

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

filed electronically in docket office on 11/20/06

IN RE:

PETITION OF CHATTANOOGA GAS COMPANY)	
FOR APPROVAL OF ADJUSTMENTS OF ITS RATES)	
AND, CHARGES, COMPREHENSIVE RATE DESIGN)	Docket No. 06-00175
PROPOSAL, AND REVISED TARIFF)	

PROPOSED SETTLEMENT AGREEMENT

For the sole purpose of settling Phase I of this case, Tennessee Regulatory Authority ("TRA" or "Authority") docket number 06-00175, Robert E. Cooper, Jr., the Tennessee Attorney General and Reporter, through the Consumer Advocate and Protection Division ("Consumer Advocate"), Chattanooga Gas Company ("CGC" or "Company"), and the Chattanooga Manufacturers Association ("CMA"), the parties in this litigation, respectfully submit this proposed settlement agreement. The parties stipulate to and agree to the following:

1. CGC is incorporated under the laws of the State of Tennessee and is engaged in the business of transporting, distributing, and selling natural gas in Chattanooga and Cleveland, Tennessee, and in portions of Hamilton and Bradley Counties. CGC is a public utility pursuant to the laws of Tennessee, and its public utility operations are subject to the jurisdiction of the TRA.

2. CGC is a wholly-owned subsidiary of AGL Resources Inc., an energy-based services holding company. CGC's principal office and place of business is located at 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.

3. On June 30, 2006, CGC filed a petition for approval of adjustment to its rates and charges, comprehensive rate design proposal, and revised tariff. In that filing CGC sought an increase in its annual revenues of \$5,816,974.

4. On July 10, 2006, the Consumer Advocate filed a petition to intervene, and on July 18, 2006, the CMA filed a petition to intervene. By order dated July 27, 2006, both interventions were allowed.

5. Effective January 1, 2007, rates will be implemented to increase rates by 7.16%, which is designed to produce total margins of \$30,689,492. The net increase in margin after the margin shift from the Weather Normalization Adjustment ("WNA") to base rates is projected to be \$1,999,097 or 7.16%, but the gross rate increase to base rates is projected to be \$2,754,641 or 9.86%. This difference is caused by the change in the way revenues will be billed because of the updated 30-year normal weather data. The amount of \$755,545 will be shifted from the WNA to base rates, because the updated 30-year normal weather data indicate a loss to CGC of this amount due to an increase in average daily temperatures. Because average daily temperatures have increased during the updated 30-year period used in this rate case, and because consumers tend to use less gas during the heating season when temperatures are higher, revenues billed through the WNA are projected to be \$755,545 lower after the proposed new rates go into effect. Therefore, \$755,545 of the rate increase is the result of a shift from the WNA to base rates.

6. The parties to this proposed settlement agreement have engaged in substantial discovery and have undertaken extensive discussions to resolve all known disputed issues in Phase I of this case. In addition, the Staff of the Authority has engaged in discovery. As a result of the information obtained during discovery and the discussions between the parties, the parties have agreed to adjustments that reduce CGC's additional revenue requirements from an

aggregate of \$5,816,974 to \$2,754,641, of which \$1,999,097 is over and above the revenue shift from the WNA to base rates discussed in the immediately preceding paragraph.

7. The adjustments referenced in the preceding paragraph, which are quantified in Settlement Exhibit A, Schedule 2, include the following:

- a. Sales and Transportation Revenues;
 - b. Forfeited Discounts Revenue;
 - c. At risk compensation plans expense, including the Long Term Incentive Plan (LTIP), the Officer Incentive Plan (OIP) and 50% of the Annual Incentive Plan (AIP) expense as set forth in Paragraph 19;
 - d. Uncollectible Expense;
 - e. Energy Conservation Plan Expense¹;
 - f. Depreciation and Amortization Expense;
 - g. Taxes other than Income Taxes Expenses;
 - h. Income Taxes Expense;
 - i. Gas Plant In Service (Rate Base);
 - j. Construction Work In Progress (Rate Base); and
 - k. Materials and Supplies / Storage Gas (Rate Base);
8. CGC's rate base is \$106,361,541.
 9. CGC's operating income at present rates is \$6,717,464.
 10. CGC's required operating income is \$8,391,926.
 11. CGC's operating income deficiency is \$1,674,462.
 12. CGC's gross revenue conversion factor is 1.645090.

¹ As set forth in Paragraph 18 of this proposed settlement agreement, the Energy Conservation Plan and corresponding expense will be discussed and litigated as part of Phase II of this docket.

13. CGC's revenue deficiency is \$2,754,641.
14. CGC's fair rate of return on equity is 10.20%.
15. CGC's fair rate of return on rate base is 7.89%.
16. The appropriate capital structure for setting rates is described in Settlement Exhibit A, Schedule 11.
17. Unless the CGC and the Consumer Advocate (in consultation with CMA) agree in writing otherwise, CGC will file a petition no later than May 28, 2010 to determine whether revenue requirements should be increased or decreased.
18. The new rate design includes the following major items:
 - The parties agree that the gross rate increase described in paragraph 5 will be allocated proportionally among the residential, commercial, and industrial customer classes so that each class, as a whole, receives the same percentage increase as the other classes.
 - CGC withdraws its proposed pipeline replacement tracker and its proposed CARES program.
 - Residential Class – Customer Base Use Charge will be \$12 during the winter season (November – April) and \$10 during the summer season (May – October).
 - Commercial Class – The Commercial and Industrial General Service class (Rate Schedule C-1) will be separated into two classes, Small Commercial and Industrial General Service (Rate Schedule C-1 for customers with annual usage of 4,000 therms or less), and Medium Commercial and Industrial General Service (Rate Schedule C-2 for customers with annual usage greater than 4,000 therms). The Customer Base Use Charge for the C-1 class will be those proposed in the testimony of CGC witness Daniel J. Nikolich. The fixed charges for the C-2 class are set forth in Exhibit B, which is attached hereto.
 - Industrial Class – The declining step block rates will be preserved and remain unchanged, and the rate design will maintain the existing relationship between the rate blocks in order to support cost of service principles. Additionally, the demand charge in CGC's firm industrial transportation rates will be increased \$2.50 with a corresponding offsetting adjustment to the commodity rates; a capacity charge of \$1.35 will be implemented for customers served under Rate Schedule T-1; the unauthorized gas use charges will be no more than the

greater of \$15 per Dth or an amount equal to the actual cost incurred by the Company; and a balancing pool will be established as soon as practical for CGC's transportation customers that choose to be included, without cost or charge to customers to join, and the imbalancing charges will be allocated among the pool participants on a proportionate basis. Time is of the essence for the establishment of said balancing pool, and CGC agrees to implement the balancing and pooling arrangement as soon as practical but no later July 1, 2007 and to provide the CMA with details regarding the balancing and pooling arrangement as soon as practical but no later than four (4) months from approval of this agreement by the Authority. CGC will continue to offer the experimental semi-firm sales service rate option unless the service is terminated by agreement of the parties or, after 60-day advance written notice from CGC to CMA and its attorneys of an intent to seek to discontinue the tariff, by Order of the TRA. If a CGC customer believes that CGC has established a minimum bid price that is unreasonably high, the customer may file a complaint with the TRA.

Attached hereto is Exhibit B which shall set forth the rates agreed to in this proposed settlement agreement.

Excepted from the above provisions are the Energy Conservation Plan and Conservation and Usage Adjustment, which will be addressed and litigated as part of Phase II of this docket.

19. CGC, solely for the purpose of this settlement, excludes \$212,500 of its at risk incentive compensation included in its cost of service. The amount excluded, which is further detailed in workpaper "E-LTIP" of Consumer Advocate witness Terry Buckner, represents all costs associated with CGC's LTIP and OIP plans and 50% of the costs associated with CGC's AIP plan.

20. CGC will replace at least 10.76 miles of Bare Steel and Cast Iron Pipe in 2007. In 2008-2010, CGC will replace a total of at least 10 miles of Bare Steel and Cast Iron Pipe. The agreed upon amount of pipe CGC will replace by December 31, 2010 is a minimum of 20.76 miles.

21. CGC will report service metrics to the TRA and to the Consumer Advocate as CGC tracks them now, modified to include "WIPRO" Call Center Metrics and Benchmarks.

CGC agrees to meet with the Consumer Advocate and work toward establishing additional service metric reporting.

22. In the next rate proceeding, CGC will propose that the TRA adopt Average Life Group (ALG) depreciation for ratemaking purposes and will submit a depreciation study proposing and adopting ALG depreciation rates.

23. The revised rates and tariffs agreed to in this proposed settlement are fair and reasonable to all customer classes and will provide CGC with a reasonable opportunity to recover the agreed upon additional operating revenue requirement and a reasonable rate of return on investment.

24. All pre-filed testimony and exhibits are introduced into evidence without objection, and the parties waive their right to cross-examine all witnesses with respect to all such pre-filed testimony and exhibits. If, however, questions should be asked by any person, including a Director, who is not a party to this stipulation, the parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits; provided, however, that such cross-examination shall not be inconsistent with this stipulation.

25. The provisions of this proposed settlement agreement do not necessarily reflect the positions asserted by any party, and no party to this proposed settlement agreement waives the right to assert any position in any future proceeding. This proposed settlement agreement shall not have any precedential effect in any future proceeding or be binding on any parties except to the extent necessary to implement the provisions hereof.

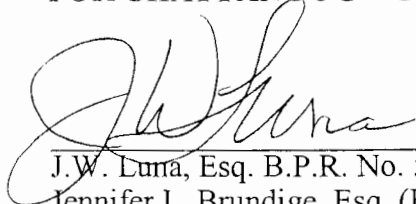
26. If the TRA does not accept the proposed settlement in whole, this proposed settlement agreement shall terminate and the parties shall not be bound by any position set forth

in this proposed settlement agreement. Should this proposed settlement agreement terminate, it will be considered void and have no binding precedential effect, and the signatories to this proposed settlement agreement reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this proposed settlement agreement. The provisions of this proposed agreement are not severable.

27. This Agreement shall be governed by and construed under the laws of the State of Tennessee, notwithstanding conflict of laws provisions.

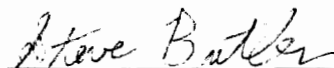
SIGNATURES ON FOLLOWING PAGE.

FOR CHATTANOOGA GAS COMPANY:



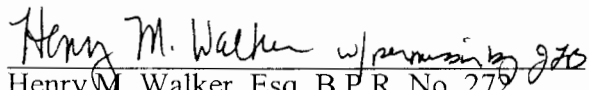
J.W. Luna, Esq. B.P.R. No. 5780
Jennifer L. Brundige, Esq. (BPRN 20673)
FARMER & LUNA, PLLC
(615) 254-9146

FOR THE CONSUMER ADVOCATE:



Timothy C. Phillips, Esq. B.P.R. No. 12751
Senior Counsel
Stephen R. Butler, Esq. B.P.R. No. 14772
Assistant Attorney General
Office of the Tennessee Attorney General & Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202-0207
(615) 741-3533

FOR THE CHATTANOOGA MANUFACTURERS ASSOCIATION:



Henry M. Walker, Esq. B.P.R. No. 272
BOULT, CUMMINGS, CONNERS & BERRY PLC
(615) 252-2363

David C. Higney, Esq. B.P.R. No. 14888
GRANT, KONVALINKA & HARRISON, P.C.
(423) 756-8400

Proposed Settlement Agreement of TRA docket number 06-00175, Phase I.

November 20 2006

101718

Chattanooga Gas Company
Index to Schedules
For the 12 Months Ending December 31, 2007

	<u>Schedule No.</u>
Revenue Deficiency	1
Adjustments Summary	2
Comparative Rate Base	3
Comparative Working Capital	4
Income Statement at Current Rates	5
Income Statement at Proposed Rates	6
Operation & Maintenance Expenses	7
Taxes Other Than Income Taxes	8
Excise and Income Taxes	9
Revenue Conversion Factor	10
Cost of Capital	11

Chattanooga Gas Company
Revenue Deficiency
For the 12 Months Ending December 31, 2007

Line No.		Settlement		Company	E/	Difference
1	Rate Base	106,361,541	A/	108,236,152		(1,874,611)
2	Operating Income at Present Rates	6,717,464	B/	5,811,096		906,368
3	Earned Rate of Return	6.32%		5.369%		0.95%
4	Fair Rate of Return	7.89%	C/	8.636%		-0.75%
5	Required Operating Income	8,391,926		9,347,274		(955,349)
6	Operating Income Deficiency	1,674,462		3,536,178		(1,861,716)
7	Gross Revenue Conversion Factor	<u>1.645090</u>	D/	<u>1.645090</u>		<u>0.000000</u>
8	Revenue Deficiency (Surplus)	<u>2,754,641</u>		<u>5,817,331</u>		<u>(3,062,690)</u>
9	Current Margins (per Sch. 6)	<u>27,934,851</u>		<u>27,696,695</u>		
10	New Total Margin	30,689,492		33,514,026		
11	% Increase	9.86%		20.82%		
12	Margin shift from WNA to base rates	<u>755,545</u>	F/	<u>755,545</u>		
13	Net rate increase	1,999,097		5,061,787		
14	% Increase (net of WNA shift)	7.16%		18.28%		

A/ Schedule 3, line 11

B/ Schedule 5, line 15

C/ Schedule 11, line 5

D/ Schedule 10, line 10

E/ Company Forecast

F/ 2007 GP using 30 yr. normal DDD ending 2000 29,304,320

2007 GP using 30 yr. normal DDD ending 2005 28,548,775

Overstatement of rate incr. (shift--WNA to base) 755,545

Chattanooga Gas Company
Adjustments Summary
For the 12 Months Ending December 31, 2007

Line #	A/ COMPANY FORECAST 2007	ADJUSTMENTS	B/ Settlement FORECAST 2007
1 Revenues - Sales & Transportation	\$ 122,084,127	\$ 238,156 ADJ#1	\$ 122,322,283
2 Cost of Gas	94,387,432	-	94,387,432
3 Base Revenues	27,696,695	238,156	27,934,851
4 Forfeited Discounts Revenue	428,951	49,586 ADJ#2	478,537
5 Other revenues	423,129	-	423,129
6 AFUDC	247,000	-	247,000
7 Operating Margin	\$ 28,795,775	\$ 287,742	\$ 29,083,517
8 Labor	\$ 1,957,671	\$ -	\$ 1,957,671
9 Long Term Incentive Pay ("LTIP")	261,000	(212,500) ADJ#3	48,500
10 Uncollectible Expense	126,670	1,278 ADJ#4	127,948
11 Energy Conservation Plan	738,980	(738,980) ADJ#5	-
12 Other Operations & Maintenance ("O&M") Exp	8,626,766	-	8,626,766
13 Total Operations and Maintenance Expense	11,711,087	(950,202)	10,760,885
14 Interest on customer deposits	123,850	-	123,850
15 Depr. & Amort. Expense	5,812,351	(57,869) ADJ#6	5,754,482
16 Taxes Other Than Income Taxes	4,079,007	(225,666) ADJ#7	3,853,341
17 Income Taxes	1,258,384	615,111 ADJ#8	1,873,495
18 Total Operating Expenses	\$ 22,984,679	\$ (618,626)	\$ 22,366,053
19 Net Operating Income("NOI")	\$ 5,811,096	\$ 906,368	\$ 6,717,464
29 Rate Base			
30 Gas Plant in Service	\$ 180,219,191	\$ (690,125) ADJ#9	\$ 179,529,066
31 Construction work in progress	5,026,589	370,690 ADJ#10	5,397,279
32 Materials and supplies/Storage gas	24,483,680	(1,555,176) ADJ#11	22,928,504
33 Working capital	(1,303,073)	-	(1,303,073)
34 Total	\$ 208,426,387	\$ (1,874,611)	\$ 206,551,776
35 Deductions:			
36 Accumulated Depreciation	\$ 83,137,986	\$ - ADJ#12	\$ 83,137,986
37 Contributions & advances in aid of construction	2,187,929	-	2,187,929
38 Accumulated deferred tax-accelerated depr.	14,864,320	-	14,864,320
39 Total	\$ 100,190,235	\$ -	\$ 100,190,235
40 Rate Base(Line 28-Line 36)	\$ 108,236,152	\$ (1,874,611)	\$ 106,361,541
41 Rate of Return(Line 20/Line 37)	5.37%		6.32%
42 Fair Rate of Return	8.64%	-0.75% ADJ#13	7.89%
43 Deficient (Excess) Rate of Return	3.27%		1.57%
44 Deficient (Excess) NOI	\$ 3,536,178		\$ 1,674,462
45 Gross Revenue Conversion Factor	1.64509		1.64509
46 Revenue Deficiency (Surplus)	\$ 5,817,331	\$ (3,062,690)	\$ 2,754,641

A/ Co. Testimony and work papers.

B/ CAPD Schedules

Chattanooga Gas Company
Comparative Rate Base
For the 12 Months Ending December 31, 2007

Line No.		Settlement	Company	B/	Difference
1	Utility Plant in Service	179,529,066	180,219,191		(690,125)
2	Construction Work in Progress	5,397,279	5,026,589		370,690
3	Working Capital	21,625,431 A/	23,180,607		(1,555,176)
4	Total Additions	206,551,776	208,426,387		(1,874,611)
5	Accumulated Depreciation	83,137,986	83,137,986		-
6	Accumulated Deferred Income Taxes	14,864,320	14,864,320		-
7	Contributions In Aid of Construction	1,901,535	1,901,535		-
8	Customer Advances for Construction	286,394	286,394		-
9	Pre-1971 Unamortized Investment Tax Credit	-	-		-
10	Total Deductions	100,190,235	100,190,235		-
11	Rate Base	106,361,541	108,236,152		(1,874,611)

A/ Schedule 4, Line 13

B/ Company Exh. MJM-3

Chattanooga Gas Company
Comparative Working Capital
For the 12 Months Ending December 31, 2007

Line No.		Settlement A/	Company B/	Difference
1	Lead Lag Results	1,859,258	1,859,258	-
2	Materials and Supplies	64,199	64,199	-
3	Gas Inventories	22,928,504	24,483,680	(1,555,176)
4	Prepayments	-	-	-
5	Other Accounts Receivable	17,984	17,984	-
6	Deferred Rate Case	250,000	250,000	-
7	Total Additions	25,119,945	26,675,121	(1,555,176)
8	Reserve for Uncollectible Accts.	526,795	526,795	-
9	Customer Deposits	2,064,159	2,064,159	-
10	Accrued Interest on Customer Deposits	903,560	903,560	-
11	Other Liabilities	-	-	-
12	Total Deductions	3,494,514	3,494,514	-
13	Working Capital	21,625,431	23,180,607	(1,555,176)

A/ Same as Co. exept gas inventory balance

B/ Company Exh. MJM-3

Chattanooga Gas Company
Income Statement at Current Rates
For the 12 Months Ending December 31, 2007

Line No.		Settlement	Company D/	Difference
1	Revenues - Sales & Transportation	122,322,283	122,084,127	238,156
2	Cost of Gas	94,387,432	94,387,432	-
3	Base Revenues	27,934,851	27,696,695	238,156
4	Forfeited Discounts Revenue	478,537	428,951 E/	49,586
5	Other revenues	423,129	423,129	-
6	AFUDC	247,000	247,000	-
7	Operating Margin	29,083,517	28,795,775	287,742
8	Other Operation and Maintenance	10,760,885 A/	11,711,087	(950,202)
9	Interest on Customer Deposits	123,850	123,850	-
10	Depreciation and Amortization Exp.	5,754,482	5,812,351	(57,869)
11	Taxes Other Than Income	3,853,341 B/	4,079,007	(225,666)
12	State Excise Tax	329,993 C/	228,063	101,930
13	Federal Income Tax	1,543,502 C/	1,030,321	513,181
14	Total Operating Expense	22,366,053	22,984,679	(618,626)
15	Net Operating Income for Return	6,717,464	5,811,096	906,368

Reconciliation:

Revenues - Sales & Transportation	122,322,283	122,084,127	238,156
Forfeited Discounts Revenue	478,537	428,951	49,586
Other revenues	423,129	423,129	-
AFUDC	247,000	247,000	-
Total Revenues	123,470,949	123,183,207	287,742

A/ Schedule 7, Line 30

B/ Schedule 8, Line 7

C/ Schedule 9, Line 12 & Line 20

D/ Company Exh. MJM-1, MJM-2

E/ Exh. PGB-6, P. 7 of 14

Chattanooga Gas Company
Income Statement at Proposed Rates
For the 12 Months Ending December 31, 2007

Line No.		Current Rates	Rate Adjustments	Proposed Rates
1	Revenues - Sales & Transportation	122,322,283	2,754,641 B/	125,076,924
2	Cost of Gas	94,387,432	-	94,387,432
3	Base Revenues	27,934,851	2,754,641	30,689,492
4	Forfeited Discounts Revenue	478,537	12,820 C/	491,357
5	Other revenues	423,129	-	423,129
6	AFUDC	247,000	-	247,000
7	Operating Margin	29,083,517	2,767,461	31,850,978
8	Other Operations and Maintenance	10,760,885 A/	12,279 C/	10,773,164
9	Interest on Customer Deposits	123,850	-	123,850
10	Depreciation and Amortization Exp.	5,754,482	-	5,754,482
11	Taxes Other Than Income	3,853,341	-	3,853,341
12	State Excise Tax	329,993	179,087 C/	509,080
13	Federal Income Tax	1,543,502	901,633 C/	2,445,135
14	Total Operating Expense	22,366,053	1,092,999	23,459,052
15	Net Operating Income for Return	6,717,464	1,674,462	8,391,926
Reconciliation:				
	Revenues - Sales & Transportation	122,322,283	2,754,641	125,076,924
	Forfeited Discounts Revenue	478,537	12,820	491,357
	Other revenues	423,129	-	423,129
	AFUDC	247,000	-	247,000
	Total Revenues	123,470,949	2,767,461	126,238,410

A/ Schedule 7, Line 30

B/ Schedule 1, Line 8

C/ Line 1 x Schedule 11 (appropriate conversion factor effects)

Chattanooga Gas Company
Operation & Maintenance Expenses
For the 12 Months Ending December 31, 2007

Line No.		Settlement	Company	A/	Difference
1	Salaries and Wages	1,957,671	1,957,671		-
2	Other Allocated Costs	4,967,700	4,967,700		-
3	Long Term Incentive Pay ("LTIP")	48,500	261,000		(212,500) C/
4	Storage Expense	677,709	677,709		-
5	LNG Maintenance	-	-		-
6	Fleet Services and Facilities	609,499	609,499		-
7	Distribution - CIE	-	-		-
8	Distribution - Maintenance	-	-		-
9	Customer Acc. Exp. (Excl. Uncol.)	141,809	141,809		-
10	Uncollectible Accounts Expense	127,948	126,670		1,278 D/
11	Energy Conservation Plan	-	738,980		(738,980) B/
12	Customer Service	-	-		-
13	Sales Expense	-	-		-
14	Sales Promotion Expense	78,873	78,873		-
15	Pension Expense	37,744	37,744		-
16	Injuries and Damages	-	-		-
17	Employee Benefits - Insurance	371,395	371,395		-
18	Employee Savings Plan	-	-		-
19	Other Employee Benefits	-	-		-
20	Property Insurance	-	-		-
21	Other Administrative and General Exp.	502,587	502,587		-
22	Reg. Comm. Expense	-	-		-
23	Outside Services	1,239,450	1,239,450		-
24	Misc. General	-	-		-
25	Misc. Expense	-	-		-
26	Rents	-	-		-
27	Training	-	-		-
28	Transferred Credit	-	-		-
29	Corporate Office Allocation Adjust.	-	-		-
30	Total O&M Expense	<u>10,760,885</u>	<u>11,711,087</u>		<u>(950,202)</u>

A/ Company Forecast (MJM-2)

B/ Excludes energy conservation costs.

C/ CAPD work paper, E-LTIP.

D/ Uncollectible Accounts ratio x margin & FDR adjust.

(0.004437 x 287,742)
Sch. 10, Line 4 Sch. 5, Line 7

Chattanooga Gas Company
Taxes Other Than Income Taxes
For the 12 Months Ending December 31, 2007

Line No.		Settlement	Company ^{A/}	Difference
1	Property Tax	2,274,877	2,274,877	-
2	State Gross Receipts Tax	829,380	1,055,046	(225,666) B/
3	Payroll Taxes	148,024	148,024	-
4	Franchise Tax	344,060	344,060	-
5	Other General Taxes	-	-	-
6	TRA Utility Fee	257,000	257,000	-
7	Total Taxes Other Than Income Taxes	3,853,341	4,079,007	(225,666)

A/ Company Forecast

B/ CAPD work paper, T-OTAX.

Chattanooga Gas Company
Excise and Income Taxes
For the 12 Months Ending December 31, 2007

Line No.		Attrition Amount		Proposed Rates Attrition Amount A/
1	Operating Margin	29,083,517	A/	31,850,978
2	Other Operation and Maintenance	10,760,885	A/	10,773,164
3	Depreciation and Amortization Expense	5,754,482	A/	5,754,482
4	Taxes Other Than Income	3,853,341	A/	3,853,341
5	NOI Before Excise and Income Taxes	8,714,809		11,469,991
6	less Interest on Customer Deposits	123,850	A/	123,850
7	less Interest Expense	3,526,949	B/	3,526,949 B/
8	Pre-tax Book Income	5,064,010		7,819,192
9	Schedule M Adjustments	12,811		12,811
10	Excise Taxable Income	5,076,821		7,832,003
11	Excise Tax Rate	6.50%		6.50%
12	Excise Tax	329,993		509,080
13	Pre-tax Book Income	5,064,010		7,819,192
14	Excise Tax	329,993		509,080
15	Schedule M Adjustments	12,811		12,811
16	FIT Taxable Income	4,746,828		7,322,923
17	FIT Rate	35.00%		35.00%
18	FIT Before Amortization of Def. Tax	1,661,390		2,563,023
19	Amortization of Deferred Tax Liability	(117,888)		(117,888)
20	Federal Income Tax Expense	1,543,502		2,445,135

A/ Schedule 6

B/ Rate Base * Weighted Cost of Debt

(Schedule 2, Line 11 * Schedule 12 Line 1 + Line 2 + Line 3)

Chattanooga Gas Company
Revenue Conversion Factor
For the 12 Months Ending December 31, 2007

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.004654 A/	<u>0.004654</u>
3	Balance		1.004654
4	Uncollectible Ratio	0.004437 A/	<u>0.004458</u>
5	Balance		1.000196
6	State Excise Tax	0.065000 B/	<u>0.065013</u>
7	Balance		0.935184
8	Federal Income Tax	0.350000 B/	<u>0.327314</u>
9	Balance		<u>0.607869</u>
10	Revenue Conversion Factor (1 / Line 9)		<u><u>1.645090</u></u>

A/ Exhibit MJM-1, Schedule 3

B/ Statutory rate

Chattanooga Gas Company
Cost of Capital
For the 12 Months Ending December 31, 2007

Line No.		Ratio	A/	Cost	Weighted Cost
1	Short Term Debt	11.90%		5.11% B/	0.61%
2	Long Term Debt	43.10%		6.26% B/	2.70%
3	Preferred Stock	0.20%		6.26% B/	0.01%
4	Stockholder's Equity	<u>44.80%</u>		10.20% A/	<u>4.57%</u>
5	Total	<u>100.00%</u>			<u>7.89%</u>

A/ Testimony of SNB

B/ Company filing (later revised per Mike Morely - LTD is 6.24%, weighed with Preferred = 6.26%)

Chattanooga Gas Company
2007 Base Revenue and Total Revenue at Present and Proposed Rates
 EXHIBIT-B Schedule 1

Post Test Year Billing Units				Present Winter Rates		Present Summer Rates		Present		Proposed Winter Rates		Proposed Summer Rates		Proposed		Percent Increase
Winter	Summer	Total		Nov - April	Rate	May - Oct	Rate	Total	Revenue	Nov - April	Rate	May - Oct	Rate	Total	Revenue	
Nov-April	May-Oct			Rate	Revenue	Rate	Revenue	Revenue		Rate	Revenue	Rate	Revenue	Revenue		
Residential (R-1)																
Number of Bills	321,541	311,888	633,429	\$ 7.50	\$ 2,411,560	\$ 7.50	\$ 2,339,160	\$ 4,750,720	\$ 3,858,490	\$ 12.00	\$ 3,858,490	\$ 10.00	\$ 3,118,880	\$ 6,977,370	\$ 2,226,650	
Distribution Charges																
0 - 25 therms	7,632,580	3,899,520	11,532,100	\$0.29385	\$ 2,242,840	\$0.21279	\$ 829,780	\$ 3,072,620	\$ 1,942,030	\$0.25444	\$ 1,942,030	\$0.18425	\$ 718,490	\$ 2,690,520	\$ (412,100)	
26-50 therms	6,232,670	759,110	6,991,780	\$0.20265	\$ 1,263,050	\$0.15199	\$ 115,380	\$ 1,378,430	\$ 1,093,550	\$0.17547	\$ 1,093,550	\$0.13160	\$ 99,900	\$ 1,193,550	\$ (184,880)	
Over 50 Therms	17,349,850	602,070	17,951,920	\$0.17732	\$ 3,076,470	\$0.04560	\$ 27,450	\$ 3,103,885	\$ 2,663,900	\$0.15354	\$ 2,663,900	\$0.03948	\$ 23,770	\$ 2,687,670	\$ (416,215)	
Revenue Adjustment																
Total Residential Margin	31,215,100	5,260,700	36,475,800		\$ 8,993,920		\$ 3,311,770	\$ 12,305,655	\$ 9,558,070		\$ 9,558,070		\$ 3,961,040	\$ 13,519,110	\$ 1,213,455	
PGA					\$31,182,500		\$ 5,384,800	\$ 36,567,300	\$ 31,182,500		\$ 31,182,500		\$ 5,384,800	\$ 36,567,300	\$ -	
Total Revenues					\$40,176,420		\$ 8,696,570	\$ 48,872,955	\$ 40,740,570		\$ 40,740,570		\$ 9,345,840	\$ 50,086,410	\$ 1,213,455	2.48%
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	61,243	20,570	81,813	\$0.18311	\$ 11,214	\$0.16277	\$ 3,348	\$ 14,562	\$ 13,331	\$0.21768	\$ 13,331	\$0.19350	\$ 3,980	\$ 17,311	\$ 2,749	
Total Residential (R-4) Margin	61,243	20,570	81,813		\$ 17,874		\$ 10,008	\$ 27,882	\$ 19,991		\$ 19,991		\$ 10,640	\$ 30,631	\$ 2,749	
PGA					\$ 61,800		\$ 21,000	\$ 82,800	\$ 61,800		\$ 61,800		\$ 21,000	\$ 82,800	\$ -	
Total Revenues					\$ 79,674		\$ 31,008	\$ 110,682	\$ 81,791		\$ 81,791		\$ 31,640	\$ 113,431	\$ 2,749	2.48%
Commercial (C-1)																
Number of Bills	40,014	37,922	77,935	\$ 20.00	\$ 800,270	\$ 15.00	\$ 568,830	\$ 1,369,100	\$ 1,160,390	\$ 29.00	\$ 1,160,390	\$ 25.00	\$ 948,040	\$ 2,108,430	\$ 739,330	
Distribution Charges																
0 - 3000 therms	4,703,400	525,100	5,228,500	\$0.27667	\$ 1,301,290	\$0.21722	\$ 114,060	\$ 1,415,350	\$ 873,940	\$0.18581	\$ 873,940	\$0.14589	\$ 76,610	\$ 950,550	\$ (464,800)	
3,001 - 5,000 therms				\$0.25253		\$0.17244										
5,001 - 15,000 therms				\$0.24599		\$0.16077										
over 15,000 therms				\$0.12727		\$0.12727										
Revenue Adjustment																
Total Commercial (C-1) Margin	4,703,400	525,100	5,228,500		\$ 2,101,560		\$ 682,890	\$ 2,784,450	\$ 2,034,330		\$ 2,034,330		\$ 1,024,850	\$ 3,058,980	\$ 274,530	
PGA					\$ 4,628,750		\$ 536,310	\$ 5,165,060	\$ 4,628,750		\$ 4,628,750		\$ 536,310	\$ 5,165,060	\$ -	
Total Revenues					\$ 6,730,310		\$ 1,219,200	\$ 7,949,510	\$ 6,663,080		\$ 6,663,080		\$ 1,560,960	\$ 8,224,040	\$ 274,530	3.45%

Chattanooga Gas Company
2007 Base Revenue and Total Revenue at Present and Proposed Rates
EXHIBIT-B Schedule 1

Post Test Year Billing Units				Present Winter Rates		Present Summer Rates		Present		Proposed Winter Rates		Proposed Summer Rates		Proposed		Percent Increase
Winter Nov-April	Summer May-Oct	Total	Rate	Nov - April Revenue	May - Oct Revenue	Rate	May - Oct Revenue	Total Revenue	Rate	Nov - April Revenue	May - Oct Revenue	Rate	May - Oct Revenue	Total Revenue	Increase	
Commercial (C-2)																
Number of Bills		10,688	10,896	21,384	\$ 20.00	\$ 213,760	\$ 15.00	\$ 160,440	\$ 374,200	\$ 75.00	\$ 801,800	\$ 75.00	\$ 801,800	\$ 1,603,200	\$ 1,229,000	
Demand in Dths				30,925						\$ 5.50	\$ 1,020,525	\$ 5.50	\$ 1,020,525	\$ 2,041,050	\$ 2,041,050	
Distribution Charges																
0 - 3000 therms		14,629,095	6,334,700	20,863,795	\$ 0.27667	\$ 4,047,430	\$ 0.21722	\$ 1,376,020	\$ 5,423,450	\$ 0.18744	\$ 2,742,080	\$ 0.14717	\$ 932,280	\$ 3,674,360	\$ (1,749,090)	
3,001 - 5,000 therms		2,085,909	830,896	2,916,805	\$ 0.25253	\$ 526,750	\$ 0.17244	\$ 143,280	\$ 670,030	\$ 0.17109	\$ 356,880	\$ 0.11683	\$ 97,070	\$ 453,950	\$ (216,080)	
5,001 - 15,000 therms		3,426,595	1,276,920	4,703,515	\$ 0.24599	\$ 842,910	\$ 0.16077	\$ 205,290	\$ 1,048,200	\$ 0.16666	\$ 571,080	\$ 0.10892	\$ 139,080	\$ 710,160	\$ (338,040)	
over 15,000 therms		2,936,801	920,784	3,857,585	\$ 0.12727	\$ 373,773	\$ 0.12727	\$ 117,190	\$ 490,963	\$ 0.08623	\$ 253,240	\$ 0.08623	\$ 79,400	\$ 332,640	\$ (158,323)	
Revenue Adjustment																
Total Commercial (C-2) Margin		23,078,400	9,363,300	32,441,700		\$ 6,004,623		\$ 2,002,220	\$ 8,006,843		\$ 5,745,405		\$ 3,069,955	\$ 8,815,360	\$ 808,517	
PGA						\$ 23,166,040		\$ 9,595,460	\$ 32,761,500		\$ 23,166,040		\$ 9,595,460	\$ 32,761,500	\$	
Total Revenues						\$ 29,170,663		\$ 11,597,680	\$ 40,768,343		\$ 28,911,445		\$ 12,665,415	\$ 41,576,860	\$ 808,517	1.98%
Commercial Transportation (T-3)																
Number of Bills		12	12	24	\$ 20.00	\$ 240	\$ 15.00	\$ 180	\$ 420	\$ 75.00	\$ 900	\$ 75.00	\$ 900	\$ 1,800	\$ 1,380	
Demand in Dths				242						\$ 5.50	\$ 7,986	\$ 5.50	\$ 7,986	\$ 15,972	\$ 15,972	
Distribution Charges																
0 - 3000 therms		36,000	36,000	72,000	\$ 0.27667	\$ 9,960	\$ 0.21722	\$ 7,820	\$ 17,780	\$ 0.18744	\$ 6,750	\$ 0.14717	\$ 5,300	\$ 12,050	\$ (5,730)	
3,001 - 5,000 therms		24,000	24,000	48,000	\$ 0.25253	\$ 6,060	\$ 0.17244	\$ 4,140	\$ 10,200	\$ 0.17109	\$ 4,110	\$ 0.11683	\$ 2,800	\$ 6,910	\$ (3,290)	
5,001 - 15,000 therms		113,005	115,200	228,205	\$ 0.24599	\$ 27,800	\$ 0.16077	\$ 18,520	\$ 46,320	\$ 0.16666	\$ 18,830	\$ 0.10892	\$ 12,550	\$ 31,380	\$ (14,940)	
over 15,000 therms		66,065	26,900	92,965	\$ 0.12727	\$ 8,410	\$ 0.12727	\$ 3,420	\$ 11,830	\$ 0.08623	\$ 5,700	\$ 0.08623	\$ 2,320	\$ 8,020	\$ (3,810)	
Revenue Adjustment																
Total Commercial Transportation (T-3) Margin		239,070	202,100	441,170		\$ 52,470		\$ 34,080	\$ 86,550		\$ 44,276		\$ 31,856	\$ 76,132	\$ (10,418)	

MARGIN C-2 & T-3 CLASS

TOTAL C-2	\$ 8,006,843	\$ 8,815,360	\$ 808,517
TOTAL T-3	86,550	76,132	(10,418)
TOTAL MEDIUM C&I GENERAL	\$ 8,093,393	\$ 8,891,492	\$ 798,099
			9.9%

Chattanooga Gas Company
2007 Base Revenue and Total Revenue at Present and Proposed Rates
EXHIBIT-B Schedule 1

Interruptible Sales (L-1)																
Number of Bills	6	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	\$0.08064	\$ 7,260	\$0.08064	\$ 7,260	\$ 14,520	\$	(1,580)	
15,001 - 40,000 therms	132,418	142,900	275,318	\$0.07644	\$ 10,123	\$0.07644	\$ 10,920	\$ 21,043	\$0.06891	\$ 9,120	\$0.06891	\$ 9,850	\$ 18,970	\$	(2,073)	
40,001 - 150,000 therms	20,466	48,200	68,666	\$0.04335	\$ 890	\$0.04335	\$ 2,090	\$ 2,980	\$0.03908	\$ 800	\$0.03908	\$ 1,880	\$ 2,680	\$	(300)	
Revenue Adjustment				\$0.02664	\$ -	\$0.02664	\$ -	\$ -	\$0.02402	\$ -	\$0.02402	\$ -	\$ -	\$		
Total Interruptible Sales (L-1) Margin	242,884	281,100	523,984	\$ 20.863	\$ 20,863	\$ 22.860	\$ 43,723	\$ 43,723	\$ 18.880	\$ 20,790	\$ 20.790	\$ 39,770	\$ (3,953)			
PGA				\$ 191,011	\$ 191,011	\$ 218,276	\$ 409,287	\$ 409,287	\$ 191,011	\$ 218,276	\$ 218,276	\$ 409,287	\$			
Total Revenues to Customer				\$ 211,874	\$ 211,874	\$ 241,136	\$ 453,010	\$ 453,010	\$ 209,991	\$ 239,066	\$ 239,066	\$ 449,057	\$ (3,953)		-0.87%	
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			8,788	\$ 3.00	\$ 158,180	\$ 3.00	\$ 158,180	\$ 316,360	\$ 5.50	\$ 290,004	\$ 5.50	\$ 290,004	\$ 580,008	\$	263,648	
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	\$0.08064	\$ 166,350	\$0.08064	\$ 157,390	\$ 323,740	\$	(35,370)	
15,001 - 40,000 therms	2,895,639	1,981,100	4,876,739	\$0.07644	\$ 206,053	\$0.07644	\$ 151,440	\$ 357,493	\$0.06891	\$ 185,760	\$0.06891	\$ 136,520	\$ 322,280	\$	(35,213)	
40,001 - 150,000 therms	2,707,689	2,062,800	4,770,489	\$0.04335	\$ 117,380	\$0.04335	\$ 89,420	\$ 206,800	\$0.03908	\$ 105,820	\$0.03908	\$ 80,610	\$ 186,430	\$	(20,370)	
Revenue Adjustment	2,505,127	2,924,500	5,429,627	\$0.02664	\$ 66,740	\$0.02664	\$ 77,910	\$ 144,650	\$0.02402	\$ 60,170	\$0.02402	\$ 70,250	\$ 130,420	\$	(14,230)	
Total Industrial Transport with Full Standby Margin	9,971,387	8,920,100	18,891,487	\$ 774,283	\$ 774,283	\$ 692,930	\$ 1,467,213	\$ 1,467,213	\$ 649,504	\$ 776,174	\$ 776,174	\$ 1,625,678	\$ 158,465			
PGA				\$ 3,291,535	\$ 3,291,535	\$ 6,116,727	\$ 9,408,261	\$ 9,408,261	\$ 3,291,535	\$ 6,116,727	\$ 6,116,727	\$ 9,408,261	\$			
Total Revenues				\$ 4,065,818	\$ 4,065,818	\$ 6,809,657	\$ 10,875,474	\$ 10,875,474	\$ 4,141,039	\$ 6,892,901	\$ 6,892,901	\$ 11,033,939	\$ 158,465		1.46%	

Chattanooga Gas Company
2007 Base Revenue and Total Revenue at Present and Proposed Rates
EXHIBIT-B Schedule 1

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	\$ 5.50	\$ 130,880	\$ 5.50	\$ 130,880	\$ 261,760	\$	118,980
Non-Firm Demand (T-1)			4,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.35	\$ 34,880	\$ 1.35	\$ 34,880	\$ 69,760	\$	69,760
Total Demand			8,272					\$ 142,780		\$ 165,760		\$ 165,760	\$ 331,520	\$	188,740
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	\$ 0.08064	\$ 108,860	\$ 0.08064	\$ 108,860	\$ 217,720	\$	(23,800)
15,001 - 40,000 therms	2,132,732	1,908,400	4,041,132	\$ 0.07644	\$ 145,880	\$ 0.07644	\$ 145,880	\$ 308,910	\$ 0.06891	\$ 131,510	\$ 0.06891	\$ 131,510	\$ 278,480	\$	(30,430)
40,001 - 150,000 therms	4,053,573	3,107,200	7,160,773	\$ 0.04335	\$ 175,708	\$ 0.04335	\$ 134,700	\$ 310,406	\$ 0.03908	\$ 158,410	\$ 0.03908	\$ 121,430	\$ 279,840	\$	(30,566)
over 150,000 therms	1,215,429	928,000	2,143,429	\$ 0.02664	\$ 32,380	\$ 0.02664	\$ 24,720	\$ 57,100	\$ 0.02402	\$ 29,190	\$ 0.02402	\$ 22,290	\$ 51,480	\$	(5,620)
Revenue Adjustment															
sub-Total Industrial Transport with Partial Standby/Margin	8,751,734	7,293,600	16,045,334	\$	\$ 518,876	\$	\$ 453,060	\$ 1,114,716		\$ 636,190	\$	\$ 576,850	\$ 1,213,040	\$	28,564
Special Contracts	2,933,203	3,152,100	6,085,303	\$	\$ 32,678	\$	\$ 33,536	\$ 66,214		\$ 32,678	\$	\$ 33,536	\$ 66,214	\$	(0)
Total Industrial Transport with Partial Standby/Margin	11,684,937	10,445,700	22,130,637	\$	\$ 551,554	\$	\$ 486,596	\$ 1,180,930		\$ 668,868	\$	\$ 610,386	\$ 1,279,254	\$	98,324
PGA				\$	\$ 313,565	\$	\$ 201,940	\$ 515,505		\$ 313,565	\$	\$ 201,940	\$ 515,505	\$	-
Total Revenues				\$	\$ 865,119	\$	\$ 688,536	\$ 1,696,436		\$ 982,433	\$	\$ 812,326	\$ 1,794,759	\$	98,324 5.80%

Interruptible Industrial Transportation (T-1)															
Number of Bills	150	150	300	\$ 300.00	\$ 45,000	\$ 300.00	\$ 45,000	\$ 90,000	\$ 300.00	\$ 45,000	\$ 300.00	\$ 45,000	\$ 90,000	\$	-
Demand in Dths															
Distribution Charges															
0 - 15,000 therms	1,828,077	1,892,300	3,720,377	\$ 0.08945	\$ 163,520	\$ 0.08945	\$ 169,270	\$ 332,790	\$ 0.08064	\$ 147,420	\$ 0.08064	\$ 152,600	\$ 300,020	\$	(32,770)
15,001 - 40,000 therms	2,603,699	2,669,600	5,273,299	\$ 0.07644	\$ 204,060	\$ 0.07644	\$ 204,060	\$ 403,090	\$ 0.06891	\$ 179,420	\$ 0.06891	\$ 183,960	\$ 363,380	\$	(39,710)
40,001 - 150,000 therms	4,674,098	4,000,600	8,674,698	\$ 0.04335	\$ 202,619	\$ 0.04335	\$ 173,430	\$ 376,049	\$ 0.03908	\$ 182,660	\$ 0.03908	\$ 156,340	\$ 339,000	\$	(37,049)
over 150,000 therms	5,163,026	4,846,800	10,009,826	\$ 0.02664	\$ 137,540	\$ 0.02664	\$ 129,120	\$ 266,660	\$ 0.02402	\$ 124,020	\$ 0.02402	\$ 116,420	\$ 240,440	\$	(26,220)
Revenue Adjustment															
sub-Total Interruptible Industrial Transport Margin	14,268,900	13,409,300	27,678,200	\$	\$ 747,709	\$	\$ 720,880	\$ 1,468,569		\$ 822,198	\$	\$ 797,998	\$ 1,620,196	\$	151,607

Chattanooga Gas Company
2007 Base Revenue and Total Revenue at Present and Proposed Rates
EXHIBIT-B Schedule 1

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present Total		Proposed Winter Rates		Proposed Summer Rates		Proposed Total		Percent Increase
	Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Total	Rate	Revenue	Rate	Revenue	Revenue	Total	
Special Service (SS-1)																
Number of Bills	30	30	60	\$ 300.00	\$ 9,000	\$ 300.00	\$ 9,000	\$ 18,000	\$ 18,000	\$ 300.00	\$ 9,000	\$ 300.00	\$ 9,000	\$ 18,000	\$ 18,000	-
Demand in Dths			7,741													
Distribution Charges																
0 - 15,000 therms	398,867	392,500	789,367	\$ 0.08945	\$ 35,500	\$ 0.08945	\$ 35,110	\$ 70,610	\$ 70,610	\$ 0.08064	\$ 32,000	\$ 0.08064	\$ 31,650	\$ 63,650	\$ 63,650	(6.960)
15,001 - 40,000 therms	650,000	650,000	1,300,000	\$ 0.07644	\$ 49,690	\$ 0.07644	\$ 49,690	\$ 99,380	\$ 99,380	\$ 0.06891	\$ 44,790	\$ 0.06891	\$ 44,790	\$ 89,580	\$ 89,580	(9.800)
40,001 - 150,000 therms	2,474,984	2,619,800	5,094,784	\$ 0.04335	\$ 107,290	\$ 0.04335	\$ 113,570	\$ 220,860	\$ 220,860	\$ 0.03908	\$ 96,720	\$ 0.03908	\$ 102,380	\$ 199,100	\$ 199,100	(21.760)
over 150,000 therms	2,823,874	4,331,800	7,155,674	\$ 0.02664	\$ 75,390	\$ 0.02664	\$ 115,400	\$ 190,790	\$ 190,790	\$ 0.02402	\$ 67,970	\$ 0.02402	\$ 104,050	\$ 172,020	\$ 172,020	(18.770)
Revenue Adjustment																
Sub-Total Special Service (SS-1) Margin	6,351,725	7,994,100	14,345,825		\$ 276,870		\$ 322,770	\$ 599,640	\$ 599,640		\$ 313,182		\$ 354,572	\$ 667,754	\$ 667,754	66.114
Special Contracts (SS-1)	6,351,725	7,994,100	14,345,825		\$ 75,801		\$ 139,592	\$ 215,394	\$ 215,394		\$ 75,801		\$ 139,592	\$ 215,394	\$ 215,394	-
Margin Sharing from IMCR					\$ 172,862		\$ 156,760	\$ 329,622	\$ 329,622		\$ 205,543		\$ 185,382	\$ 390,924	\$ 390,924	61.303
Company Retained Base Rate Revenue					\$ 257,663		\$ 305,352	\$ 563,015	\$ 563,015		\$ 290,344		\$ 333,974	\$ 624,318	\$ 624,318	61.303
Total Firm Base Rate Revenues to Customers					\$18,098,920		\$ 6,888,088	\$ 24,986,973	\$ 24,986,973		\$ 18,465,256		\$ 9,087,995	\$ 27,910,367	\$ 27,910,367	2,923,394
Firm SPECIAL CONTRACTS					\$ 32,678		\$ 33,536	\$ 66,214	\$ 66,214		\$ 32,678		\$ 33,536	\$ 66,214	\$ 66,214	(0)
MISCELLANEOUS REVENUES																
TOTAL FIRM Base Rate REVENUES w/ Special Contracts					\$18,131,598		\$ 6,921,624	\$ 25,053,187	\$ 25,053,187		\$ 18,497,934		\$ 9,121,531	\$ 27,976,581	\$ 27,976,581	2,923,393
TOTAL NON-FIRM Base Rate Revenues to Customers					\$ 1,213,648		\$ 1,123,000	\$ 2,336,648	\$ 2,336,648		\$ 1,129,010		\$ 1,047,280	\$ 2,106,530	\$ 2,106,530	(230.118)
Non-Firm SPECIAL CONTRACTS					\$ 248,663		\$ 296,352	\$ 545,015	\$ 545,015		\$ 281,344		\$ 324,974	\$ 606,318	\$ 606,318	61.303
TOTAL NON-FIRM base Rate REVENUES w/ Special Contracts					\$ 1,462,311		\$ 1,419,352	\$ 2,881,663	\$ 2,881,663		\$ 1,410,354		\$ 1,372,254	\$ 2,712,848	\$ 2,712,848	(188.815)
TOTAL FIRM AND INTERRUPTIBLE Base Rate REVENUES					\$19,593,909		\$ 8,340,976	\$ 27,934,851	\$ 27,934,851		\$ 19,908,288		\$ 10,493,785	\$ 30,689,429	\$ 30,689,429	2,754,578
Proposed Increase % Increase								\$ 2,754,641	\$ 2,754,641							9.86%