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

800 427 5463 phone
www.chattanoogagas.com

2207 Olan Mills Drive
Chattanooga TN 3742

08-00047

March 30, 2008

Chairman Eddie Roberson
Tennessee Regulatory Authority
Attention Ms. Carol Timberlake
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear: Chairman Kyle

In accordance with the Tennessee Regulatory Authority's June 2, 1999 Order in Docket No. 96-01174 and the main extension provisions included in the Rules and Regulations of Chattanooga Gas Company's Tariff, Chattanooga Gas Company hereby files an original and 13 copies of revised the Revised Appendix A to its Rules and Regulation with an Effective Date of July 1, 2008.

Appendix A has been revised to reflect the authorized rate of return approved in TRA docket 06-00175, and the current cost of constructing and installing mains, services, regulators and meters.

I have also provided one additional copy that I request be stamped as evidence of this filing and returned to me at Virginia Natural Gas, 150 West Main Street, Suite 1510, Norfolk, VA 23510. Please call me at 757 -616- 7510 if you have any questions or wish to discuss this filing.

Sincerely,

Archie Hickerson
Director-Regulatory Affairs

Enclosures

Cc: Mrs. Darlene Standley
Mrs. Cynthia Kinser

System Wide Average Installation Costs of Certain Mains and Services
Chattanooga Gas Company

Mains (Steel and Plastic)

Size	FY 2007	FY 2006	FY 2005	Three-Year Average
2" and under	$ 8.91	$ 9.06	$ 8.77	**$ 8.91**
4"	$ 23.10	$ 20.66	$ 16.56	**$ 20.11**

* Prices over 4" will be based on Engineering Estimates.

** Projects requiring Interstate bores, River Crossings, or Railroad crossings will be base on Engineered Estimates

Services (Steel and Plastic)

Size	FY 2007	FY 2006	FY 2005	Three-Year Average
1-1/4" and under	$ 8.24	$ 9.06	$ 8.01	**$ 8.43**
2"	$ 16.15	$ 8.89	$ 8.67	**$ 11.24**

* Prices over 4" will be based on Engineering Estimates.

** Projects requiring Interstate bores, River Crossings, or Railroad crossings will be base on Engineered Estimates

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

METERS

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 3.27%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	15 YEARS AT 7.89% ANNUITY
1	1000.00	58.34	66.67	33.19	45.70	29.49	233.38	3.50	236.88	0.9269	219.56
2	933.33	56.63	66.67	30.97	42.65	27.53	224.45	3.37	227.82	0.8591	195.72
3	866.67	54.93	66.67	28.76	39.60	25.56	215.52	3.23	218.75	0.7963	174.19
4	800.00	53.22	66.67	26.55	36.56	23.59	206.59	3.10	209.69	0.7381	154.76
5	733.33	51.51	66.67	24.34	33.51	21.63	197.66	2.96	200.62	0.6841	137.25
6	666.67	49.81	66.67	22.12	30.46	19.66	188.72	2.83	191.56	0.6341	121.46
7	600.00	48.10	66.67	19.91	27.42	17.70	179.79	2.70	182.49	0.5877	107.26
8	533.33	46.40	66.67	17.70	24.37	15.73	170.86	2.56	173.43	0.5448	94.48
9	466.67	44.69	66.67	15.49	21.32	13.76	161.93	2.43	164.36	0.5049	82.99
10	400.00	42.98	66.67	13.27	18.28	11.80	153.00	2.29	155.29	0.4680	72.68
11	333.33	41.28	66.67	11.06	15.23	9.83	144.07	2.16	146.23	0.4338	63.43
12	266.67	39.57	66.67	8.85	12.19	7.86	135.14	2.03	137.16	0.4021	55.15
13	200.00	37.86	66.67	6.64	9.14	5.90	126.21	1.89	128.10	0.3727	47.74
14	133.33	36.16	66.67	4.42	6.09	3.93	117.27	1.76	119.03	0.3454	41.12
15	66.67	34.45	66.67	2.21	3.05	1.97	108.34	1.63	109.97	0.3202	35.21
		695.93	1000.00	265.49	365.57	235.94	2562.93	38.44	2601.38		1603.00

TO CONVERT THE $1603.00 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.6182,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$186.00**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$15.50**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0327 TOTAL.

CAPITAL STRUCTURE AND COST RATES:		
PROP TAX:	2.56%	
O&M CHG:	3.27%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 0.91%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	15 YEARS AT 7.89% ANNUITY
1	1000.00	34.65	66.67	33.19	45.70	29.50	209.70	3.15	212.85	0.9269	197.28
2	933.33	32.95	66.67	30.97	42.65	27.53	200.77	3.01	203.78	0.8591	175.07
3	866.67	31.24	66.67	28.76	39.60	25.57	191.84	2.88	194.71	0.7963	155.05
4	800.00	29.53	66.67	26.55	36.56	23.60	182.91	2.74	185.65	0.7381	137.02
5	733.33	27.83	66.67	24.34	33.51	21.63	173.97	2.61	176.58	0.6841	120.80
6	666.67	26.12	66.67	22.12	30.46	19.67	165.04	2.48	167.52	0.6341	106.22
7	600.00	24.41	66.67	19.91	27.42	17.70	156.11	2.34	158.45	0.5877	93.13
8	533.33	22.71	66.67	17.70	24.37	15.73	147.18	2.21	149.39	0.5448	81.38
9	466.67	21.00	66.67	15.49	21.32	13.77	138.25	2.07	140.32	0.5049	70.85
10	400.00	19.30	66.67	13.27	18.28	11.80	129.31	1.94	131.25	0.4680	61.43
11	333.33	17.59	66.67	11.06	15.23	9.83	120.38	1.81	122.19	0.4338	53.00
12	266.67	15.88	66.67	8.85	12.19	7.87	111.45	1.67	113.12	0.4021	45.48
13	200.00	14.18	66.67	6.64	9.14	5.90	102.52	1.54	104.06	0.3727	38.78
14	133.33	12.47	66.67	4.42	6.09	3.93	93.59	1.40	94.99	0.3454	32.81
15	66.67	10.76	66.67	2.21	3.05	1.97	84.66	1.27	85.93	0.3202	27.51
		340.62	1000.00	265.49	365.57	235.99	2207.67	33.12	2240.79		1395.84

TO CONVERT THE $1395.84 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.6182, THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$161.96**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$13.50**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0091 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.56%	
O&M CHG:	0.91%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 0.91%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	15 YEARS AT 7.89% ANNUITY
1	1000.00	34.65	66.67	33.19	45.70	29.50	209.70	3.15	212.85	0.9269	197.28
2	933.33	32.95	66.67	30.97	42.65	27.53	200.77	3.01	203.78	0.8591	175.07
3	866.67	31.24	66.67	28.76	39.60	25.57	191.84	2.88	194.71	0.7963	155.05
4	800.00	29.53	66.67	26.55	36.56	23.60	182.91	2.74	185.65	0.7381	137.02
5	733.33	27.83	66.67	24.34	33.51	21.63	173.97	2.61	176.58	0.6841	120.80
6	666.67	26.12	66.67	22.12	30.46	19.67	165.04	2.48	167.52	0.6341	106.22
7	600.00	24.41	66.67	19.91	27.42	17.70	156.11	2.34	158.45	0.5877	93.13
8	533.33	22.71	66.67	17.70	24.37	15.73	147.18	2.21	149.39	0.5448	81.38
9	466.67	21.00	66.67	15.49	21.32	13.77	138.25	2.07	140.32	0.5049	70.85
10	400.00	19.30	66.67	13.27	18.28	11.80	129.31	1.94	131.25	0.4680	61.43
11	333.33	17.59	66.67	11.06	15.23	9.83	120.38	1.81	122.19	0.4338	53.00
12	266.67	15.88	66.67	8.85	12.19	7.87	111.45	1.67	113.12	0.4021	45.48
13	200.00	14.18	66.67	6.64	9.14	5.90	102.52	1.54	104.06	0.3727	38.78
14	133.33	12.47	66.67	4.42	6.09	3.93	93.59	1.40	94.99	0.3454	32.81
15	66.67	10.76	66.67	2.21	3.05	1.97	84.66	1.27	85.93	0.3202	27.51
		340.62	1000.00	265.49	365.57	235.99	2207.67	33.12	2240.79		1395.84

TO CONVERT THE $1395.84 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.6182,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$161.96**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$13.50**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0091 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.56%	
O&M CHG:	0.91%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

METERS

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 3.27%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	10 YEARS AT 7.89% ANNUITY
1	1000.00	58.34	100.00	33.19	45.70	29.49	266.71	4.00	270.72	0.9269	250.92
2	900.00	55.78	100.00	29.87	41.13	26.54	253.32	3.80	257.12	0.8591	220.89
3	800.00	53.22	100.00	26.55	36.56	23.59	239.92	3.60	243.52	0.7963	193.91
4	700.00	50.66	100.00	23.23	31.99	20.64	226.52	3.40	229.92	0.7381	169.70
5	600.00	48.10	100.00	19.91	27.42	17.70	213.13	3.20	216.32	0.6841	147.99
6	500.00	45.54	100.00	16.59	22.85	14.75	199.73	3.00	202.73	0.6341	128.55
7	400.00	42.98	100.00	13.27	18.28	11.80	186.33	2.79	189.13	0.5877	111.16
8	300.00	40.42	100.00	9.96	13.71	8.85	172.94	2.59	175.53	0.5448	95.62
9	200.00	37.86	100.00	6.64	9.14	5.90	159.54	2.39	161.93	0.5049	81.76
10	100.00	35.30	100.00	3.32	4.57	2.95	146.14	2.19	148.33	0.4680	69.42
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		468.22	1000.00	182.53	251.33	162.21	2064.28	30.96	2095.25		1469.93

TO CONVERT THE $1469.93 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.7440,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$217.96**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$18.16**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0327 TOTAL.

CAPITAL STRUCTURE AND COST RATES:		
PROP TAX:	2.56%	
O&M CHG:	3.27%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 0.91%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	10 YEARS AT 7.89% ANNUITY
1	1000.00	34.65	100.00	33.19	45.70	29.50	243.03	3.65	246.68	0.9269	228.64
2	900.00	32.09	100.00	29.87	41.13	26.55	229.64	3.44	233.08	0.8591	200.24
3	800.00	29.53	100.00	26.55	36.56	23.60	216.24	3.24	219.48	0.7963	174.77
4	700.00	26.97	100.00	23.23	31.99	20.65	202.84	3.04	205.88	0.7381	151.96
5	600.00	24.41	100.00	19.91	27.42	17.70	189.44	2.84	192.28	0.6841	131.54
6	500.00	21.85	100.00	16.59	22.85	14.75	176.05	2.64	178.69	0.6341	113.30
7	400.00	19.30	100.00	13.27	18.28	11.80	162.65	2.44	165.09	0.5877	97.03
8	300.00	16.74	100.00	9.96	13.71	8.85	149.25	2.24	151.49	0.5448	82.53
9	200.00	14.18	100.00	6.64	9.14	5.90	135.85	2.04	137.89	0.5049	69.63
10	100.00	11.62	100.00	3.32	4.57	2.95	122.46	1.84	124.29	0.4680	58.17
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		231.35	1000.00	182.53	251.33	162.24	1827.45	27.41	1854.86		1307.82

TO CONVERT THE $1307.82 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.7440, THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$193.92**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.16**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0091% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.56%	
O&M CHG:	0.91%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER INCREMENTAL COSTS OF GAS PLANT INVESTMENT COMPUTED PER $1000

7/1/2008

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 0.91%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	10 YEARS AT 7.89% ANNUITY
1	1000.00	34.65	100.00	33.19	45.70	29.50	243.03	3.65	246.68	0.9269	228.64
2	900.00	32.09	100.00	29.87	41.13	26.55	229.64	3.44	233.08	0.8591	200.24
3	800.00	29.53	100.00	26.55	36.56	23.60	216.24	3.24	219.48	0.7963	174.77
4	700.00	26.97	100.00	23.23	31.99	20.65	202.84	3.04	205.88	0.7381	151.96
5	600.00	24.41	100.00	19.91	27.42	17.70	189.44	2.84	192.28	0.6841	131.54
6	500.00	21.85	100.00	16.59	22.85	14.75	176.05	2.64	178.69	0.6341	113.30
7	400.00	19.30	100.00	13.27	18.28	11.80	162.65	2.44	165.09	0.5877	97.03
8	300.00	16.74	100.00	9.96	13.71	8.85	149.25	2.24	151.49	0.5448	82.53
9	200.00	14.18	100.00	6.64	9.14	5.90	135.85	2.04	137.89	0.5049	69.63
10	100.00	11.62	100.00	3.32	4.57	2.95	122.46	1.84	124.29	0.4680	58.17
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		231.35	1000.00	182.53	251.33	162.24	1827.45	27.41	1854.86		1307.82

TO CONVERT THE $1307.82 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.7440, THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$193.92**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.16**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0091% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.56%	
O&M CHG:	0.91%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
7/1/2008

SERVICE/MOBILE HOME

YEAR	INVEST-MENT	PROPERTY TAX 2.56% AND MAINTENANCE 0.91%	DEPREC-IATION 20.00%	WEIGHTED COST OF DEBT 3.32%	WEIGHTED RETURN ON EQUITY 4.57%	FEDERAL AND STATE INCOME TAX AT 39.23%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 7.89%	5 YEARS AT 7.89% ANNUITY
1	1000.00	34.65	200.00	33.19	45.70	29.50	343.03	5.15	348.18	0.9269	322.72
2	800.00	29.53	200.00	26.55	36.56	23.60	316.24	4.74	320.98	0.8591	275.76
3	600.00	24.41	200.00	19.91	27.42	17.70	289.44	4.34	293.78	0.7963	233.94
4	400.00	19.30	200.00	13.27	18.28	11.80	262.65	3.94	266.59	0.7381	196.76
5	200.00	14.18	200.00	6.64	9.14	5.90	235.85	3.54	239.39	0.6841	163.77
		122.07	1000.00	99.56	137.09	88.50	1447.22	21.71	1468.92		1192.96

TO CONVERT THE $1192.96 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 4.0045,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 5 YEAR ANNUITY AT 7.89% .

ANNUAL CARRYING CHARGE: **$297.90**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$24.83**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0091% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.56%	
O&M CHG:	0.91%	
WTD COD:	3.32%	7.89%
WTD ROE:	4.57%	
FED & ST I/T:	39.23%	
NO. OF YEARS:	5	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

Chattanooga Gas Company
Annual Meter Reading and Billing Costs

Rate(s)	Number of Customers	# Customers *Customer Weight	Allocation Factor	Cost per Customer
R-1	53,522	53,522	0.856269798	$9.30
C-1	8,284	8,284	0.132531277	$9.30
R-4	2	4	6.39939E-05	$18.61
T-1,T-2,T-3,L-1,I-1	87	696	0.011134931	$74.43
Totals	61,895	62,506	1.00000000	

Customer Weights	
R-1	1
C-1	1
R-4	2
T-1,T-2, T-3,L-1,I-1	8

Customer Account Expenses

		GCC
Account 901	Supervision	$34
Account 902	Meter Reading	$546,298
Account 903	Records/Collections	$2,648
Account 905	Misc. Expenses	$1,892
Account 908	Customer Assistance Exp.	$29,140
Account 909	Informational & Instructional Exp.	$1,490
Account 910	Customer Assistance Exp.	$0
Account 911	Informational & Instructional Exp.	$0
		$581,502

(from FERC Form II, 2007)

Chattanooga Gas Company
Gas Consumption Bulletin
Annual Therms

Appliance	**Single Family** Average Use Per Dwelling	**Multi-Family** Average Use Per Dwelling	**Mobile/Mfg** Average Use Per Dwelling
Space Heating 1/	0.31	0.15	0.65
Water Heating	281	281	281
Additional Water Heating 2/	70	70	70
Cooking	40	40	40
Drying	41	41	41
Gas Light	154	154	154
Gas Heat Pump 3/	1,037	1,037	1,037

1/ The consumption for space heating is expressed in Therms per Conditioned Square Feet per Year.
2/ Minimum 30 gallons.
3/ Per 3-ton system (Heating=710, Cooling=327).

Allowable Investment
Single Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
1000	$1,220	$1,260	$1,410	$1,370	$1,450	$1,300	$1,260
1250	$1,300	$1,340	$1,480	$1,440	$1,520	$1,380	$1,340
1500	$1,370	$1,410	$1,560	$1,520	$1,600	$1,450	$1,410
1750	$1,450	$1,480	$1,630	$1,590	$1,670	$1,520	$1,490
2000	$1,520	$1,560	$1,700	$1,670	$1,740	$1,600	$1,560
2250	$1,600	$1,630	$1,780	$1,740	$1,820	$1,670	$1,630
2500	$1,670	$1,710	$1,850	$1,820	$1,890	$1,750	$1,710
2750	$1,740	$1,780	$1,930	$1,890	$1,970	$1,820	$1,780
3000	$1,820	$1,860	$2,000	$1,960	$2,040	$1,890	$1,860
3250	$1,890	$1,930	$2,080	$2,040	$2,110	$1,970	$1,930
3500	$1,970	$2,000	$2,150	$2,110	$2,190	$2,040	$2,000
3750	$2,040	$2,080	$2,220	$2,190	$2,260	$2,120	$2,080
4000	$2,110	$2,150	$2,300	$2,260	$2,340	$2,190	$2,150

Allowable Investment
Multi-Family
w/ WH

Size (sq. ft.)	SH,WH	SH.WH C	SH,WH C,GL	SH.WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH.WH DR
500	$1,110	$1,150	$1,290	$1,260	$1,330	$1,190	$1,150
600	$1,120	$1,160	$1,310	$1,270	$1,350	$1,200	$1,160
700	$1,140	$1,180	$1,320	$1,290	$1,360	$1,220	$1,180
800	$1,150	$1,190	$1,340	$1,300	$1,380	$1,230	$1,190
900	$1,170	$1,210	$1,350	$1,310	$1,390	$1,250	$1,210
1000	$1,180	$1,220	$1,370	$1,330	$1,410	$1,260	$1,220
1100	$1,200	$1,240	$1,380	$1,340	$1,420	$1,270	$1,240
1200	$1,210	$1,250	$1,400	$1,360	$1,440	$1,290	$1,250
1300	$1,230	$1,260	$1,410	$1,370	$1,450	$1,300	$1,270
1400	$1,240	$1,280	$1,430	$1,390	$1,460	$1,320	$1,280
1500	$1,260	$1,290	$1,440	$1,400	$1,480	$1,330	$1,290
1600	$1,270	$1,310	$1,450	$1,420	$1,490	$1,350	$1,310
1700	$1,290	$1,320	$1,470	$1,430	$1,510	$1,360	$1,320

Allowable Investment
Mobile or Manufactured Homes
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
400	$640	$660	$740	$720	$760	$680	$660
500	$670	$690	$770	$750	$790	$710	$690
600	$700	$720	$800	$780	$820	$750	$720
700	$740	$760	$840	$820	$860	$780	$760
800	$770	$790	$870	$850	$890	$810	$790
900	$800	$820	$900	$880	$920	$850	$820
1000	$840	$860	$940	$920	$960	$880	$860
1100	$870	$890	$970	$950	$990	$910	$890

Allowable Investment
Subdivision Single Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
1000	$1,170	$1,200	$1,340	$1,310	$1,380	$1,240	$1,210
1250	$1,240	$1,280	$1,410	$1,380	$1,450	$1,310	$1,280
1500	$1,310	$1,350	$1,490	$1,450	$1,520	$1,380	$1,350
1750	$1,380	$1,420	$1,560	$1,520	$1,590	$1,450	$1,420
2000	$1,450	$1,490	$1,630	$1,590	$1,660	$1,520	$1,490
2250	$1,520	$1,560	$1,700	$1,660	$1,730	$1,600	$1,560
2500	$1,590	$1,630	$1,770	$1,730	$1,810	$1,670	$1,630
2750	$1,660	$1,700	$1,840	$1,800	$1,880	$1,740	$1,700
3000	$1,730	$1,770	$1,910	$1,870	$1,950	$1,810	$1,770
3250	$1,810	$1,840	$1,980	$1,940	$2,020	$1,880	$1,840
3500	$1,880	$1,910	$2,050	$2,020	$2,090	$1,950	$1,910
3750	$1,950	$1,980	$2,120	$2,090	$2,160	$2,020	$1,980
4000	$2,020	$2,050	$2,190	$2,160	$2,230	$2,090	$2,050

Allowable Investment
Single Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
1000	$350	$640	$770	$730	$800	$680	$640	$440	$0
1250	$420	$710	$830	$800	$860	$740	$710	$440	$0
1500	$480	$770	$890	$860	$920	$800	$770	$440	$0
1750	$540	$830	$950	$920	$980	$860	$830	$440	$0
2000	$600	$890	$1,010	$980	$1,050	$920	$890	$440	$0
2250	$660	$950	$1,080	$1,040	$1,110	$990	$950	$440	$0
2500	$730	$1,020	$1,140	$1,110	$1,170	$1,050	$1,020	$440	$0
2750	$790	$1,080	$1,200	$1,170	$1,230	$1,110	$1,080	$440	$0
3000	$850	$1,140	$1,260	$1,230	$1,290	$1,170	$1,140	$440	$0
3250	$910	$1,200	$1,320	$1,290	$1,360	$1,230	$1,200	$440	$0
3500	$970	$1,260	$1,390	$1,350	$1,420	$1,300	$1,260	$440	$0
3750	$1,040	$1,330	$1,450	$1,420	$1,480	$1,360	$1,330	$440	$0
4000	$1,100	$1,390	$1,510	$1,480	$1,540	$1,420	$1,390	$440	$0

Allowable Investment
Multi-Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
500	calc	$570	$690	$660	$720	$600	$570	$550	$0
600	$290	$580	$700	$670	$730	$610	$580	$550	$0
700	$300	$590	$710	$680	$750	$620	$590	$550	$0
800	$310	$600	$730	$690	$760	$640	$600	$550	$0
900	$330	$620	$740	$710	$770	$650	$620	$550	$0
1000	$340	$630	$750	$720	$780	$660	$630	$550	$0
1100	$350	$640	$760	$730	$790	$670	$640	$550	$0
1200	$360	$650	$770	$740	$810	$680	$650	$550	$0
1300	$370	$660	$790	$750	$820	$700	$670	$550	$0
1400	$390	$680	$800	$770	$830	$710	$680	$550	$0
1500	$400	$690	$810	$780	$840	$720	$690	$550	$0
1600	$410	$700	$820	$790	$860	$730	$700	$550	$0
1700	$420	$710	$840	$800	$870	$750	$710	$550	$0

Allowable Investment
Mobile or Manufactured Homes
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
400	$200	$390	$470	$450	$490	$410	$390	$290	$0
500	$240	$420	$500	$480	$520	$450	$420	$290	$0
600	$270	$460	$540	$520	$560	$480	$460	$290	$0
700	$300	$490	$570	$550	$590	$510	$490	$290	$0
800	$340	$520	$600	$580	$620	$550	$520	$290	$0
900	$370	$560	$640	$620	$660	$580	$560	$290	$0
1000	$400	$590	$670	$650	$690	$610	$590	$290	$0
1100	$440	$620	$700	$680	$720	$640	$620	$290	$0

Allowable Investment
Subdivision Single Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
1000	$340	$610	$730	$700	$760	$650	$620	$420	$0
1250	$400	$670	$790	$760	$820	$700	$670	$420	$0
1500	$460	$730	$850	$820	$880	$760	$730	$420	$0
1750	$520	$790	$910	$880	$940	$820	$790	$420	$0
2000	$570	$850	$970	$940	$1,000	$880	$850	$420	$0
2250	$630	$910	$1,030	$1,000	$1,060	$940	$910	$420	$0
2500	$690	$970	$1,090	$1,060	$1,120	$1,000	$970	$420	$0
2750	$750	$1,030	$1,140	$1,110	$1,180	$1,060	$1,030	$420	$0
3000	$810	$1,090	$1,200	$1,170	$1,240	$1,120	$1,090	$420	$0
3250	$870	$1,150	$1,260	$1,230	$1,290	$1,180	$1,150	$420	$0
3500	$930	$1,210	$1,320	$1,290	$1,350	$1,240	$1,210	$420	$0
3750	$990	$1,270	$1,380	$1,350	$1,410	$1,300	$1,270	$420	$0
4000	$1,050	$1,320	$1,440	$1,410	$1,470	$1,360	$1,330	$420	$0

Allowable Investment
Single Family & Multi Family

Size (sq.ft.)	SuppH	C,SuppH	WH	WH SuppH	SuppH WH,C	SuppH WH,C,GL	SuppH WH,GL	SuppH,WH C,GL,DR	SuppH,WH C,DR	SuppH,WH DR
1000	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
1250	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
1500	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
1750	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
2000	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
2250	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
2500	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
2750	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
3000	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
3250	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
3500	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
3750	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830
4000	$0	$460	$750	$800	$830	$950	$920	$980	$860	$830

Allowable Investment
Mobile or Manufactured

Size sq.ft.	SuppH	C,SuppH	WH	WH SuppH	SuppH WH,C	SuppH WH,C,GL	SuppH WH,GL	SuppH,WH C,GL,DR	SuppH,WH C,DR	SuppH,WH DR
400	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
500	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
600	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
700	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
800	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
900	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
1000	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540
1100	$0	$290	$490	$520	$540	$620	$600	$640	$560	$540

Allowable Investment
Single Family & Multi-Family
For Gas HP

Size sq. ft.	SH,AC	SH,WH AC	SH,WH AC,C	SH,WH AC,C,GL	SH,WH AC,GL	SH,WH,AC C,GL,DR	SH,WH AC,C,DR	SH,WH AC,DR
Gas Ht. Pun (3 ton unit)	$1,240	$1,680	$1,720	$1,860	$1,830	$1,900	$1,760	$1,720

Allowable Investment
Mobile or Manufactured Homes
For Gas HP

Size sq. ft.	SH,AC	SH,WH AC	SH,WH AC,C	SH,WH AC,C,GL	SH,WH AC,GL	SH,WH,AC C,GL,DR	SH,WH AC,C,DR	SH,WH AC,DR
Gas Ht. Pum (3 ton unit)	$670	$910	$930	$1,010	$990	$1,030	$960	$930

Appl.	Therm	Usage		
SH		**0.313**	per s.f.	
MF SH		**0.154**	per s.f	
Mob. SH		**0.645**	per s.f	
WH		**281**		
C		**40**		
DR		**41**		
GL		**154**		
GR		**15**	Cooling	Heating
GHP		**1037**	**327**	**710**
Auxillary WH		**70**		
Supp. Heating		**59**		

Other input variables				15 years	10 years
Level annual carrying charge single & multi ser & main				**16.20%**	**19.39%**
Level annual carrying charge all res. customers met & reg				**18.60%**	**21.80%**
Level annual carrying charge mobile home ser & main				**29.79%**	
Meter/regulator		**$141**	or	**$26**	**$31**
Customer acct. exp.		**$9.30**	(Based on account #'s in FERC Form 2)		
Street Crossing Chg.		**$110**		**$18**	**$21**
Filed Cost Service	**$**	**8.43**	per foot		

Chattanooga R-1

WH revenue	**$0.25444**		Build Out Factor Subdivision
AC revenue	**$0.03948**		0.9544
SH revenue	**$0.15354**		
Base revenue	**$0.15354**		
Annual Cust Charge	**$132.00**	(6 months x $12.00 - 6 monghs Xx $10.00)	

SH only Revenue	**$0.15354**	
SH Customer Charge	**$82.00**	(6 months x$12.00)
Suppl. Customer Charge	**$0.00**	

Allowable Investment for Additional Gas Loads and Single Appliance Installations

Type of Appliance	***Single Family Revenue***	***Multi-Family Revenue***	***Mobile Family Revenue***
Each additional 250 square feet gas SH,WH, and others	$70	NA	NA
Each additional 250 square feet gas SH only	$60	NA	NA
Each additional 100 square feet gas SH,WH and others	NA	$20	$30
Each additional 100 square feet gas SH only	NA	$10	$40
Each additional gas water heater (30 gallon min.)	$70	$70	$40
Gas water heater only	$750	$750	$490
Gas cooking only	$400	$400	$260
Gas cooking	$40	$40	$20
Gaslight only	$490	$490	$320
Gaslight	$120	$120	$80
Gas Grill	$10	$10	$10
Gas Dryer Only	$400	$400	$260
Gas Dryer	$40	$40	$20