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

RECEIVED
2009 MAY 22 PM 2: 27
T.R.A. DOCKET ROOM

May 22, 2008

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

Dear: Chairman Roberson

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, 2009.

Appendix A has been revised to reflect the current cost of constructing and installing mains, services, regulators and meters, and to include Tankless Water Heaters in the determination of allowable investment.

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

Chattanooga Gas

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

Mains (Steel and Plastic)

Size	FY 2008	FY 2007	FY 2006	Three-Year Average
2" and under	$ 10.35	$ 8.91	$ 9.06	**$ 9.44**
4"	$ 20.10	$ 23.10	$ 20.66	**$ 21.29**

* 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	$ 9.13	$ 8.24	$ 9.06	**$ 8.81**
2"	$ 12.91	$ 16.15	$ 8.89	**$ 12.65**

* 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
7/1/2009

METERS

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 3.02%	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	58.55	66.67	33.19	45.70	29.49	233.60	3.50	237.10	0.9269	219.77
2	933.33	56.66	66.67	30.97	42.65	27.53	224.48	3.37	227.85	0.8591	195.75
3	866.67	54.77	66.67	28.76	39.60	25.56	215.36	3.23	218.59	0.7963	174.07
4	800.00	52.88	66.67	26.55	36.56	23.59	206.25	3.09	209.34	0.7381	154.51
5	733.33	50.99	66.67	24.34	33.51	21.63	197.13	2.96	200.09	0.6841	136.88
6	666.67	49.10	66.67	22.12	30.46	19.66	188.02	2.82	190.84	0.6341	121.01
7	600.00	47.21	66.67	19.91	27.42	17.70	178.90	2.68	181.58	0.5877	106.72
8	533.33	45.32	66.67	17.70	24.37	15.73	169.78	2.55	172.33	0.5448	93.88
9	466.67	43.43	66.67	15.49	21.32	13.76	160.67	2.41	163.08	0.5049	82.34
10	400.00	41.53	66.67	13.27	18.28	11.80	151.55	2.27	153.82	0.4680	71.99
11	333.33	39.64	66.67	11.06	15.23	9.83	142.43	2.14	144.57	0.4338	62.71
12	266.67	37.75	66.67	8.85	12.19	7.86	133.32	2.00	135.32	0.4021	54.41
13	200.00	35.86	66.67	6.64	9.14	5.90	124.20	1.86	126.07	0.3727	46.98
14	133.33	33.97	66.67	4.42	6.09	3.93	115.09	1.73	116.81	0.3454	40.35
15	66.67	32.08	66.67	2.21	3.05	1.97	105.97	1.59	107.56	0.3202	34.44
		679.75	1000.00	265.49	365.57	235.94	2546.75	38.20	2584.95		1595.81

TO CONVERT THE $1595.81 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: **$185.17**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$15.43**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0302 TOTAL.

CAPITAL STRUCTURE AND COST RATES:		
PROP TAX:	2.84%	
O&M CHG:	3.02%	
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
7/1/2009

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 0.85%	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	36.83	66.67	33.19	45.70	29.50	211.88	3.18	215.06	0.9269	199.33
2	933.33	34.94	66.67	30.97	42.65	27.53	202.76	3.04	205.80	0.8591	176.81
3	866.67	33.05	66.67	28.76	39.60	25.57	193.65	2.90	196.55	0.7963	156.51
4	800.00	31.16	66.67	26.55	36.56	23.60	184.53	2.77	187.30	0.7381	138.24
5	733.33	29.27	66.67	24.34	33.51	21.63	175.41	2.63	178.04	0.6841	121.80
6	666.67	27.38	66.67	22.12	30.46	19.67	166.30	2.49	168.79	0.6341	107.03
7	600.00	25.48	66.67	19.91	27.42	17.70	157.18	2.36	159.54	0.5877	93.77
8	533.33	23.59	66.67	17.70	24.37	15.73	148.06	2.22	150.28	0.5448	81.87
9	466.67	21.70	66.67	15.49	21.32	13.77	138.95	2.08	141.03	0.5049	71.21
10	400.00	19.81	66.67	13.27	18.28	11.80	129.83	1.95	131.78	0.4680	61.67
11	333.33	17.92	66.67	11.06	15.23	9.83	120.71	1.81	122.52	0.4338	53.15
12	266.67	16.03	66.67	8.85	12.19	7.87	111.60	1.67	113.27	0.4021	45.54
13	200.00	14.14	66.67	6.64	9.14	5.90	102.48	1.54	104.02	0.3727	38.77
14	133.33	12.25	66.67	4.42	6.09	3.93	93.36	1.40	94.76	0.3454	32.73
15	66.67	10.35	66.67	2.21	3.05	1.97	84.25	1.26	85.51	0.3202	27.38
		353.90	1000.00	265.49	365.57	235.99	2220.95	33.31	2254.26		1405.82

TO CONVERT THE $1405.82 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: **$163.12**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$13.59**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0085 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.84%	
O&M CHG:	0.85%	
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
7/1/2009

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 0.85%	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	36.83	66.67	33.19	45.70	29.50	211.88	3.18	215.06	0.9269	199.33
2	933.33	34.94	66.67	30.97	42.65	27.53	202.76	3.04	205.80	0.8591	176.81
3	866.67	33.05	66.67	28.76	39.60	25.57	193.65	2.90	196.55	0.7963	156.51
4	800.00	31.16	66.67	26.55	36.56	23.60	184.53	2.77	187.30	0.7381	138.24
5	733.33	29.27	66.67	24.34	33.51	21.63	175.41	2.63	178.04	0.6841	121.80
6	666.67	27.38	66.67	22.12	30.46	19.67	166.30	2.49	168.79	0.6341	107.03
7	600.00	25.48	66.67	19.91	27.42	17.70	157.18	2.36	159.54	0.5877	93.77
8	533.33	23.59	66.67	17.70	24.37	15.73	148.06	2.22	150.28	0.5448	81.87
9	466.67	21.70	66.67	15.49	21.32	13.77	138.95	2.08	141.03	0.5049	71.21
10	400.00	19.81	66.67	13.27	18.28	11.80	129.83	1.95	131.78	0.4680	61.67
11	333.33	17.92	66.67	11.06	15.23	9.83	120.71	1.81	122.52	0.4338	53.15
12	266.67	16.03	66.67	8.85	12.19	7.87	111.60	1.67	113.27	0.4021	45.54
13	200.00	14.14	66.67	6.64	9.14	5.90	102.48	1.54	104.02	0.3727	38.77
14	133.33	12.25	66.67	4.42	6.09	3.93	93.36	1.40	94.76	0.3454	32.73
15	66.67	10.35	66.67	2.21	3.05	1.97	84.25	1.26	85.51	0.3202	27.38
		353.90	1000.00	265.49	365.57	235.99	2220.95	33.31	2254.26		1405.82

TO CONVERT THE $1405.82 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: **$163.12**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$13.59**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0085 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.84%	
O&M CHG:	0.85%	
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
7/1/2009

METERS

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 3.02%	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	58.55	100.00	33.19	45.70	29.49	266.93	4.00	270.93	0.9269	251.12
2	900.00	55.72	100.00	29.87	41.13	26.54	253.26	3.80	257.05	0.8591	220.84
3	800.00	52.88	100.00	26.55	36.56	23.59	239.58	3.59	243.18	0.7963	193.64
4	700.00	50.04	100.00	23.23	31.99	20.64	225.91	3.39	229.30	0.7381	169.24
5	600.00	47.21	100.00	19.91	27.42	17.70	212.23	3.18	215.42	0.6841	147.37
6	500.00	44.37	100.00	16.59	22.85	14.75	198.56	2.98	201.54	0.6341	127.79
7	400.00	41.53	100.00	13.27	18.28	11.80	184.88	2.77	187.66	0.5877	110.29
8	300.00	38.70	100.00	9.96	13.71	8.85	171.21	2.57	173.78	0.5448	94.67
9	200.00	35.86	100.00	6.64	9.14	5.90	157.54	2.36	159.90	0.5049	80.74
10	100.00	33.02	100.00	3.32	4.57	2.95	143.86	2.16	146.02	0.4680	68.34
		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
		457.89	1000.00	182.53	251.33	162.21	2053.96	30.81	2084.77		1464.04

TO CONVERT THE $1464.04 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: **$217.09**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$18.09**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF$0.0302 TOTAL.

CAPITAL STRUCTURE AND COST RATES:		
PROP TAX:	2.84%	
O&M CHG:	3.02%	
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
7/1/2009

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 0.85%	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	36.83	100.00	33.19	45.70	29.50	245.21	3.68	248.89	0.9269	230.69
2	900.00	33.99	100.00	29.87	41.13	26.55	231.54	3.47	235.01	0.8591	201.90
3	800.00	31.16	100.00	26.55	36.56	23.60	217.86	3.27	221.13	0.7963	176.09
4	700.00	28.32	100.00	23.23	31.99	20.65	204.19	3.06	207.25	0.7381	152.97
5	600.00	25.48	100.00	19.91	27.42	17.70	190.51	2.86	193.37	0.6841	132.29
6	500.00	22.65	100.00	16.59	22.85	14.75	176.84	2.65	179.49	0.6341	113.81
7	400.00	19.81	100.00	13.27	18.28	11.80	163.16	2.45	165.61	0.5877	97.33
8	300.00	16.97	100.00	9.96	13.71	8.85	149.49	2.24	151.73	0.5448	82.66
9	200.00	14.14	100.00	6.64	9.14	5.90	135.81	2.04	137.85	0.5049	69.61
10	100.00	11.30	100.00	3.32	4.57	2.95	122.14	1.83	123.97	0.4680	58.02
			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
		240.66	1000.00	182.53	251.33	162.24	1836.76	27.55	1864.31		1315.37

TO CONVERT THE $1315.37 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: **$195.04**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.25**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0085% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.84%	
O&M CHG:	0.85%	
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
7/1/2009

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 0.85%	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	36.83	100.00	33.19	45.70	29.50	245.21	3.68	248.89	0.9269	230.69
2	900.00	33.99	100.00	29.87	41.13	26.55	231.54	3.47	235.01	0.8591	201.90
3	800.00	31.16	100.00	26.55	36.56	23.60	217.86	3.27	221.13	0.7963	176.09
4	700.00	28.32	100.00	23.23	31.99	20.65	204.19	3.06	207.25	0.7381	152.97
5	600.00	25.48	100.00	19.91	27.42	17.70	190.51	2.86	193.37	0.6841	132.29
6	500.00	22.65	100.00	16.59	22.85	14.75	176.84	2.65	179.49	0.6341	113.81
7	400.00	19.81	100.00	13.27	18.28	11.80	163.16	2.45	165.61	0.5877	97.33
8	300.00	16.97	100.00	9.96	13.71	8.85	149.49	2.24	151.73	0.5448	82.66
9	200.00	14.14	100.00	6.64	9.14	5.90	135.81	2.04	137.85	0.5049	69.61
10	100.00	11.30	100.00	3.32	4.57	2.95	122.14	1.83	123.97	0.4680	58.02
		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
		240.66	1000.00	182.53	251.33	162.24	1836.76	27.55	1864.31		1315.37

TO CONVERT THE $1315.37 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: **$195.04**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.25**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0085% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.84%	
O&M CHG:	0.85%	
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
7/1/2009

SERVICE/MOBILE HOME

YEAR	INVEST-MENT	PROPERTY TAX 2.84% AND MAINTENANCE 0.85%	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	36.83	200.00	33.19	45.70	29.50	345.21	5.18	350.39	0.9269	324.77
2	800.00	31.16	200.00	26.55	36.56	23.60	317.86	4.77	322.63	0.8591	277.18
3	600.00	25.48	200.00	19.91	27.42	17.70	290.51	4.36	294.87	0.7963	234.81
4	400.00	19.81	200.00	13.27	18.28	11.80	263.16	3.95	267.11	0.7381	197.15
5	200.00	14.14	200.00	6.64	9.14	5.90	235.81	3.54	239.35	0.6841	163.74
		127.42	1000.00	99.56	137.09	88.50	1452.57	21.79	1474.35		1197.65

TO CONVERT THE $1197.65 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: **$299.08**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$24.92**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0085% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.84%	
O&M CHG:	0.85%	
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	53,503	53,503	0.857007849	$10.68
C-1 & C-2	8,115	8,115	0.129985584	$10.68
R-4	2	4	6.40718E-05	$21.36
T-1,T-2,T-3,L-1,I-1	101	808	0.012942496	$85.46
Totals	61,721	62,430	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	$0
Account 902	Meter Reading	$580,769
Account 903	Records/Collections	$2,638
Account 905	Misc. Expenses	$3,483
Account 908	Customer Assistance Exp.	$79,558
Account 909	Informational & Instructional Exp.	$440
Account 910	Customer Assistance Exp.	$0
Account 911	Informational & Instructional Exp.	$0
		$666,888

(from FERC Form II, 2008)

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
Tankless Water Heating	182	182	182
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	$1,200	$1,240	$1,380	$1,350	$1,420	$1,280	$1,240
1250	$1,280	$1,310	$1,460	$1,420	$1,500	$1,350	$1,310
1500	$1,350	$1,390	$1,530	$1,490	$1,570	$1,430	$1,390
1750	$1,420	$1,460	$1,610	$1,570	$1,640	$1,500	$1,460
2000	$1,500	$1,530	$1,680	$1,640	$1,720	$1,570	$1,540
2250	$1,570	$1,610	$1,750	$1,720	$1,790	$1,650	$1,610
2500	$1,640	$1,680	$1,830	$1,790	$1,870	$1,720	$1,680
2750	$1,720	$1,760	$1,900	$1,860	$1,940	$1,790	$1,760
3000	$1,790	$1,830	$1,970	$1,940	$2,010	$1,870	$1,830
3250	$1,860	$1,900	$2,050	$2,010	$2,090	$1,940	$1,900
3500	$1,940	$1,980	$2,120	$2,080	$2,160	$2,010	$1,980
3750	$2,010	$2,050	$2,190	$2,160	$2,230	$2,090	$2,050
4000	$2,090	$2,120	$2,270	$2,230	$2,310	$2,160	$2,120

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	$1,090	$1,130	$1,280	$1,240	$1,320	$1,170	$1,130
600	$1,110	$1,150	$1,290	$1,250	$1,330	$1,190	$1,150
700	$1,120	$1,160	$1,310	$1,270	$1,340	$1,200	$1,160
800	$1,140	$1,180	$1,320	$1,280	$1,360	$1,210	$1,180
900	$1,150	$1,190	$1,340	$1,300	$1,370	$1,230	$1,190
1000	$1,170	$1,200	$1,350	$1,310	$1,390	$1,240	$1,210
1100	$1,180	$1,220	$1,360	$1,330	$1,400	$1,260	$1,220
1200	$1,200	$1,230	$1,380	$1,340	$1,420	$1,270	$1,230
1300	$1,210	$1,250	$1,390	$1,360	$1,430	$1,290	$1,250
1400	$1,220	$1,260	$1,410	$1,370	$1,450	$1,300	$1,260
1500	$1,240	$1,280	$1,420	$1,380	$1,460	$1,320	$1,280
1600	$1,250	$1,290	$1,440	$1,400	$1,480	$1,330	$1,290
1700	$1,270	$1,310	$1,450	$1,410	$1,490	$1,340	$1,310

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	$1,150	$1,180	$1,320	$1,290	$1,360	$1,220	$1,180
1250	$1,220	$1,250	$1,390	$1,360	$1,430	$1,290	$1,250
1500	$1,290	$1,320	$1,460	$1,430	$1,500	$1,360	$1,320
1750	$1,360	$1,390	$1,530	$1,500	$1,570	$1,430	$1,390
2000	$1,430	$1,460	$1,600	$1,570	$1,640	$1,500	$1,470
2250	$1,500	$1,530	$1,670	$1,640	$1,710	$1,570	$1,540
2500	$1,570	$1,600	$1,740	$1,710	$1,780	$1,640	$1,610
2750	$1,640	$1,680	$1,810	$1,780	$1,850	$1,710	$1,680
3000	$1,710	$1,750	$1,880	$1,850	$1,920	$1,780	$1,750
3250	$1,780	$1,820	$1,950	$1,920	$1,990	$1,850	$1,820
3500	$1,850	$1,890	$2,020	$1,990	$2,060	$1,920	$1,890
3750	$1,920	$1,960	$2,090	$2,060	$2,130	$1,990	$1,960
4000	$1,990	$2,030	$2,170	$2,130	$2,200	$2,060	$2,030

Allowable Investment
Single Family
w/ TWH

Size (sq. ft.)	SH,TWH	SH,TWH C	SH,TWH C,GL	SH,TWH GL	SH,TWH C,GL,DR	SH,TWH C,DR	SH,TWH DR
1000	$1,050	$1,080	$1,230	$1,190	$1,270	$1,120	$1,090
1250	$1,120	$1,160	$1,300	$1,270	$1,340	$1,200	$1,160
1500	$1,190	$1,230	$1,380	$1,340	$1,420	$1,270	$1,230
1750	$1,270	$1,310	$1,450	$1,410	$1,490	$1,340	$1,310
2000	$1,340	$1,380	$1,520	$1,490	$1,560	$1,420	$1,380
2250	$1,420	$1,450	$1,600	$1,560	$1,640	$1,490	$1,450
2500	$1,490	$1,530	$1,670	$1,630	$1,710	$1,570	$1,530
2750	$1,560	$1,600	$1,750	$1,710	$1,780	$1,640	$1,600
3000	$1,640	$1,670	$1,820	$1,780	$1,860	$1,710	$1,670
3250	$1,710	$1,750	$1,890	$1,850	$1,930	$1,790	$1,750
3500	$1,780	$1,820	$1,970	$1,930	$2,000	$1,860	$1,820
3750	$1,860	$1,890	$2,040	$2,000	$2,080	$1,930	$1,900
4000	$1,930	$1,970	$2,110	$2,080	$2,150	$2,010	$1,970

Allowable Investment
Multi-Family
w/ TWH

Size (sq. ft.)	SH,TWH	SH,TWH C	SH,TWH C,GL	SH,TWH GL	SH,TWH C,GL,DR	SH,TWH C,DR	SH,TWH DR
500	$940	$980	$1,120	$1,080	$1,160	$1,020	$980
600	$950	$990	$1,140	$1,100	$1,180	$1,030	$990
700	$970	$1,010	$1,150	$1,110	$1,190	$1,040	$1,010
800	$980	$1,020	$1,170	$1,130	$1,200	$1,060	$1,020
900	$1,000	$1,040	$1,180	$1,140	$1,220	$1,070	$1,040
1000	$1,010	$1,050	$1,190	$1,160	$1,230	$1,090	$1,050
1100	$1,030	$1,060	$1,210	$1,170	$1,250	$1,100	$1,070
1200	$1,040	$1,080	$1,220	$1,190	$1,260	$1,120	$1,080
1300	$1,060	$1,090	$1,240	$1,200	$1,280	$1,130	$1,090
1400	$1,070	$1,110	$1,250	$1,210	$1,290	$1,150	$1,110
1500	$1,080	$1,120	$1,270	$1,230	$1,310	$1,160	$1,120
1600	$1,100	$1,140	$1,280	$1,240	$1,320	$1,180	$1,140
1700	$1,110	$1,150	$1,300	$1,260	$1,330	$1,190	$1,150

Allowable Investment
Mobile or Manufactured Homes
w/ TWH

Size (sq. ft.)	SH,TWH	SH,TWH C	SH,TWH C,GL	SH,TWH GL	SH,TWH C,GL,DR	SH,TWH C,DR	SH,TWH DR
400	$540	$560	$640	$620	$660	$580	$560
500	$580	$600	$680	$660	$700	$620	$600
600	$610	$630	$710	$690	$730	$650	$630
700	$640	$660	$740	$720	$760	$680	$660
800	$680	$700	$770	$750	$800	$720	$700
900	$710	$730	$810	$790	$830	$750	$730
1000	$740	$760	$840	$820	$860	$780	$760
1100	$770	$800	$870	$850	$900	$820	$800

Allowable Investment
Subdivision Single Family
w/ TWH

Size (sq. ft.)	SH,TWH	SH,TWH C	SH,TWH C,GL	SH,TWH GL	SH,TWH C,GL,DR	SH,TWH C,DR	SH,TWH DR
1000	$1,000	$1,040	$1,170	$1,140	$1,210	$1,070	$1,040
1250	$1,070	$1,110	$1,240	$1,210	$1,280	$1,140	$1,110
1500	$1,140	$1,180	$1,310	$1,280	$1,350	$1,210	$1,180
1750	$1,210	$1,250	$1,380	$1,350	$1,420	$1,280	$1,250
2000	$1,280	$1,320	$1,450	$1,420	$1,490	$1,350	$1,320
2250	$1,350	$1,390	$1,530	$1,490	$1,560	$1,420	$1,390
2500	$1,420	$1,460	$1,600	$1,560	$1,630	$1,490	$1,460
2750	$1,490	$1,530	$1,670	$1,630	$1,700	$1,560	$1,530
3000	$1,560	$1,600	$1,740	$1,700	$1,770	$1,630	$1,600
3250	$1,630	$1,670	$1,810	$1,770	$1,840	$1,700	$1,670
3500	$1,700	$1,740	$1,880	$1,840	$1,910	$1,780	$1,740
3750	$1,770	$1,810	$1,950	$1,910	$1,980	$1,850	$1,810
4000	$1,840	$1,880	$2,020	$1,980	$2,050	$1,920	$1,880

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	$340	$630	$750	$720	$780	$660	$630	$430	$0
1250	$400	$690	$810	$780	$840	$720	$690	$430	$0
1500	$460	$750	$870	$840	$910	$780	$750	$430	$0
1750	$530	$810	$930	$900	$970	$850	$810	$430	$0
2000	$590	$870	$1,000	$960	$1,030	$910	$880	$430	$0
2250	$650	$940	$1,060	$1,030	$1,090	$970	$940	$430	$0
2500	$710	$1,000	$1,120	$1,090	$1,150	$1,030	$1,000	$430	$0
2750	$770	$1,060	$1,180	$1,150	$1,210	$1,090	$1,060	$430	$0
3000	$830	$1,120	$1,240	$1,210	$1,270	$1,150	$1,120	$430	$0
3250	$900	$1,180	$1,300	$1,270	$1,340	$1,220	$1,180	$430	$0
3500	$960	$1,240	$1,370	$1,330	$1,400	$1,280	$1,250	$430	$0
3750	$1,020	$1,310	$1,430	$1,400	$1,460	$1,340	$1,310	$430	$0
4000	$1,080	$1,370	$1,490	$1,460	$1,520	$1,400	$1,370	$430	$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	$560	$680	$650	$710	$590	$560	$540	$0
600	$280	$570	$690	$660	$720	$600	$570	$540	$0
700	$290	$580	$700	$670	$730	$610	$580	$540	$0
800	$310	$590	$710	$680	$750	$630	$590	$540	$0
900	$320	$610	$730	$700	$760	$640	$610	$540	$0
1000	$330	$620	$740	$710	$770	$650	$620	$540	$0
1100	$340	$630	$750	$720	$780	$660	$630	$540	$0
1200	$350	$640	$760	$730	$800	$670	$640	$540	$0
1300	$370	$650	$780	$740	$810	$690	$650	$540	$0
1400	$380	$670	$790	$760	$820	$700	$670	$540	$0
1500	$390	$680	$800	$770	$830	$710	$680	$540	$0
1600	$400	$690	$810	$780	$840	$720	$690	$540	$0
1700	$410	$700	$820	$790	$860	$730	$700	$540	$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	$190	$380	$460	$440	$480	$400	$380	$280	$0
500	$230	$410	$490	$470	$510	$440	$420	$280	$0
600	$260	$450	$530	$510	$550	$470	$450	$280	$0
700	$290	$480	$560	$540	$580	$500	$480	$280	$0
800	$330	$510	$590	$570	$610	$540	$510	$280	$0
900	$360	$550	$630	$610	$650	$570	$550	$280	$0
1000	$390	$580	$660	$640	$680	$600	$580	$280	$0
1100	$430	$610	$690	$670	$710	$630	$610	$280	$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	$330	$600	$720	$690	$750	$630	$600	$410	$0
1250	$380	$660	$770	$740	$810	$690	$660	$410	$0
1500	$440	$720	$830	$800	$860	$750	$720	$410	$0
1750	$500	$780	$890	$860	$920	$810	$780	$410	$0
2000	$560	$830	$950	$920	$980	$870	$840	$410	$0
2250	$620	$890	$1,010	$980	$1,040	$920	$890	$410	$0
2500	$680	$950	$1,070	$1,040	$1,100	$980	$950	$410	$0
2750	$740	$1,010	$1,130	$1,100	$1,160	$1,040	$1,010	$410	$0
3000	$800	$1,070	$1,190	$1,160	$1,220	$1,100	$1,070	$410	$0
3250	$850	$1,130	$1,240	$1,210	$1,280	$1,160	$1,130	$410	$0
3500	$910	$1,190	$1,300	$1,270	$1,330	$1,220	$1,190	$410	$0
3750	$970	$1,250	$1,360	$1,330	$1,390	$1,280	$1,250	$410	$0
4000	$1,030	$1,310	$1,420	$1,390	$1,450	$1,340	$1,310	$410	$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	TWH	TWH SuppH	SuppH TWH,C	SuppH TWH,C,GL	SuppH TWH,GL	SuppH,TWH C,GL,DR	SuppH,TWH C,DR	SuppH,TWH DR
1000	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
1250	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
1500	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
1750	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
2000	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
2250	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
2500	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
2750	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
3000	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
3250	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
3500	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
3750	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680
4000	$0	$450	$740	$780	$810	$940	$900	$970	$850	$810	$610	$650	$680	$810	$770	$840	$720	$680

Allowable Investment
Mobile or Mauufactured

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	TWH	TWH SuppH	SuppH TWH,C	SuppH TWH,C,GL	SuppH TWH,GL	SuppH,TWH C,GL,DR	SuppH,TWH C,DR	SuppH,TWH DR
400	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
500	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
600	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
700	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
800	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
900	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
1000	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450
1100	$0	$280	$480	$510	$530	$610	$590	$630	$550	$530	$400	$430	$450	$530	$500	$550	$470	$450

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. Pum (3 ton unit)	$1,220	$1,650	$1,690	$1,840	$1,800	$1,880	$1,730	$1,690

Single Family & Multi-Family
For Gas HP

Size sq. ft.	SH,TWH AC	SH,TWH AC,C	SH,TWH AC,C,GL	SH,TWH AC,GL	SH,TWH,AC C,GL,DR	SH,TWH AC,C,DR	SH,TWH AC,DR
Gas Ht. Pump (3 ton unit)	$1,500	$1,540	$1,680	$1,640	$1,720	$1,580	$1,540

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)	$660	$900	$920	$1,000	$980	$1,020	$940	$920

Allowable Investment
Mobile or Manufactured Homes
For Gas HP

Size sq. ft.	SH,TWH AC	SH,TWH AC,C	SH,TWH AC,C,GL	SH,TWH AC,GL	SH,TWH,AC C,GL,DR	SH,TWH AC,C,DR	SH,TWH AC,DR
Gas Ht. Pump (3 ton unit)	$820	$840	$920	$900	$940	$860	$840

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**			
TWH	**182**			
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			**16.31%**	**19.50%**
Level annual carrying charge all res. customers met & reg			**18.52%**	**21.71%**
Level annual carrying charge mobile home ser & main			**29.91%**	
Meter/regulator	**$141**	or	**$26**	**$31**
Customer acct. exp.	**$10.68**	(Based on account #'s in FERC Form 2)		
Street Crossing Chg.	**$114**		**$19**	**$22**
Filed Cost Service	**$ 8.81**	per foot		

Chattanooga R-1

WH revenue	**$0.25444**		Build Out Factor Subdivision
TWH revenue	**$0.25444**		
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	$80	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	$740	$740	$480
Each additional 250 square feet gas SH,TWH, and others	$70	NA	NA
Each additional 100 square feet gas SH,TWH and others	NA	$10	$30
Tankless Gas water heater only	$610	$610	$400
Gas cooking only	$380	$380	$250
Gas cooking	$40	$40	$20
Gaslight only	$470	$470	$310
Gaslight	$120	$120	$80
Gas Grill	$10	$10	$10
Gas Dryer Only	$380	$380	$250
Gas Dryer	$30	$30	$20