



Chattanooga GasTM

An **AGL Resources** Company

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October 16, 2012

Mr. David Foster, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville TN 37243-0505

Re: Docket 06-00225 Rulemaking Regarding the Recovery of the Gas Cost Portion Of
Uncollectible Accounts under the Purchased Gas Adjustment
(PGA) Rules.

Dear Mr. Foster,

Pursuant to the Tennessee Regulatory Authority's Rule 1220-4-7-.06 (1) (i), attached is a copy of Chattanooga Gas Company's (CGC's) policy (internal procedures followed) for determining the uncollectibility of a customer account balance, disconnection of a customer's service for nonpayment, collection attempts made by the company both before and after an account balance is written-off, and conditions a customer must fulfill to be reconnected to the gas system.

CGC is filing a confidential version of the policy that identifies the collection threshold for customers with credit rating of A-B, C, and D-F along with a public version with the thresholds redacted.

If you or your staff has questions, please give me a call at 404 584 4570 or contact me by e-mail at ahickers@aglresources.com.

Sincerely,

Archie R. Hickerson

Director-Regulatory Affairs & Planning

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

October 16, 2012

IN RE: RULEMAKING REGARDING)	
THE RECOVERY OF THE GAS COST)	
PORTION OF UNCOLLECTIBLE)	Docket No. 06-00225
ACCOUNTS UNDER THE PURCHASE)	
GAS ADJUSTMENT (PGA) RULES)	

**CHATTANOOGA GAS COMPANY'S FILING OF ITS POLICY
PURSUANT TO TRA RULE 1220-4-7-.06(1)(i)**

In accordance with TRA Rule 1220-4-7-.06(1)(i), Chattanooga Gas Company ("CGC" or "Company") is hereby providing to the Tennessee Regulatory Authority ("TRA") the following details of its policy (internal procedures followed) for determining the uncollectibility of a customer account balance, disconnection of a customer's service for nonpayment, collection attempts made by the company both before and after an account balance is written-off, and conditions a customer must fulfill to be reconnected to the gas system. CGC is also filing a Confidential version of the following policy that identifies the collection threshold for customers with credit ratings of A-B, C, and D-F.

1. Notice of Past Due Accounts

In accordance with CGC's tariff, payment of bills for service rendered must be received by the due date as stated on the customer's bill which is approximately twenty-one (21) days from the date billed for cycle-billed customers and sixteen (16) days from the date billed for end-of-month Multi-Family Housing Service and Large Volume Commercial and Industrial Customers.

If payment has not been received by due date,

- a. A notice is provided on the customer's bill of the past due amount.

- b. An automated call is made to the customer that the account is past due if the amount is above the collections threshold¹ for disconnection.
- c. If the amount is above the collections threshold, the customer is issued a Final Notice that service is subject Shut Off for No Payment (SONP) if payment is not received or if payment arrangements are not made within 10 days².

2. Termination of Service and Final Bill

If payment is not received and the customer has not made payment arrangements within 10 days after the Final Notice is issued, the account goes into the queue for SONP and the customer's service is suspended.

3. Final Bill

If the customer has not reconnected within 10 day of the execution of the SONP, any deposit made by the customer is applied to the outstanding balance, the account is closed, and a final bill is issued.

4. Collection Letter

If the balance is still outstanding 30 days after the final bill is issued, a collection letter is sent to the customer's last known address.

5. Write-off of Account Balance

If payment has not been received on or before 60 days after the final bill is issued, the account balance is written off and the account is transferred to a collection agency.

6. Reconnection of Service after SONP

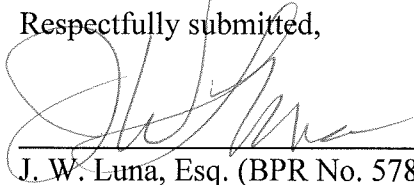
Prior to reconnection after an SONP, the customer must pay all past due amounts, make a deposit, and pay a reconnection fee as provided in CGC's tariff.

¹ The collection threshold is dependent on the customer's credit rating.

Credit Rating	D-F	C	A-B
Collection threshold			

² CGC's Tariff allows service to be terminated seven (7) days after notice to the customer. To allow adequate time for mail delivery, service is not terminated until 10 days after notice.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'J. W. Luna', is written over a horizontal line.

J. W. Luna, Esq. (BPR No. 5780)

Jennifer L. Brundige, Esq. (BPR No. 20673)

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