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July 25, 2006

VIA HAND DELIVERY

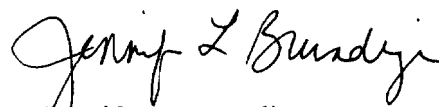
Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

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 docket its responses to Minimum Filing Guidelines Nos. 44 and 70. CGC is also filing Schedule 44-1 which contains confidential information in response to No. 44 under protective seal pending entry of a protective order. With today's filing, CGC has filed all responses to the Minimum Filing Guidelines.

Sincerely yours,


Jennifer L. Brundige

Enclosures

cc: Tim Phillips, Esq.
Elizabeth Wade, Esq.
Archie Hickerson
Mike Morley

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FG-44

Provide a schedule(s) of employees for the test period, identifying them as hourly or salaried, part or full time, and the account to which their compensation is charged. Identify the regular, overtime, and total hours worked during the test period. Also, show the regular and total earnings during the test period. For those employees working only a partial year, give the dates of employment. Identify pay raises, month and percentage, from the test period through the attrition year. Where appropriate, show the allocation of compensation for such employees or appropriate employee group between states and between utility and non-utility operations. Also, indicate any anticipated changes in employment levels through the attrition period.

Response

Attached CGC Schedule 44 -1 provides a schedule of employees for the test period and details the payroll information requested above. In addition, schedule 44-1 has a headcount schedule which details actual and anticipated changes in employment level throughout the attrition period. This schedule is marked confidential and is being filed under seal pending the issuance of a protective order in this docket. The Company filed a proposed protective order with its initial case filing.

Also attached are pages 355 and 356 from the Company's Annual Financial and Operating Report (FERC Form II), which provides the accounts to which payroll was charged for 2005.

Finally, CGC Schedule 44 - 2 provides a reconciliation of the total payroll reflected in CGC Schedule 44-1 to the total payroll reported on pages 355 and 356 in the Company's FERC Form II filing.

This response was prepared by or under the supervision of Michael J. Morley, Director, Regulatory Accounting & Reporting, AGL Services Company.

Name of Respondent Chattanooga Gas Company	This Report Is: x An Original A Resubmission	Date of Report (Mo, Da, Yr) 4/28/2006	Year of Report Dec. 31, 2005
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged to Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (Line 6)			
22	Customer Service and Informational (Line 7)			
23	Sales (Line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production-Manufactured Gas	0		0
29	Production-Nat. Gas (Including Expl. and Dev.)	0		0
30	Other Gas Supply	0		0
31	Storage, LNG Terminaling and Processing	404,238		404,238
32	Transmission	0		0
33	Distribution	682,590		682,590
34	Customer Accounts	101,606		101,606
35	Customer Service and Informational	0		0
36	Sales	3,752		3,752
37	Administrative and General	519,617		519,617
38	TOTAL Operational (Total of lines 28 thru 37)	1,711,802		1,711,802
39	Maintenance			
40	Production-Manufactured Gas	0		0
41	Production-Nat. Gas (Including Expl. and Dev.)	0		0
42	Other Gas Supply	0		0
43	Storage, LNG Terminaling and Processing	0		0
44	Transmission	48,835		48,835
45	Distribution	350,677		350,677
46	Administrative and General	47,309		47,309
47	TOTAL Maint. (Total of lines 40 thru 46)	446,820		446,820

Name of Respondent Chattanooga Gas Company		This Report Is: x An Original A Resubmission	Date of Report (Mo, Da, Yr) 4/28/2006	Year of Report Dec. 31, 2005
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged to Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance	2,158,623		2,158,623
49	Production-Manufactured Gas (Lines 28 and 40)	0		0
50	Production-Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)	0		0
51	Other Gas Supply (Lines 30 and 42)	0		0
52	Storage, LNG Terminating and Processing (Lines 31 and 43)	404,238		404,238
53	Transmission (Lines 32 and 44)	48,835		48,835
54	Distribution (Lines 33 and 45)	1,033,267		1,033,267
55	Customer Accounts (Line 34)	101,606		101,606
56	Customer Service and Informational (Line 35)	0		0
57	Sales (Line 36)	3,752		3,752
58	Administrative and General (Lines 37 and 46)	566,926		566,926
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	2,158,623		2,158,623
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	2,158,623		2,158,623
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	0		0
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	0		0
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant	0		0
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)			
74	Other Accounts (Specify):			
75				
76	Construction Work In Progress	142,069		142,069
77	Accum. Prov. for Depr. Amort. Depl.	28,435		28,435
78	Other Accounts Receivable	0		0
79	Accounts Receivable from Assoc. Companies	0		0
80	Other Regulatory Assets	0		0
81	Miscellaneous Deferred Debits	593		593
82	Miscellaneous Service Revenues	66		66
83		0		0
84		0		0
85		0		0
86		0		0
87		0		0
88		0		0
89		0		0
90		0		0
91		0		0
92				
93				
94				
95	TOTAL Other Accounts	171,164		171,164
96	TOTAL SALARIES AND WAGES	2,329,786		2,329,786

Chattanooga Gas Company
TRA FG No 44
CGC Schedule 44-2
Reconciliation of CGC Schedule 44-1 to pages 355 and 356 of FERC Form II

Total Payroll per CGC Schedule 44-1	2,454,278	
Less - AIP Payments	<u>233,352</u>	Payments related to Company's annual at risk compensation plan. Amounts are accrued on the books and records of AGL Services Company and then allocated to affiliates receiving services. The amounts paid to CGC employees are included in the total payroll amount on schedule 44-1
Net Amount	2,220,925	
Total Payroll per Pages 355 and 356 of FERC Form II	2,329,786	
Less - AGSC Capital Payroll	<u>106,934</u>	Capital payroll charges incurred by AGSC on behalf of CGC and included in lines 76 and 77 of page 356 of FERC Form II
Net Amount	2,222,852	
Minor Difference	(1,926)	

FG-70

Provide an explanation and calculation of the method used to allocate to Tennessee any portions included in Item 69 above.

Please refer to the Company's response to TRA FG Item No. 71 for an explanation and calculation of net plant assets (plant in service, CWIP, accumulated reserve for depreciation and deferred income taxes) included in TRA FG Item No. 69 that are allocated from AGL Services Company (AGSC) to CGC. These items represent the net assets used by AGSC in providing services to CGC. The methods to allocate are the same as those used to allocated shared service expenses from AGSC to its affiliates. These methods are further described in the Company's response to TRA FG Item No. 46.

This response was prepared by or under the supervision of Michael J. Morley, Director, Regulatory Accounting & Reporting, AGL Services Company.