

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

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

**FIRST DISCOVERY REQUESTS TO CHATTANOOGA GAS COMPANY BY THE
CONSUMER ADVOCATE AND PROTECTION DIVISION OF THE OFFICE OF THE
ATTORNEY GENERAL OF TENNESSEE**

These Interrogatories are hereby served upon Chattanooga Gas Company, a Subsidiary of AGL Resources, Inc. ("Chattanooga Gas" or "Company" or "CGC"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided, under oath, pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Timothy Phillips and Steve Butler, by September 5, 2006.

PRELIMINARY MATTERS AND DEFINITIONS

Each Interrogatory and Request to Produce calls for all knowledge, information and material available to Chattanooga Gas, as a party, whether it be Chattanooga Gas', in particular, or knowledge, information or material possessed or available to Chattanooga Gas' attorney or other

representative.

These Interrogatories and Requests to Produce are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Chattanooga Gas which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Chattanooga Gas supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

For purposes of these Interrogatories and Requests to Produce, the term "you" shall mean and include: Chattanooga Gas Company and all employees, agents and representatives thereof.

The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term "identity" and "identify" as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the

date of the document, the nature of the document, and the title (if any) of the document.

The term “document” as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when.

If you produce documents in response to these Interrogatories, produce the original of each document or, in the alternative, identify the location of the original document. If the “original” document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (A) the nature of the communication;
- (B) the date of the communication;
- (C) the identity of the persons present at such communication; and
- (D) a brief description of the communication sufficient to allow the Court to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms “and” and “or” shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term “communication” means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

**FIRST DISCOVERY REQUEST
INTERROGATORIES, REQUESTS TO PRODUCE, AND REQUESTS
FOR ADMISSIONS**

DISCOVERY REQUEST NO. 1:

For the years 2000 through 2006 provide:

- (A) CGC’s annual earnings;
- (B) the date of each formal dividend declaration made by CGC;
- (C) for each declaration provide the total dollar amount of dividends declared and the dividends declared per share; and
- (D) if CGC paid dividends without making a formal declaration of dividends then provide the annual amount paid and identify the party receiving the dividends.

DISCOVERY REQUEST NO. 2:

Provide the dollar amount of dividends expected to be declared or paid out by CGC in the attrition year.

DISCOVERY REQUEST NO. 3:

Provide the amount of capital paid in or expected to be paid in by AGL Resources to CGC in the attrition year.

DISCOVERY REQUEST NO. 4:

Produce copies of any and all documents referred to or relied upon in responding to the

Attorney General's discovery requests.

DISCOVERY REQUEST NO. 5:

Provide unredacted copies of SEC Form U-9/C-3 for all quarters for the past five years, and in the event that such form is no longer applied to AGL Resources, provide similar documents.

DISCOVERY REQUEST NO. 6:

Provide a reconciliation of "Shared Service Allocation" expense reported on the PSC Forms 3.03 filed with the TRA and forms U-9/C-3 or other similar document filed with the SEC for the past five years.

DISCOVERY REQUEST NO. 7:

Identify each person whom you expect to call as an expert witness at any hearing in this docket, and for each such expert witness:

- (A) identify the field in which the witness is to be offered as an expert;
- (B) provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness;
- (C) provide the grounds (including without limitation any factual basis), for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (D) identify any matter in which the expert has testified (through deposition or otherwise), by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (E) identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and

opinions;

- (F) identify all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness(es)' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and
- (G) identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

DISCOVERY REQUEST NO. 8:

Provide all material provided to, reviewed by, used by or produced by any witness for Chattanooga Gas or any expert or consultant retained by Chattanooga Gas to testify or to provide information from which another expert will testify concerning this case, including all work papers, reference sources, financial information, discovery responses, e-mails and other materials. Please produce working Microsoft Excel files for all work papers and exhibits.

DISCOVERY REQUEST NO. 9:

Produce a copy of all articles, journals, books or speeches written by or co-written by any of Chattanooga Gas' expert witnesses, whether published or not.

DISCOVERY REQUEST NO. 10:

Provide the information for Plant in Service and Accumulated Depreciation by account by Chattanooga Gas Company in the following format as of June 30, 2006:

(1)	(2)	(3)	(4)	(5)	(6)
Account	Plant in Service	Depreciation	Accumulated	Net	
<u>Acct #</u>	<u>Description</u>	<u>Balance</u>	<u>Rate</u>	<u>Depreciation</u>	<u>Book Value</u>

DISCOVERY REQUEST NO. 11:

Provide the forecasted and or actual, plant additions, plant retirements, salvage, costs of removal by account, by month from January 2003 through June 30, 2006.

DISCOVERY REQUEST NO. 12:

Provide the actual FAS 87 pension expense amount by month charged to Tennessee operations from January 2003 through June 30, 2006. Also, provide the forecasted FAS 87 pension expense amount included in the Company's filing for the twelve months ended December 31, 2007.

DISCOVERY REQUEST NO. 13:

Provide the actual and forecasted Incentive Plans' amounts by plan by account by month charged to Tennessee operations from January 2003 through June 30, 2006 and the amount by Incentive Plan included in the Company's filing for the twelve months ended December 31, 2007.

DISCOVERY REQUEST NO. 14:

Provide all the work papers and documentation in the calculation of all amounts shown on all Schedules and Exhibits MJM-1 through MJM 5. Include in your response, where identifiable, all amounts by FERC account.

DISCOVERY REQUEST NO. 15:

Reconcile the amount on Exhibit MJM-1, Schedule 1, Line 7, Column 1 to the grand total amount shown in the company's response in TRA FG-Item No. 42 Attachment B 1 of 1. Provide a detailed documentation and explanation in you response for the difference.

DISCOVERY REQUEST NO. 16:

Provide a trial balance as of June 30, 2006.

DISCOVERY REQUEST NO. 17:

Identify each payee by amount for the estimated Rate Case costs amount of \$300,000 as described in the direct testimony of Michael Morley, Page 11, Line 19.

DISCOVERY REQUEST NO. 18:

Provide copies of all ad valorem property tax bills paid for the tax years 2003 through 2005. Include in your response the amount paid, the assessment value, and the tax rate by taxing jurisdiction.

DISCOVERY REQUEST NO. 19:

Provide the information for Plant in Service and Accumulated Depreciation by account by Atlanta Gas Light operating state, in the following format as of June 30, 2006:

(1)	(2)	(3)	(4)	(5)	(6)
	Account	Plant in Service	Depreciation	Accumulated	Net
Acct #	Description	Balance	Rate	Depreciation	Book Value

DISCOVERY REQUEST NO. 20:

Provide the total gross ad valorem assessment amounts and the equalized ad valorem assessment amounts for the years 2002-2006.

DISCOVERY REQUEST NO. 21:

Provide the calculation of payroll expenses by employee totaling \$1,957,671 as calculated for the attrition year shown in Exhibit MJM-2, Schedule 2, Line 1. Include in your response for each employee, pay rate, overtime hours, capitalization amount, employment status (part-time, full time), date of hire, union or non union.

DISCOVERY REQUEST NO. 22:

Provide the total expenses subject to allocation by Atlanta Gas Light Services Company

(Affiliated Utility Service Company) by FERC account for the years 2003-2007.

DISCOVERY REQUEST NO. 23:

According to the Direct Testimony of Dr. Roger A. Morin, page 7, lines 5-8, “[A] company will be unable to attract the capital it needs to meet its service demands and to maintain financial integrity unless it can offer returns to capital suppliers that are comparable to those achieved on competing investments of similar risk.” Please explain all facts and provide copies of all documents that are relevant to the determination of whether the Company has been unable to attract the capital it needs to meet its service demands and to maintain financial integrity since the implementation of the rates put into effect as a result of Docket No. 04-00034.

DISCOVERY REQUEST NO. 24:

Regarding Mr. Morin’s Exhibit RAM-3 testimony please provide in working, machine-readable excel files:

- Copies of the source sheets referenced as “Mergent’s (Moody’s) Public Utility Manual” and “Ibbotson Associates 2002 Yearbook;”
- For each column and each row on each page of the Exhibit, please provide in working, machine-readable excel files the calculations which relate columns 3, 4, and 5 to columns 1 and 2;
- For each row on each page of the Exhibit, please provide in working, machine-readable excel files the calculations or source data, such as an index, which lead to the values in the column labeled “Stock Total Return, and name or identify the index, such as “S&P 500,” for example;”
- For each column and each row on each page of the Exhibit, please provide

in working, machine-readable excel files the calculations which relate columns 6, 7, 8, and 9 to columns 10 and 11;

- For each row on each page of the Exhibit, name the companies composing the stock index in column 6;
- For each row on each page of the Exhibit, show how the stock index in column 6 is calculated. If there is no data to identify such calculations, then so state.

DISCOVERY REQUEST NO. 25:

Regarding Dr. Morin's testimony at page 22, lines 18-20 that "a substantial fraction of bond market participants...hold bonds until they mature," please identify the fraction, the source, and what term is being described, such as 30-years, 20-years, 10-years.

DISCOVERY REQUEST NO. 26:

Regarding Dr. Morin's testimony at page 26, lines 4-10, supply the data sources and show the calculations that lead to the amounts of 7.2%, 6.5% and 7.1%.

DISCOVERY REQUEST NO. 27:

Regarding Dr. Morin's testimony at page 28, lines 11-15, provide in a working excel file the names of the 1800 stocks and indicate which paid dividends and which did not.

DISCOVERY REQUEST NO. 28:

Provide a copy of the article referenced at page 29, footnote 8 of Dr. Morin's testimony.

DISCOVERY REQUEST NO. 29:

Regarding Dr. Morin's testimony at page 4, lines 19-21 that "The results were adjusted...for the... risks faced by CGC... on account of its very small size and declining demand,"

identify the magnitude, such as 11.5% for example, and show how it was adjusted for a) small size, b) declining demand. Indicate the magnitude of each adjustment, and identify which is more important in Dr. Morin's opinion.

DISCOVERY REQUEST NO. 30:

Regarding Mr. Morely's testimony at page 18, line 3-7, provide a statement by an auditor, independent of AGLR, where the auditor states "the consolidated financial statements of AGL Resources present fairly, in all material respects, the financial position of AGL Resources Inc. and its subsidiaries at March 31, 2006;" or any other similar statement by an independent auditor where March 31, 2006 is utilized.

DISCOVERY REQUEST NO. 31:

Regarding AGLR's SEC 10-K form filed February 10, 2006 with the United States Securities and Exchange Commission, page 83 lists categories for long-term debt, such as medium-term and senior notes. For each category list each note or bond, its interest rate, and its maturity date. Indicate if the interest rate is fixed or variable. If the rate is variable, provide the terms and conditions by which the debt instrument's interest rate is determined and provide a sample calculation.

DISCOVERY REQUEST NO. 32:

Regarding Exhibit MJM-4, Schedule 1, provide the source data and display the calculations which lead to the figure of 6.27% as the cost of long-term debt. If this material is provided in the material submitted within the minimum filing requirements or in another response, identify the response where such material is provided.

DISCOVERY REQUEST NO. 33:

Regarding Mr. Buchanan's testimony at page 16, lines 14-19, provide in a working excel file display the calculations and data used to develop the "Demand Units" for the residential, commercial and industrial customers.

DISCOVERY REQUEST NO. 34:

Regarding Dr. Morin's testimony, admit the following:

(a) Northwest Natural Gas and Atlanta Gas Resources are not in the same general part of the United States.

(b) In every case where Dr. Morin has testified and used betas in his analysis, he uses Value Line's betas and no other betas.

(c) According to Dr. Morin, the cost of equity is determined by investors' expectations.

(d) Investors' expectations are not easily identified.

(e) Investors' expect too much return from the market.

(f) According to Dr. Morin, the more investors expect from a regulated utility, the higher the rates that a regulatory authority should approve.

(g) Value Line's Common Equity Ratios shown on Exhibit RAM-8 are not calculated by dividing Common Equity by the Sum of: Common Equity, Long-Term Debt and Short-Term debt.

If any of these requests is not admitted, please explain.

DISCOVERY REQUEST NO. 35:

Regarding Exhibit MJM-4, Schedule 1, provide the source data and display the calculations which lead to the figure of 7.23% as the ratio of short-term debt. If this material is provided in the material submitted within the minimum filing requirements, identify the response

where such material is provided.

DISCOVERY REQUEST NO. 36:

Regarding Mr. Buchanan's testimony at page 16, lines 14-19, provide in a working excel file display the calculations and data used to develop the actual design day capacity for the residential, commercial and industrial customers.

DISCOVERY REQUEST NO. 37:

Regarding Mr. Buchanan's Exhibit PGB-4, page 1 of 4, the chart of "actual and backcasted use per customer per day" provide in a working excel file the following data for each day of the time period shown on the chart starting with October 1, 2001:

- The daily nominations made by CGC or on its behalf by Sequent on the Southern Natural Gas Company pipeline at the following point name and ID Code: Chattanooga 19966.
- The daily nominations made by CGC or on its behalf by Sequent on the East Tennessee Gas Company pipelines at the following point names and ID codes:
 - ATLANTA 40246
 - CHAT EAST 19955
 - CHAT EAST BRAINERD 31471
 - CHAT HUNTER RD 31480
 - CHAT NORTH 19949
 - CHAT VOLUNTEER ORDINANCE 19962
 - CHATTANOOGA CLEVELAND 19767
 - CHATTANOOGA OOLTEWAH 19963
 - CHATTANOOGA SIGNAL MOUNTAIN 19945
 - TEXAS EASTERN- HARTSVILLE, TN 20606
 - EL PASO- LOBELVILLE RECEIVING 20490

- EL PASO- RIDGETOP RECEIVING 20490
- DICKENSON CO RECEIVING 14102

- The daily nominations made by CGC or on its behalf by Sequent on the Tennessee Gas Company pipeline at the following point names and ID Codes:

- PORTLAND STORAGE INJECTION 218214
- BEAR CREEK STORAGE INJECTION 157559
- EAST LOBELVILLE TENNESSEE 20416
- GREENBRIAR TENNESSEE2 20483

DISCOVERY REQUEST NO. 38:

Regarding Mr. Buchanan's Exhibit PGB-4, page 1 of 4, the chart of "actual and backcasted use per customer per day" provide in a working excel file the actual per customer use each day and the actual number of customers on each day.

DISCOVERY REQUEST NO. 39:

According to the Direct Testimony of Dr. Roger A. Morin, page 51, lines 7-8, "[T]he Company faces competition from electricity, oil, coal, and propane in its predominantly residential and commercial market." Admit that raising rates exacerbates the alleged problem with competition. Also, please admit that raising rates more exacerbates the alleged problem with competition to a greater degree than raising rates less. Furthermore, please admit that the Company has a monopoly on natural gas in its service territory. If the Company does not admit these statements, please explain.

DISCOVERY REQUEST NO. 40:

Explain why the Company seeks reductions in rates for the Large Volume Interruptible class, the Large Volume Partial Firm class, the Interruptible Sales class and the Large Volume

Firm class at the same time that the Company alleges, according to its Petition, ¶ 4, “CGC’s existing rates for natural gas services are not adequate to permit it to recover its operating costs and to earn a fair and reasonable return on its investments.”

DISCOVERY REQUEST NO. 41:

Explain how the Company intends to encourage natural gas conservation by the Large Volume Interruptible class, the Large Volume Partial Firm class, the Interruptible Sales class and the Large Volume Firm class.

DISCOVERY REQUEST NO. 42:

Admit that residential natural gas conservation has occurred over the past decade in the absence of the Company’s proposed Energy Conservation Program. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 43:

Admit that the Company’s proposed Conservation and Usage Adjustment would increase delivery charges for residential consumers due to natural gas conservation. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 44:

Admit that the proposed Conservation and Usage Adjustment would increase delivery charges for residential consumers who conserve natural gas. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 45:

Admit that the proposed Conservation and Usage Adjustment would increase delivery charges for residential consumers even if the only conservation that occurs is that conservation

that is a continuation of the recent trend of conservation by residential consumers of natural gas.

If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 46:

Admit that the Company could implement the proposed Energy Conservation Program without also implementing the proposed Conservation and Usage Adjustment. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 47:

Admit that the Company's proposed rate design, by shifting the Company's dependence for revenue more onto the residential consumers, exacerbates the problem of declining revenues that results from the conservation of natural gas by residential consumers. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 48:

Admit that the Company's proposed rate design, by shifting the Company's relative dependence for revenues onto the residential consumers, will increase the impact of the Company's proposed Conservation and Usage Adjustment on residential consumers in the future. If the Company does not admit the request, please explain.

DISCOVERY REQUEST NO. 49:

Explain why the Company has proposed a rate design that increases the Company's relative dependence on revenues from residential consumers at the same time that the Company complains about the declining revenues resulting from the trend of increasing natural gas conservation by residential consumers.

DISCOVERY REQUEST NO. 50:

According to page 16 of the TRA's October 20, 2004 Order in Docket No. 04-00034, "The panel determined that the Company's replacement of its existing bare steel and cast iron pipe was properly recovered through a rate case instead of through a separate surcharge." Explain how the Company's proposed Bare Steel and Cast Iron Pipeline Replacement Program ("PRP") tracker is consistent with the language from the order quoted above. Also, explain all facts and provide copies of all documents that justify the Company's proposed PRP tracker in light of the TRA's order.

DISCOVERY REQUEST NO. 51:

On p. 4 of Mr. Lonn's testimony he states, "The replacement will result in not having to repair an ever increasing number of leaks related to bare steel and cast iron pipeline... ." If this is so, explain why an aggressive replacement program was not cost beneficial and therefore was not implemented by management in prior years.

DISCOVERY REQUEST NO. 52:

Provide a comparison between the costs (and feet) involved with replacement projects budgeted per year over the past three years with projects promoted for the first three years of the "PRP."

DISCOVERY REQUEST NO. 53:

Provide a summary of main replacement since CGC's 04-00034 case.

DISCOVERY REQUEST NO. 54:

What were the costs incurred for replacing that pipe? Please provide a detailed summary i.e., number of miles of bare steel and cast iron mains and services. Provide the estimated increase in "cost of service" related to these replacements. Provide full support of the estimate including the

calculated increases in depreciation, property taxes, return on rate base, decreased maintenance expenses, etc.

DISCOVERY REQUEST NO. 55:

Why was the pipe replaced? (I.e., Road Projects, Leaks, routine replacement, etc).

DISCOVERY REQUEST NO. 56:

Does CGC perform annual leak surveys on the bare steel and cast iron? Is this leak survey independent of regular leak surveys that are required under the pipeline safety regulation, 49 CFR section 192.723?

DISCOVERY REQUEST NO. 57:

Has CGC increased surveying the bare and cast iron for leaks due to safety concerns?

DISCOVERY REQUEST NO. 58:

What is your present frequency for surveying for gas leaks on the bare steel and cast iron?

DISCOVERY REQUEST NO. 59:

What requirement, standard or criteria is used to base your frequency surveying for gas leaks on bare steel and cast iron pipe?

DISCOVERY REQUEST NO. 60:

Please detail how much of an increase in leaks was noticed during surveys over the last two years? (Please detail analysis by year).

DISCOVERY REQUEST NO. 61:

How many cast iron fractures over the last two years were due to General graphitization and Localized graphitization? (Please provide copies analyzing the pipe tested).

DISCOVERY REQUEST NO. 62:

Please detail the company's guidelines for replacing bare steel and cast iron pipe?

DISCOVERY REQUEST NO. 63:

Do the pipeline safety regulations provide guidelines to consider replacing pipe? Are these guidelines being used by CGC?

DISCOVERY REQUEST NO. 64:

Are the guidelines subject to the routine maintenance and operation of the gas system?

DISCOVERY REQUEST NO. 65:

How does CGC presently determine prudence of the cost associated with pipe replacement?

DISCOVERY REQUEST NO. 66:

If the TRA does not approve your surcharge proposal for pipe replacement, please provide an acceptable schedule of pipeline replacement through completion of the bare steel Cast Iron Mains. If dissimilar to the proposal detailed in Exhibit RRL-1, please provide a detailed reconciliation analysis for any variance.

DISCOVERY REQUEST NO. 67:

Please provide Department of Transportation 7100 annual reports for CGC since 1999.

DISCOVERY REQUEST NO. 68:

Please explain why 10.2 miles per year was used for pipe replacement scenario in your proposal as documented in Exhibit RRL-1.

DISCOVERY REQUEST NO. 69:

Please provide any documentation of meetings or agreements, with TRA Gas Pipeline Safety staff and CGC/AGL Resources personnel since 2003 related to pipeline safety or Bare

Steel/Cast Iron Replacement.

DISCOVERY REQUEST NO. 70:

Provide the number of significant leaks requiring main replacement over the past two years.

DISCOVERY REQUEST NO. 71:

Please explain how “replacement costs” are defined in Georgia thus allowing costs to be recovered in the “PRP” vs. costs associated with “new business”.

DISCOVERY REQUEST NO. 72:

Please provide any instances where the Company and the Georgia Commission Audit staff have disagreed on costs available for recovery through the PRP. Provide the dollar amounts of the projects at issue. Explain how the disagreements were resolved.

DISCOVERY REQUEST NO. 73:

Please explain how the replacement cost per foot (Exhibit RRL-1) was developed and if the same replacement per foot costs are the same as those projected in Georgia; if not, please explain.

DISCOVERY REQUEST NO. 74:

Are the Service Metrics included in response to TRA Minimum Filing Guidelines (MFG) #28 being reported to the Tennessee Regulatory Authority at this time? If not, will the Company agree to begin reporting on a monthly basis to both the TRA and the Consumer Advocate Division?

DISCOVERY REQUEST NO. 75:

Would CGC agree to begin reporting the same metrics as reported to the Georgia Public

Service Commission in compliance with Georgia PSC Docket No. 15295-U, with the frequency as reported there, to the Tennessee Regulatory Authority and the Consumer Advocate Division?

If not, please explain why.

DISCOVERY REQUEST NO. 76:

Please provide a copy of the definitions of the metrics reported in MFG #28 and the metrics reported in compliance with GA PSC Docket 15295-U. For instance, please explain what, “Answered” means in the “Number of Calls Answered” and the Number of Calls offered % answered with 120 seconds”. If a Tennessee consumer calls in and gets a busy signal - is this an “answered call”?

DISCOVERY REQUEST NO. 77:

How/by whom are service metrics benchmarks adopted? Please explain the process or provide Commission orders requesting the metric or benchmark.

DISCOVERY REQUEST NO. 78:

Please provide Company benchmarks for all service metrics currently reported and the benchmarks requested by AGL Resources in the Call Center contract with Wipro.

DISCOVERY REQUEST NO. 79:

Would the company agree to begin reporting on the following service metrics(if not part of #28 MFG or metrics in compliance with docket 15295-U) detailed below?

A. Meter Services:

- (1.) Estimates (estimated bills)
- (2.) % Estimated Bills
- (3.) Skips
- (4.) Re-reads
- (5.) Door tags (or other means of customer assisted reading)

B. Construction Departments:

- (1.) Service Orders Received
- (2.) Service Orders Installed
- (3.) Backlog (Weeks)
- (4.) Service Renewal/Relocate (not part of bare steel/cast iron replacement)
- (5.) Services Retired

C. Call Center/Customer Service:

- (1.) Number of Calls Received; % answered¹
- (2.) Answer time
- (3.) Length of call (seconds)
- (4.) After Call Processing time (%)
- (5.) Number of Walk-Ins
- (6.) Customer Call Backs
- (7.) Supervisory referrals
- (8.) Cash Transactions Processed - (Chattanooga)

D. Service Department:

- (1.) Orders Worked
- (2.) Appointment Orders
- (3.) Appointments Missed
- (4.) Emergency Orders
- (5.) Emergency Response time (minutes)
- (6.) Meters Set
- (7.) Shut Offs - Non-Payment

DISCOVERY REQUEST NO. 80:

Is Chattanooga Gas currently billing for any third-parties on its gas bills? If so, please provide details including total amounts billed by month, number of customers billed in Tennessee, and reference the TRA docket authorizing the practice.

DISCOVERY REQUEST NO. 81:

Please explain all management activities taken as the result of TRA Docket 05-00281 attempting to mitigate customer shut-offs for non-payment last winter.

DISCOVERY REQUEST NO. 82:

¹ "Answered" does not include "busy signal answering"

According to the Direct Testimony of Steve Lindsey, page 6, lines 6-10, “Finally, we have managed to refund since 2003 over \$7 million as a result of our decision to enter into an agreement with Synergy Energy Management, L.P. (“Sequent”). Under this agreement, Sequent manages CGC’s gas supply assets and this arrangement has helped mitigate the commodity or gas portion of the customer’s bill.” Identify the amount of money that Sequent has made as a result of the agreement for the same time period. Also, identify the amount of money that Chattanooga Gas Company has made as a result of the agreement over the same time period. Explain if the profits on this agreement has helped AGL to earn above the authorized rate of return on equity and attract capital. Furthermore, provide copies of all documents that are relevant to the agreement. Moreover, explain the procedure for choosing the asset manager and explain why each entity other than Sequent was rejected for the agreement.

DISCOVERY REQUEST NO. 83:

According to the Company’s Exhibit PGB-3, residential use per customer has declined over the past decade. Explain how that decline has influenced the Company’s subscription to pipeline capacity during that time period and provide copies of all documents that are relevant to the Company’s subscription to pipeline capacity over the past decade and to any plans that the Company has for subscription to pipeline capacity in the future.

DISCOVERY REQUEST NO. 84:

Admit that since 2000 CGC has agreed to extend the terms and expiration dates of firm transportation and firm storage contracts between CGC and the Southern Natural Gas Pipeline, the East Tennessee Gas Pipeline and the Tennessee Gas Pipeline. If the request is not admitted, please explain.

DISCOVERY REQUEST NO. 85:

Admit that CGC has not “turned back capacity” to any pipeline. If the request is not admitted, please explain.

DISCOVERY REQUEST NO. 86:

Admit that when consumers lower their consumption, CGC has more capacity to release. If the request is not admitted, please explain.

DISCOVERY REQUEST NO. 87:

Identify each firm transportation and firm storage contract currently in effect between CGC and the Southern Natural Gas Pipeline, the East Tennessee Gas Pipeline and the Tennessee Gas Pipeline, and provide the contract number, the contract’s Maximum Daily Quantity, and its beginning date and its expiration date.

DISCOVERY REQUEST NO. 88:

Provide copies of all e-mails, memorandums, hand-written notes, telephone logs, and other documents including AGL Resources’ board minutes, including documents in Sequent’s possession or custody, including documents in CGC’s possession or custody, including all documents in Atlanta Gas Light’s possession or custody, and including documents in AGL Services possession or custody, where the firm transportation contract and firm storage contracts are discussed.

DISCOVERY REQUEST NO. 89:

Regarding Exhibit DJN-9, for each meter type and for each customer group, how many meters are read remotely via communication paths such as telephone and radio?

DISCOVERY REQUEST NO. 90:

Regarding Exhibit DJN-9, for each customer group since October 2003, provide the monthly non-coincident peak demand for that group and identify the day of the month when the peak occurred.

DISCOVERY REQUEST NO. 91:

For each month since October 2003, provide CGC's peak demand, the date of the peaks, and provide each customer group's contribution, including residential classes, to CGC's monthly peak demand.

DISCOVERY REQUEST NO. 92:

Regarding Exhibit DJN-1, admit the following:

(a) CGC is aware of Federal legislation mandating improvements for energy efficiency for furnaces and water heaters.

(b) CGC has never, until this case, considered the effect of energy efficient furnaces and water heaters on CGC's revenues in previous rate cases.

If either of these requests is not admitted, please explain.

DISCOVERY REQUEST NO. 93:

Admit that in the last 20 years CGC has never had a system peak equal to the design day peak. If this request is not admitted, please explain.

DISCOVERY REQUEST NO. 94:

Identify and explain the design day peak for CGC.

DISCOVERY REQUEST NO. 95:

Please explain why your, "Business Process Outsourcing" as presented to the TRA on June 26, 2006 was not included as a discussion item in this docket.

DISCOVERY REQUEST NO. 96:

Please explain why only 6 bids were requested from vendors from North America (USA & Canada), South America and India.

DISCOVERY REQUEST NO. 97:

Please explain the criteria utilized to develop the “Gartner rankings” as referenced in AGL’s presentation.

DISCOVERY REQUEST NO. 98:

Please explain why the “Gartner rankings” were the criteria utilized in the weighting of the rankings, and why “Gartner” was utilized instead of other Call Center authorities.

DISCOVERY REQUEST NO. 99:

According to the June presentation, Wipro was chosen based on the following :

(a) Strong quality program - Six Sigma, Lean Sigma - please explain in detail what “Six Sigma, and Lean Sigma” mean and how this compares to U.S. companies;

(b) “Experts in Call Center Industry with World Class Clients” - please explain value to the utility consumer versus Georgia Call Center previously utilized;

(c) Solid Training Programs - please explain differences versus previous Call Center in Georgia; and

(d) Employees - (education and availability) Please explain versus U.S. Companies.

DISCOVERY REQUEST NO. 100:

Why BPO : “Immediate Service Level improvement” - please detail the metrics utilized in this analysis and compare BPO versus current operating levels.

DISCOVERY REQUEST NO. 101:

For what period of time has AGL entered into service contract with Wipro?

DISCOVERY REQUEST NO. 102:

How will AGL/Chattanooga Gas maintain security over customer data to guarantee Tennessee consumers privacy?

DISCOVERY REQUEST NO. 103:

How will the difference in cost between current cost versus future cost allocated to CGC be treated in this case?

DISCOVERY REQUEST NO. 104:

How will Spanish-speaking Tennessee consumers be served (if different than English-speaking consumers)?

DISCOVERY REQUEST NO. 105:

Will the company be utilizing customer surveys in order to provide better service and be responsive to questions or complaints regarding the new Call Center operation?

DISCOVERY REQUEST NO. 106:

Please detail all company plans to communicate Call Center operations issues with the TRA and the Consumer Advocate Division through transition from the current operation.

DISCOVERY REQUEST NO. 107:

State each fact you rely on to support your contentions and requests for relief in this docket.

DISCOVERY REQUEST NO. 108:

Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any

document(s) which support each fact you rely on to support your contentions and requests for relief in this docket.

DISCOVERY REQUEST NO. 109:

If your response to any request for admission is other than an unqualified admission, state for each such request for admission the following:

(a) All facts that you contend could support in any manner your response to the extent it is not a complete admission;

(b) For any information you contend is incorrect or inaccurate provide the correct information;

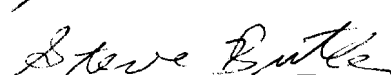
(c) Identify all documents, or any tangible or intangible thing that supports in any manner your lack of admission or your qualification of your admission;

(d) The name and address of the custodian of all tangible things identified in response to subsection (b) of this interrogatory; and

(e) The name and address of all persons, including consultants purporting to have any knowledge or factual data upon which you base your lack of admission or your qualification of your admission.

RESPECTFULLY SUBMITTED,


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Dated: August 11, 2006

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition to Intervene was served on parties below via U.S. Mail or facsimile on August 11, 2006.

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