

FARMER & LUNA

A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AT LAW

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Jennifer L. Brundige
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September 1, 2009

VIA HAND DELIVERY

Ms. Pat Murphy
Utility Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

09-00/26

RECEIVED
SEP 1 (50)
2009 4:03 PM
T.R.A. DOCKET ROOM

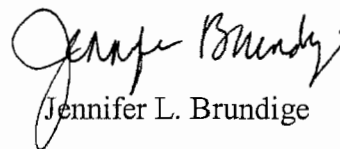
Re: Chattanooga Gas Company's 2009 Annual ACA and PBR Audit Filing

Dear Pat:

Chattanooga Gas Company has submitted to the Tennessee Regulatory Authority its annual ACA and PBR audit filings for the twelve months ending June 30, 2009. Accompanying this letter are two binders that contain the supporting data and information for the audits. We have also included an electronic version of the data on the enclosed CD. Chattanooga Gas considers these documents and information to be confidential proprietary information.

If you have any questions, please do not hesitate to contact Archie Hickerson or me.

Sincerely yours,


Jennifer L. Brundige

Enclosures

cc: Archie Hickerson

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.chattanoogaagas.com

2207 Olan Mills Drive
Chattanooga TN 3742

T.R.A. DOCKET ROOM

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Sept 1 (50)
2009 10:32 PM 14:00

September 28, 2009

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

Re: Chattanooga Gas Company Report of Transactions in the Deferred Gas Cost Account in compliance with Tennessee Regulatory Authority Administrative Rule 1220-4-7-.03(2).

Dear Chairman Kyle,

Attached is an original and thirteen copies of the Summary of the Transactions in Chattanooga Gas Company's Deferred Gas Cost Account for the twelve months ended June 30, 2009 and the computation of ACA factor effective October 1, 2009 (Attachment A) as required by Tennessee Regulatory Authority Administrative Rule 1220-4-7-.03(2).

The resulting ACA factors are:

Rate Schedule	ACA Commodity Factor
R-1/R-4	(\$0.0195 /Therm)
C-1	(\$0.0195 /Therm)
A/C	(\$0.0659 /Therm)
I-1	(\$0.6586 /Dth)

Services with two part (Demand and Commodity Rates

	ACA Demand Factor	ACA Commodity Factor
C-2	\$1.7870 /Dth	(\$0.0195 /Dth)
F-1	\$1.7870 /Dth	(\$0.6586 /Dth)
T-2/T-3	\$1.7870 /Dth	



Chattanooga Gas

Copies of the underlying accounting documents needed for the audit are being provided the Staff.

Also enclosed are an original and thirteen copies of Chattanooga Gas Company Tariff No. 1 Eighty -Sixth Revised Sheet No. 55.

If you or the TRA Staff have any questions please call me at 757 616 7510.

Sincerely,

A handwritten signature in cursive script, appearing to read "Archie R. Hickerson".

Archie R. Hickerson

Director-Regulatory Affairs

C: Ms. Amanda Hwang
Mrs. Pat Murphy

CHATTANOOGA GAS COMPANY
ANALYSIS OF DEFERRED GAS COST
JULY 1, 2008 THRU JUNE 30, 2009

Includes prior filing adjustments
Source: Last year's filing

	2008 JULY	2008 AUGUST	2008 SEPTEMBER	2008 OCTOBER	2008 NOVEMBER	2008 DECEMBER	2009 JANUARY	2009 FEBRUARY	2009 MARCH	2009 APRIL	2009 MAY	2009 JUNE	TOTAL
BEG. BALANCE-COMMODITY	(\$2,634,275.36)	(\$3,576,336.79)	(\$4,044,871.54)	(\$3,648,312.00)	(\$3,771,287.16)	(\$5,020,948.31)	(\$5,311,146.76)	(\$4,893,037.04)	(\$4,111,783.14)	(\$4,297,692.03)	(\$4,942,355.87)	(\$4,803,242.26)	(\$2,634,275.36)
COST OF GAS PURCHASED - COMMODITY													
Spot Market & Transportation	\$12,007,800.08	\$6,482,314.49	\$5,081,158.36	\$7,396,226.26	\$4,998,891.37	\$4,576,747.52	\$4,495,495.20	\$2,487,181.72	\$1,701,280.55	\$2,512,019.45	\$1,970,873.81	\$1,604,847.66	\$54,124,836.47
Supplier Suppliers-End Users	\$230,835.80	(\$92,782.65)	(\$57,120.28)	\$3,600.14	\$57,002.84	(\$111,035.03)	\$45,673.34	\$110,258.23	(\$62,830.64)	(\$119,692.62)	(\$51,001.83)	\$81,304.24	\$4,311.64
Storage Withdrawals	\$433,323.86	\$791,868.06	\$553,275.03	\$485,885.44	\$3,793,636.89	\$6,002,209.27	\$9,335,168.34	\$4,481,582.44	\$3,226,136.14	\$844,944.80	\$186,009.96	\$61,605.09	\$30,805,740.04
LNG Refund	\$541,379.08	\$445,604.98	\$417,223.93	\$284,468.87	\$322,038.49	\$338,429.81	\$1,752,432.00	\$1,863,338.92	\$438,831.90	\$155,865.25	\$480,089.86	\$308,980.72	\$7,327,074.41
LNG Refund/Vaporization													
LNG Inventory Adjustment	(\$679.89)	\$117.65	(\$443.00)	\$286,796.34	(\$216.76)	(\$514.13)	(\$51,779.02)	(\$231.39)		(\$54.48)	(\$3.40)	(\$2.27)	\$232,988.39
Consulting Fees													\$0.00
Taxes													\$0.00
TOTAL	\$13,212,658.83	\$7,627,123.65	\$5,984,094.04	\$7,396,987.05	\$9,041,352.83	\$11,403,837.44	\$15,576,969.86	\$8,952,128.92	\$6,303,363.46	\$3,383,235.73	\$2,506,418.00	\$2,036,735.44	\$92,494,926.25
Storage Injections	(\$5,685,067.57)	(\$4,758,277.33)	(\$3,440,803.22)	(\$3,021,648.42)	(\$1,812,719.86)	(\$1,724,380.76)	(\$2,592,478.87)	(\$91,065.99)	(\$81,340.54)	(\$1,074,612.55)	(\$1,447,643.38)	(\$1,152,887.87)	(\$26,882,938.44)
Off-System Sales													\$0.00
LNG Liquefaction & Fuel													\$0.00
TOTAL PURCHASED	(\$4,392,533.89)	(\$1,069,321.72)	(\$3,135,057.37)	(\$3,302,524.24)	(\$1,802,524.24)	(\$1,802,524.24)	(\$2,592,478.87)	(\$91,065.99)	(\$81,340.54)	(\$1,074,612.55)	(\$1,447,643.38)	(\$1,152,887.87)	(\$26,882,938.44)
COST OF GAS RECOVERED - COMMODITY													

CHATTANOOGA GAS COMPANY
COMPUTATION OF ACA FACTOR
EFFECTIVE DECEMBER 1, 2008

ALLOCATION OF ACA REFUND/SURCHARGE TO RATE CLASSIFICATION
BASED ON VOLUMES 12 MONTHS ENDED JUNE 30, 2008

RATE SCHEDULE	Contract Demand	Annual Commodity DT Sales	Demand	Commodity	TOTAL	Demand Per Unit DT	Demand Per Commodity Unit DT	Commodity Per Unit DT	TOTAL Per Commodity Unit DT
Firm Industrial (F-1&T-2)	12,637	202,003	\$ 270,989	\$ (133,051)	\$ 137,937	\$ 1.7870		\$ (0.6587)	
Interruptible Industrial (I-1)		81,691	-	(53,807)	(53,807)			\$ (0.6587)	
Med Com & Ind (C-2)	28,910	2,483,205	619,942	(1,635,588)		\$ 1.7870		\$ (0.6587)	
T-3	2,497		53,551	-		\$ 1.7870			
ALL OTHER (R-1, R-4, C-1)	94,874	4,389,474	2,034,465	(2,891,171)	(856,706)		\$ 0.4635	\$ (0.6587)	\$ (0.1952)
V-1									
TOTAL	138,918	7,156,373	\$ 2,978,946	\$ (4,713,616)	\$ (1,734,670)				

CHATTANOOGA GAS COMPANY
MCF SALES BY RATE CLASS
TWELVE MONTHS ENDED:

June 30, 2009

ATTACHMENT A
Page 3

Month	F-1	I-1	All Other	TOTAL	T-1, T-2 & T-3	TOTAL	SUMMER	WINTER	
Jan-09	13,850	19,030	1,123,680	1,156,560	722,656	1,846,336		1,156,560	16.2%
Feb-09	12,801	14,909	1,353,074	1,380,784	615,062	1,961,220		1,380,784	19.3%
Mar-09	14,089	6,163	961,143	981,395	643,800	1,611,106		981,395	13.7%
Apr-09	11,797	4,553	540,607	556,957	612,345	1,157,505		556,957	7.8%
May-09	7,468	4,099	298,468	310,035	550,867	853,434	310,035	310,035	4.3%
Jun-08	7,179	5,578	200,974	213,731	599,698	806,250	213,731	213,731	3.0%
Jul-08	57,416	6,481	187,508	251,405	657,271	851,259	251,405	251,405	3.5%
Aug-08	19,959	6,358	183,801	210,118	651,468	837,672	210,118	210,118	2.9%
Sep-08	10,479	4,949	193,117	208,545	633,339	831,405	208,545	208,545	2.9%
Oct-08	11,693	3,523	209,889	225,105	644,937	858,349	225,105	225,105	3.1%
Nov-08	21,198	3,208	540,093	564,499	641,007	1,183,521	564,499	564,499	7.9%
Dec-08	14,074	2,840	1,080,325	1,097,239	661,179	1,744,344	1,097,239	1,097,239	15.3%
TOTAL	202,003	81,691	6,872,679	7,156,373	7,633,629	14,542,401	1,418,939	5,737,434	100%

DEMAI											TOTAL Demand
Month	R - 1	R - 4	C - 1	C-2	T-1*	T-2	T-3	F - 1/T-2	T - 3	C-2	Determinates
Jan-09	644,016	1,196	137,059	341,409	482,695	191,568	45,302	12,661	2,656	29,335	44,652
Feb-09	756,994	1,626	184,438	410,016	414,858	161,961	38,243	12,564	2,616	28,610	43,790
Mar-09	508,091	964	124,013	328,075	430,369	179,736	33,695	12,444	2,613	29,984	45,041
Apr-09	288,770	641	53,031	198,165	423,147	162,518	26,680	12,444	2,613	28,784	43,841
May-09	132,181	327	27,955	138,005	395,028	134,178	21,661	12,366	2,613	28,511	43,490
Jun-08	78,555	278	17,322	104,819	429,870	150,169	19,659	12,144	2,686	28,588	43,418
Jul-08	67,727	298	14,731	104,752	480,706	159,024	17,541	13,406	2,160	29,408	44,974
Aug-08	63,431	298	13,131	106,941	467,739	165,570	18,159	13,385	2,209	28,704	44,298
Sep-08	68,768	326	12,093	111,930	454,377	157,519	21,443	12,553	2,345	28,704	43,602
Oct-08	85,418	387	14,328	109,756	450,461	165,716	28,760	12,979	2,485	28,516	43,980
Nov-08	310,676	749	40,462	188,206	452,588	172,529	15,890	12,040	2,453	28,419	42,912
Dec-08	618,236	1,231	119,727	341,131	442,231	179,302	39,646	12,659	2,518	29,356	44,533
TOTAL	3,622,863	8,321	758,290	2,483,205	5,324,069	1,979,790	326,679	151,645	29,967	346,919	528,531
								12,637	2,497	28,910	

CHATTANOOGA GAS COMPANY GAS TARIFF-- TRA NO. 1						
Effective:		10/1/2009		REFUNDS &	BILLING	CUMULATIV
		BASE RATE	PGA	SURCHARGES	RATE	E
R-1	WINTER (NOV - APR)					
Residential	Base Use Charge/Bill	\$12.00			\$12.00	
General Service	First 25 Therms	\$0.25444	\$0.7622	(0.0812)	\$0.9354	\$0.8910
	Next 25 Therms	\$0.17547	\$0.7622	(0.0812)	\$0.8564	\$0.8910
	Over 50 Therms	\$0.15354	\$0.7622	(0.0812)	\$0.8345	\$0.8910
	SUMMER (MAY - OCT)					
	Base Use Charge/Bill	\$10.00			\$10.00	
	First 25 Therms	\$0.19425	\$0.7622	(0.0812)	\$0.8652	\$0.8910
	Next 25 Therms	\$0.13180	\$0.7622	(0.0812)	\$0.8126	\$0.8910
	Over 50 Therms	\$0.03946	\$0.7622	(0.0812)	\$0.7204	\$0.8910
Air Conditioning	SUMMER (MAY - OCT)					
	Over 50 Therms	\$0.03046	\$0.5661	(0.0659)	\$0.5397	\$0.5002
Standby Service						
Demand Charge	Rate Per Therm of Input per Month	\$0.55000	\$0.7911	(0.0701)	\$1.2710	\$0.7210
R-4	WINTER (NOV - APR)					
Multi-Family	Base Use Charge/Unit	\$6.00			\$6.00	
Housing Service	Commodity Charge/Therm	\$0.21768	\$0.7622	(0.0812)	\$0.8966	\$0.8910
	SUMMER (MAY - OCT)					
	Base Use Charge/Bill	\$6.00			\$6.0000	
	Commodity Charge/Therm	\$0.19350	\$0.7622	(0.0812)	\$0.8745	\$0.8910
Air Conditioning	SUMMER (MAY - OCT)					
	Flat Rate / Therm	\$0.03046	\$0.5661	(0.0659)	\$0.5397	\$0.5002
C-1	WINTER (NOV - APR)					
Commercial & Industrial	Base Use Charge/Bill	\$20.00			\$20.00	
General Service	Flat Rate / Therms	\$0.18561	\$0.7622	(0.0812)	\$0.8666	\$0.8910
	SUMMER (MAY - OCT)					
	Base Use Charge/Bill	\$25.00			\$25.00	
	Flat Rate / Therms	\$0.14569	\$0.7622	(0.0812)	\$0.8269	\$0.8910
Air Conditioning	SUMMER (MAY - OCT)					
	Flat Rate / Therm	\$0.03946	\$0.5661	(0.0659)	\$0.5397	\$0.5002
Standby Service						
Demand Charge	Rate Per Therms of Input per Month	\$0.55000	\$0.7911	(0.0701)	\$1.2710	\$0.7210
C-2	WINTER (NOV - APR)					
Medium Commercial	Base Use Charge/Bill	\$75.00			\$75.00	
And Industrial General	First 3,000 Therms	\$0.16744	\$0.6311	(0.0659)	\$0.75266	\$0.5652
Service	Next 2,000 Therms	\$0.17109	\$0.6311	(0.0659)	\$0.73631	\$0.5652
	Next 10,000 Therms	\$0.16666	\$0.6311	(0.0659)	\$0.73188	\$0.5652
	Over 15,000 Therms	\$0.08623	\$0.6311	(0.0659)	\$0.65145	\$0.5652
	SUMMER (MAY - OCT)					
	Base Use Charge/Bill	\$75.00			\$75.00000	
	First 3,000 Therms	\$0.14717	\$0.6311	(0.0659)	\$0.71239	\$0.5652
	Next 2,000 Therms	\$0.11683	\$0.6311	(0.0659)	\$0.66205	\$0.5662
	Next 10,000 Therms	\$0.10692	\$0.6311	(0.0659)	\$0.67414	\$0.5652
	Over 15,000 Therms	\$0.08623	\$0.6311	(0.0659)	\$0.65145	\$0.5652
Demand Charge	Rate per Unit of Billing Demand Per Dth	\$5.50000	\$7.9108	(0.7007)	\$12.7101	\$7.2101
F-1	Base Use Charge	\$300.00			\$300.0000	
Large Volume	Demand Charge / Demand Unit	\$5.50	\$7.9108	(0.7007)	\$12.7101	\$7.2101
Firm Service	Commodity Charge / Dth	\$0.6064	\$6.3112	(0.6587)	\$6.4569	\$5.6525
	First 1,500 Dths	\$0.6891	\$6.3112	(0.6587)	\$6.3416	\$5.6525
	Next 2,500 Dths	\$0.3908	\$6.3112	(0.6587)	\$6.0433	\$5.6525
	Next 11,000 Dths	\$0.2402	\$6.3112	(0.6587)	\$5.8927	\$5.6525
I-1	Base Use Charge	\$300.00			\$300.0000	
Interruptible Service	Commodity Charge/Dth	\$0.6064	\$5.6609	(0.6587)	\$5.8066	\$5.0022
	First 1,500 Dths	\$0.6891	\$5.6609	(0.6587)	\$5.6913	\$5.0022
	Next 2,500 Dths	\$0.3908	\$5.6609	(0.6587)	\$5.3930	\$5.0022
	Next 11,000 Dths	\$0.2402	\$5.6609	(0.6587)	\$5.2424	\$5.0022
T-1	Customer Charge	\$300.00			\$300.0000	
Interruptible Transportation	Transportation Charge/Dth	\$0.6064		0.0000	\$0.6064	\$0.0000
Service	First 1,500 Dths	\$0.6891		0.0000	\$0.6891	\$0.0000
	Next 2,500 Dths	\$0.3908		0.0000	\$0.3908	\$0.0000
	Next 11,000 Dths	\$0.2402		0.0000	\$0.2402	\$0.0000
	System Capacity Charge/Dth	\$1.3500			\$1.3500	\$0.0000
T-2	Customer Charge	\$300.00			\$300.0000	
Interruptible Transportation	Demand Charge/Demand Unit	\$5.50	\$7.9108	(0.7007)	\$12.7101	\$7.2101
Service with Firm Backup	Transportation Charge/Dth	\$0.6064		0.0000	\$0.6064	\$0.0000
	First 1,500 Dths	\$0.6891		0.0000	\$0.6891	\$0.0000
	Next 2,500 Dths	\$0.3908		0.0000	\$0.3908	\$0.0000
	Next 11,000 Dths	\$0.2402		0.0000	\$0.2402	\$0.0000
T-3	WINTER (NOV - APR)					
Low Volume Transport	Base Use Charge/Bill	\$75.00			\$75.00	
General Service	First 3,000 Therms	\$0.16744		0.0000	\$0.16744	\$0.0000 a/
	Next 2,000 Therms	\$0.17109		0.0000	\$0.17109	\$0.0000 a/
	Next 10,000 Therms	\$0.16666		0.0000	\$0.16666	\$0.0000 a/
	Over 15,000 Therms	\$0.08623		0.0000	\$0.08623	\$0.0000 a/
	SUMMER (MAY - OCT)					
	Base Use Charge/Bill	\$75.00			\$75.00	
	First 3,000 Therms	\$0.14717		0.0000	\$0.14717	\$0.0000 a/
	Next 2,000 Therms	\$0.11683		0.0000	\$0.11683	\$0.0000 a/
	Next 10,000 Therms	\$0.10692		0.0000	\$0.10692	\$0.0000 a/
	Over 15,000 Therms	\$0.08623		0.0000	\$0.08623	\$0.0000 a/
Demand Charge	Rate per Unit of Billing Demand Per Dth	\$5.50000	\$7.9108	(0.7007)	\$12.71010	\$7.2101
V-1	Base Use Charge / Bill	\$17.50			\$17.5000	
Natural Gas Vehicle	Flat Rate / Therms	\$0.0395	\$0.6571	0.0000	\$0.6966	\$0.6571

a/The C-2 PGA is applicable to all gas consumed by a T-3 Customer in excess of the gas that the Customer has delivered to the Company's City Gate.

CURRENT LEVEL OF SURCHARGES AND REFUND CREDITS

AMOUNTS INDICATED BELOW APPLY TO THE BILLING DETERMINANTS
OF EACH INDIVIDUAL TARIFF

	F-1	F-1	I-1	T-2	T-3	R-1	R-4	C-1	C-2	C-2	A/C	V-1
	Commercial and Industrial Large Volume Firm Sales Service Demand	Commercial and Industrial Large Volume Firm Sales Service Commodity	Commercial and Industrial Interruptible Sales Service Commodity	Interruptible Transportation Service With Firm Gas Supply Backup Demand	Low Volume Transport Demand	Residential	Multi-Fam	Small Commercial and Industrial	Medium Commercial and Industrial Demand	Medium Commercial and Industrial Commodity	Residential and Commercial Air Conditioning	Natural Gas Vehicle Service
Billing Unit:	DT	DT	DT	DT	DT	Therm	Therm	Therm	DT	Therm	Therm	Therm
IMCR Refund	(2.4877)	0.0000	0.0000	(2.4877)	(2.4877)	(0.0817)	(0.0817)	(0.0817)	(2.4877)	0.0000	0.0000	0.0000
ACA 10-08*	1.7870	(0.6587)	(0.6587)	1.7870	1.7870	(0.0195)	(0.0195)	(0.0195)	1.7870	(0.0659)	(0.0659)	0.0000
TOTAL	(0.7007)	(0.6587)	(0.6587)	(0.7007)	(0.7007)	(0.0812)	(0.0812)	(0.0812)	(0.7007)	(0.0659)	(0.0659)	0.0000

*IMCR refund made effective July 1, 2008 terminated Effective June 30, 2009.

** Effective October 1, 2009. ACA 12-08 Effective December 1, 2008 terminated September 30, 2009.

EFFECTIVE: October 1, 2009