

AGL Resources
Atlanta Gas Light
Chattanooga Gas
Elizabethtown Gas
Elkton Gas
Florida City Gas
Virginia Natural Gas
AGL Networks
Sequent Energy Management

800 477 5463 phone
www.chattanoogagas.com

2207 Olan Mills Drive
Chattanooga TN 3742

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T.R.A. DOCKET ROOM

November 26, 2007

Chairman Roberson
Tennessee Regulatory Authority
Attention Sharla Dillon
460 James Robertson Parkway
Nashville, TN 37243-0505

07-00266

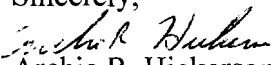
Re: Chattanooga Gas Company Annual Report of Actual Gas Cost and Applicable
Indices for the twelve months ended June 30, 2007.

Dear Chairman Roberson,

Pursuant to the provisions of the Performance Based Ratemaking Mechanism approved by the Tennessee Regulatory Authority's January 8, 2002 Order in Docket 01-00619, Chattanooga Gas Company (CGC) is filing an original and thirteen copies of the report of actual gas cost and the applicable index cost for each month of the plan year ended June 30, 2007 (Attachment A). As shown on Attachment A, the commodity cost of gas purchased by CGC during the plan year was approximately 0.15% below the index cost provided by the Tariff.

For the Authority's convenience, spreadsheets showing the volumes of gas, the indices, and the purchase prices for each month and each day are provided as Attachments B & C respectively. Chattanooga Gas Company considers the detailed information on Attachments B & C to be confidential and proprietary. As a result these Attachments are being filed under seal.

Should there be any questions, I will be pleased to discuss this filing in further detail. I can be reached at 757-616-7510

Sincerely,

Archie R. Hickerson
Director-Regulatory Affairs

C: Ms. Sharron Wilkins
Ms. Amanda Hwang
Mrs. Pat Murphy
Mrs. Cynthia Kinser



Chattanooga Gas

Chattanooga Gas Company
PBR Filing For ACA Year Ended June 30, 2007

Summary Sheet
Gas Cost Over (Under) Benchmark
July 1, 2006 through June 30, 2007

	SONAT	Tenn/Z0	Tenn/500leg	Tenn/800leg	Tenn/Z1	SONAT	Tenn/Z1 & Z0	Tenn/Z1	SONAT	Tenn/Zone 0	Tenn500L	Tenn800L	Tenn500L	SONAT	Tenn500L	Cost Over (Under) Benchmark	
	(FOM)	(FOM)	(FOM)	(FOM)	(FOM-Nora)	(FOM-Storage)	(FOM-Storage)	(FOM-City Gate)	(Gas Daily)	(Gas Daily)	(Gas Daily)	(Gas Daily)	(Gas Daily - NORA)	(Gas Daily - City Gate)	(Gas Daily - City Gate)	\$\$	%%
Jul-06	\$ -	\$ 1.04	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ (12.46)	\$ -	\$ -	\$ -	\$ (11.42)	-0.0004%
Aug-06	\$ -	\$ 0.93	\$ -	\$ -	\$ -	\$ -	\$ (0.00)	\$ -	\$ -	\$ -	\$ -	\$ (11.64)	\$ -	\$ -	\$ -	\$ (10.71)	-0.0002%
Sep-06	\$ -	\$ 4.67	\$ -	\$ 0.93	\$ -	\$ -	\$ 0.00	\$ -	\$ (587.01)	\$ -	\$ (5.18)	\$ (8.89)	\$ -	\$ -	\$ -	\$ (595.48)	-0.0175%
Oct-06	\$ -	\$ (0.06)	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ (76.36)	\$ (2.40)	\$ (11.13)	\$ (23.27)	\$ -	\$ -	\$ -	\$ (113.20)	-0.0034%
Nov-06	\$ -	\$ (0.55)	\$ -	\$ -	\$ (23,257.43)	\$ -	\$ -	\$ -	\$ -	\$ (22.12)	\$ 2.46	\$ 8.87	\$ -	\$ -	\$ -	\$ (23,268.77)	-0.4429%
Dec-06	\$ -	\$ 1.98	\$ -	\$ -	\$ (26,764.18)	\$ -	\$ -	\$ -	\$ 54.66	\$ 8.85	\$ 1.43	\$ (29.18)	\$ -	\$ -	\$ -	\$ (26,726.43)	-0.4786%
Jan-07	\$ -	\$ (1.36)	\$ -	\$ -	\$ (15,727.33)	\$ -	\$ -	\$ -	\$ 7,924.46	\$ 21.67	\$ 6.01	\$ 3,452.14	\$ -	\$ -	\$ -	\$ (4,324.41)	-0.0847%
Feb-07	\$ 0.53	\$ 1.64	\$ -	\$ -	\$ (24,780.59)	\$ -	\$ -	\$ -	\$ 14,819.34	\$ 26.32	\$ -	\$ 23.07	\$ -	\$ -	\$ -	\$ (9,909.70)	-0.1471%
Mar-07	\$ (3.41)	\$ (0.37)	\$ -	\$ -	\$ (32,507.57)	\$ -	\$ -	\$ -	\$ 4,319.16	\$ (41.81)	\$ -	\$ (6.95)	\$ -	\$ -	\$ -	\$ (28,240.96)	-0.6963%
Apr-07	\$ -	\$ (2.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49.95	\$ 39.19	\$ -	\$ (73.00)	\$ -	\$ -	\$ -	\$ 14.13	0.0002%
May-07	\$ 2.96	\$ (0.81)	\$ -	\$ -	\$ -	\$ -	\$ (862.11)	\$ -	\$ (0.00)	\$ 2,724.23	\$ -	\$ (2.47)	\$ -	\$ -	\$ -	\$ 1,861.80	0.0399%
Jun-07	\$ (3.70)	\$ (1.98)	\$ -	\$ -	\$ -	\$ -	\$ 1,640.95	\$ -	\$ 0.00	\$ (1.09)	\$ -	\$ (0.52)	\$ -	\$ -	\$ -	\$ 1,633.66	0.0268%
	\$ (3.62)	\$ 3.12	\$ -	\$ 0.93	\$ (123,037.10)	\$ -	\$ 778.85	\$ -	\$ 26,504.19	\$ 2,752.84	\$ (6.41)	\$ 3,315.71	\$ -	\$ -	\$ -	\$ (89,691.49)	-0.1519%
% Bench	0.0000%	0.0000%	#DIV/0!	0.0024%	-2.2060%	#DIV/0!	0.0130%	#DIV/0!	0.2230%	0.0475%	-0.0007%	0.0407%	#DIV/0!	#DIV/0!	0.0000%		

Total CGC Purchase Gas Cost: \$ 58,965,467.50
Total Benchmark Purchase Gas Cost: \$ 59,055,158.99
 -0.152%