326)	10.63%	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	314
361500 Tools, Shop and Garage Equipment	359,435	278,814	80,621	10.63%	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263
361500 Motor Vehicle Equipment	48,229	54,222	(6,993)	10.63%	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	38,229
361500 Paved Area Equipment	48,229	54,222	(6,993)	10.63%	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810	38,229
361800 Communication Equipment	11,511	12,885	(2,374)	10.63%	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	(78,646)
361900 Miscellaneous Equipment	168,492,863	77,154,725	91,338,138	10.63%	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	242,119
Total Depreciable Plant	168,492,863	77,154,725	91,338,138	10.63%	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	242,119
Intangibles	48,229	54,222	(6,993)	10.63%	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	(78,646)
Land and Land Rights	975,414	87,736	887,678	10.63%	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	23,309
Total Gas Plant	169,516,606	77,242,461	92,274,145	10.63%	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	13,346	242,119
Net Plant Additions					314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	314	(78,646)
Composite Depreciation Rate/Cumulative Monthly Dep Exp				2.35%	634,837	713,699	593,200	419,762	243,845	182,160	189,264	435,847	526,207	571,599	371,144	752,004	754,437	578,699	505,200	419,762	243,845	182,160	16,343
Total Monthly Depreciation Expense					332,347	333,591	334,991	336,154	336,977	337,455	337,812	338,163	339,037	340,069	341,464	342,192	343,666	345,146	346,281	347,389	348,212	346,913	\$ 4,116,353

A) CGC Discovery Response, C&D, DR #10, DR #19
B) CGC Discovery Response, C&D, DR #10, DR #19
C) Annualized July 2006 Depreciation Expense divided by June 30, 2006 Total Depreciable Plant

CONSUMER ADVOCATE AND PROTECTION DIVISION
DEPRECIATION EXPENSE SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00173
ADOPTING VIRGINIA NATURAL GAS DEPRECIATION RATES)

E-DEP VA

	A/ Balance 6/30/2006	A/ Depreciation Reserve 6/30/2006	A/ Plant Balance 6/30/2006	A/ Current Depreciation Rate 6/30/2006	July 2006 Expense	Aug 2006 Expense	Sep 2006 Expense	Oct 2006 Expense	Nov 2006 Expense	Dec 2006 Expense	Jan 2007 Expense	Feb 2007 Expense	Mar 2007 Expense	Apr 2007 Expense	May 2007 Expense	Jun 2007 Expense	Jul 2007 Expense	Aug 2007 Expense	Sep 2007 Expense	Oct 2007 Expense	Nov 2007 Expense	Dec 2007 Expense	Net Plant Balance 12/31/2007
331150 Structures and Improvements	11,704,939	1,097,808	10,607,131	2.57%	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	25,068	10,155,906
331250 Gas Holders/LNG	4,515,240	4,342,955	172,285	2.57%	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	9,670	7,993
331350 Liquefaction Equipment	551,128	333,837	217,291	2.57%	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	196,045
331450 Vaporization Equipment	2,478,046	1,475,840	1,002,206	2.57%	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	5,309	907,639
331550 Compressor Equipment	2,387,568	1,071,155	1,316,413	2.57%	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	5,113	1,224,372
331650 Pipeline Equipment	37,726	37,726	0	2.57%	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	38,541
331750 Other Equipment	77,224	77,224	0	2.57%	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	77,828
331850 Other Structures and Equipment	665,245	613,318	51,927	2.57%	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	113,354
351000 Structures and Equipment	18,271	10,989	7,282	2.71%	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	6,539
351200 Compressor Station Equipment	77,571,682	39,722,702	36,648,980	1.63%	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	105,368	36,952,352
351300 Measuring and Reg. Station Equipment - General	1,613,696	1,348,070	265,626	2.60%	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	202,692
351400 Measuring and Reg. Station Equipment - Ctr. Gate	212,368	51,824	160,544	2.60%	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	34,540
351500 Structures and Equipment	49,633,155	19,579,204	30,053,951	2.89%	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	27,902,354
351500 Misc.	6,749,064	3,461,156	3,287,908	5.00%	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	28,234	2,759,703
351500 ERTs	-	37,853	(37,853)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,853)
351570 Meterbanks	133	21	112	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112
351600 Meter Installations	2,951,240	891,762	2,059,478	2.76%	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	1,937,297
351700 House Regulators	2,971,492	1,226,903	1,744,589	3.48%	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	5,617	1,738,772
351800 House Regulator Repairs	35,859	35,859	0	3.48%	840	840	840	840	840	840	840	840	840	840	840	840	840	840	840	840	840	840	35,859
351850 Other Regulator Equipment	220,719	103,263	117,456	3.48%	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	103,264
351900 Other Distributor Equipment	141,330	46,764	94,566	3.48%	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	94,566
351950 Other Property on Customer's Premises	19,246	9,155	10,091	3.48%	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	85,914
361000 Structures and Improvements	91,435	11,055	80,380	2.05%	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	85,914
361200 Office Furniture	14,405	4,083	10,342	36.71%	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	9,088
361250 Data Processing Equipment	1,306,614	1,025,525	492,649	36.71%	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	77,568
361300 Other Office Equipment	1,306,614	1,025,525	492,649	36.71%	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	441	2,410
361400 Station Equipment	35,400	4,559,295	(4,559,295)	18.8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78,648)
361400 Station Equipment	71,130	93,456	(22,326)	1.83%	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	(22,326)
361600 Tool Shop and Garage Equipment	359,435	278,814	80,621	5.53%	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	(5,509)
361700 Power-Generated Equipment	21,879	27,818	(36,178)	12.65%	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	48,044	(36,178)
361800 Communication Equipment	11,511	(9,785)	9,785	5.91%	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656	9,785
361900 Miscellaneous Equipment	168,492,963	77,154,725	91,338,238	5.89%	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	48,229	84,970,256
Land and Land Rights	975,414	87,736	887,678		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gas Plant	169,516,656	77,442,461	92,074,145		634,837	713,599	593,200	419,962	243,845	182,460	189,264	435,447	526,207	711,599	371,144	750,094	754,837	578,899	565,200	419,762	243,845	182,460	
Non-Depreciable Assets	-	-	-		1,387	1,387	2,968	4,274	5,198	5,735	6,136	6,553	7,512	8,670	10,237	11,054	12,709	14,371	15,845	16,859	17,813	18,350	
Corrosion Depreciation Rate/Cumulative Month Dep Exp	2.64%	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Monthly Depreciation Expense	-	-	-		373,152	374,549	376,120	377,426	378,587	379,887	379,704	380,664	381,822	389,049	338,115	339,771	341,432	342,706	343,950	344,874	345,634	346,394	
Total 2007 Depreciation Expense	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,427,531

A) CGC Discovery Reserves: C&D DS #10, DS#419
B) CGC Discovery Reserves: CG 1652, CGC Schedule 69.1(a), CGC Schedule 69.1(i)
C) Annualized July 2006 Depreciation Expense divided by June 30, 2006 Total Depreciable Plant.

CONSUMER ADVOCATE AND PROTECTION DIVISION
RATE BASE SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
FOR THE ATTRITION YEAR ENDED DECEMBER 31, 2007

<u>LINE NO.</u>		<u>AVERAGE FOR 12 MONTHS TO DATE</u>	
ADDITIONS:			
1	GAS PLANT IN SERVICE	\$ 179,529,066	A/
2	CONSTRUCTION WORK IN PROGRESS	5,397,279	B/
3	MATERIALS AND SUPPLIES/STORAGE GAS	-	
4	WORKING CAPITAL	25,244,766	C/
5	TOTAL (L1 THRU L4)	<u>\$ 210,171,111</u>	
DEDUCTIONS:			
6	ACCUMULATED DEPRECIATION	\$ 81,982,718	D/
7	CUSTOMER DEPOSITS	2,064,159	E/
8	CONTRIBUTIONS AND ADVANCES IN AID OF CONSTRUCTION	2,187,929	F/
9	ACCUMULATED DEFERRED TAX-ACCELERATED DEPRECIATION	14,864,320	G/
10	TOTAL (L6-THRU L9)	<u>\$ 101,099,126</u>	
11	RATE BASE	<u>\$ 109,071,985</u>	
A/ CAPD work paper RB-PLANT. B/ CAPD work paper RB-CWIP. C/ CGC Exhibit MJM-3, Schedule 1, Line 3 plus Schedule 2, Line 8. D/ CAPD work paper RB-ACC DEP. E/ CGC Exhibit MJM-3, Schedule 2, Line 8. F/ CGC Exhibit MJM-3, Schedule 1, Line 6 plus Line 7. G/ CGC Exhibit MJM-3, Schedule 1, Line 5.			

CONSUMER ADVOCATE AND PROTECTION DIVISION
 PLANT IN SERVICE SUMMARY
 CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
 FOR THE ATTRITION YEAR ENDED DECEMBER 31, 2007

RB-PLANT

	A/ BEGINNING BALANCE	NET ADDITIONS	B/ ENDING BALANCE
	2006		
JUNE			169,516,606
JULY		634,837	170,151,443
AUGUST		713,699	170,865,142
SEPTEMBER		593,200	171,458,342
OCTOBER		419,762	171,878,104
NOVEMBER		243,845	172,121,949
DECEMBER		182,160	172,304,109
JANUARY	2007	189,264	172,493,373
FEBRUARY		435,847	172,929,220
MARCH		526,207	173,455,427
APRIL		711,599	174,167,026
MAY		371,144	174,538,170
JUNE		752,004	175,290,174
JULY		754,837	176,045,011
AUGUST		578,699	176,623,710
SEPTEMBER		565,200	177,188,910
OCTOBER		419,762	177,608,672
NOVEMBER		243,845	177,852,517
DECEMBER		182,160	178,034,677
13 MONTH AVG			\$ 175,271,615
ADDITIONAL PRP EXPENDITURES			921,523 A/
AGSC ALLOCATED PLANT			3,335,928 A/
TOTAL			\$ 179,529,066

A/ CGC Discovery Response, FG #69, CGC Schedule 69-1-(a), CGC Schedule 69-1-(
 B/ CGC Discovery Response, CAPD DR #10.

CONSUMER ADVOCATE AND PROTECTION DIVISION
CONSTRUCTION WORK IN PROGRESS ("CWIP") SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
FOR THE ATTRITION YEAR ENDED DECEMBER 31, 2007

CGC CWIP	\$	4,508,947	A/
CGC CAPITALIZED LABOR		4,289	B/
AGSC ALLOCATED CWIP		884,043	C/

TOTAL TENNESSEE CWIP \$ 5,397,279

A/ CGC JUNE 2006 TRIAL BALANCE ACCOUNTS #100120
B/ CGC JUNE 2006 TRIAL BALANCE ACCOUNTS #100121
C/ CGC Discovery Response, FG-69, CGC Schedule 69-1-(a)

CONSUMER ADVOCATE AND PROTECTION DIVISION
ACCUMULATED DEPRECIATION SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
FOR THE ATTRITION YEAR ENDED DECEMBER 31, 2007

RB-ACC DEP

	BEGINNING <u>BALANCE</u>	C/ DEPRECIATION <u>EXPENSE</u>	B/ COST OF <u>REMOVAL</u>	SALVAGE <u>RETIREMENTS</u>	A/ ENDING <u>BALANCE</u>
	2006 \$				\$
JUNE	77,242,460				77,242,460
JULY		465,014	(9,071)	(88,757)	77,609,646
AUGUST		466,765	(9,071)	(88,757)	77,978,582
SEPTEMBER		468,733	(9,071)	(88,757)	78,349,487
OCTOBER		470,370	(9,071)	(88,757)	78,722,029
NOVEMBER		471,527	(9,071)	(88,757)	79,095,728
DECEMBER		472,200	(9,070)	(88,757)	79,470,101
JANUARY		337,812	(543)	(88,757)	79,718,613
FEBRUARY		338,183	(20,077)	(88,757)	79,947,962
MARCH		339,037	(6,969)	(88,757)	80,191,273
APRIL		340,069	(9,071)	(88,757)	80,433,514
MAY		341,464	(9,071)	(88,757)	80,677,150
JUNE		342,192	(9,071)	(88,757)	80,921,514
JULY		343,666	(9,071)	(88,757)	81,167,352
AUGUST		345,146	(9,071)	(88,757)	81,414,670
SEPTEMBER		346,281	(9,071)	(88,757)	81,663,123
OCTOBER		347,389	(9,071)	(88,757)	81,912,684
NOVEMBER		348,212	(9,071)	(88,757)	82,163,067
DECEMBER		342,435	(9,071)	(88,757)	82,407,674
THIRTEEN MONTH AVERAGE					\$ 80,929,900
ADDITIONAL PRP EXPENDITURES					(125,602) B/
AGSC ALLOCATED PLANT					1,178,420 B/
TOTAL					\$ 81,982,718

A/ CGC Discovery Response, CAPD DR #10.

B/ CGC Discovery Response, FG DR #69, CGC Schedule 69-1-(a).

C/ CAPD work papers E-DEP for 2006 and E-DEP GA for 2007.

D/ CGC Discovery Response, FG DR #69, CGC Schedule 69-1-(j).

CONSUMER ADVOCATE AND PROTECTION DIVISION
COMPARATIVE DEPRECIATION RESERVE SUMMARY
CHATTANOOGA GAS COMPANY TRA DOCKET #06-00175
FOR THE PERIOD ENDED JUNE 30, 2006

		<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>ACC. DEP. PERCENT</u>	<u>NET BOOK VALUE</u>	<u>BOOK VALUE PERCENT</u>
A/	TENNESSEE	\$ 169,516,606	\$ 77,242,461	45.57%	\$ 92,274,145	54.43%
B/	GEORGIA	2,819,138,937	981,704,071	34.82%	1,837,434,866	65.18%
B/	VIRGINIA	568,367,432	215,892,049	37.98%	352,475,383	62.02%

A/ CGC Discovery Response, CAPD DR #10.

B/ CGC Discovery Response, CAPD DR #19.