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February 11, 2010

**VIA HAND DELIVERY**

Chairman Sara Kyle  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-00505

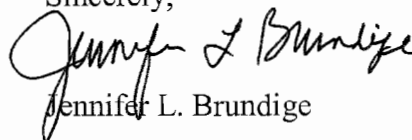
Re: Docket No. 09-00183

Dear Chairman Kyle:

Chattanooga Gas Company ("Company") is filing in the above referenced docket one copy of its responses to certain discovery requests propounded by the Consumer Advocate and Protection Division ("CAPD") of the Office of Attorney General. Portions of this filing contain confidential information and are being submitted under seal in good faith reliance on the entry of the TRA's standard protective order filed by the Company.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

  
Jennifer L. Brundige

Enclosures

cc: Gary Hotvedt, Esq.  
Pat Murphy  
Cynthia Kinser, Esq.  
C. Scott Jackson, Esq.  
Ryan McGehee, Esq.  
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Elizabeth Wade, Esq.  
Archie Hickerson

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Chattanooga Gas Company  
Docket Number 09-00183  
CAPD  
Question 34  
2/11/2010  
1 of 1

**DISCOVERY REQUEST NO. 34:**

Provide the volumes by month for years 2004-2009 for each of the following miscellaneous revenues: Reconnect Charges, Service Establishment, Returned Check, Late Payment, Service Work, Damage Billing, and Miscellaneous.

**Response:**

Please see Attachment 34-1 for a breakout of Miscellaneous charges from 2004-2009. We are unable to provide volumes for Late Payments, Service Work, Damage Billing, and Miscellaneous due to the fact they do not have billing determinants associated with them, Revenues are included in the place of volumes. Late Payment Fees are charged at a rate of 5% of the net billing amount.

# Chattanooga Gas

## Miscellaneous Revenues

Chattanooga Gas Company  
Docket No. 09-00183  
CAPD Question 1-34  
Attachment 34-1

|                                        | Jan 2004 | Feb 2004 | Mar 2004 | Apr 2004 | May 2004 | Jun 2004 | Jul 2004 | Aug 2004 | Sep 2004 | Oct 2004  | Nov 2004 | Dec 2004 |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|
| Reconnect Charges                      | \$4,351  | \$8,729  | \$8,489  | \$8,129  | \$6,361  | \$5,813  | \$2,550  | \$3,601  | \$4,193  | \$9,419   | \$13,537 | \$9,501  |
| 407100 Reconnect Charge - Firm         | \$285    | \$315    | \$270    | \$30     | \$30     | \$120    | \$50     | \$285    | \$585    | \$4,167   | \$5,000  | \$1,650  |
| 407101 Seasonal Reconnect Change       | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50      | \$50     | \$50     |
| Per Customer Charge                    | 93       | 181      | 175      | 163      | 128      | 119      | 51       | 78       | 96       | 272       | 371      | 223      |
| Number of Reconnects                   |          |          |          |          |          |          |          |          |          |           |          |          |
| Service Establishme                    | \$12,000 | \$10,760 | \$9,524  | \$8,653  | \$7,876  | \$10,050 | \$9,658  | \$10,130 | \$9,703  | \$15,674  | \$16,765 | \$14,858 |
| 407102 Turn-on Charge- Firm            | \$55     | \$55     | \$55     | \$55     | \$55     | \$55     | \$55     | \$55     | \$55     | \$110     | \$110    | \$110    |
| 407104 Establish Service- SONP         | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15      | \$15     | \$15     |
| Per Customer Charge                    | 804      | 717      | 635      | 581      | 525      | 670      | 644      | 675      | 651      | 1,052     | 1,118    | 991      |
| Number of Turn-Ons                     |          |          |          |          |          |          |          |          |          |           |          |          |
| 407103 Meter Set Charge- Firm          | \$4,972  | \$3,550  | \$3,475  | \$2,700  | \$2,200  | \$3,025  | \$2,423  | \$2,525  | \$2,900  | \$5,075   | \$6,424  | \$7,349  |
| Per Customer Charge                    | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25      | \$25     | \$25     |
| Number of Turn-Ons                     | 199      | 142      | 139      | 108      | 88       | 121      | 97       | 101      | 116      | 203       | 257      | 294      |
| Returned Check Che                     | \$1,560  | \$2,620  | \$2,180  | \$1,320  | \$1,560  | \$1,020  | \$900    | \$1,380  | \$960    | \$960     | \$900    | \$900    |
| Per Customer Charge                    | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20      | \$20     | \$20     |
| Number of Returned Checks              | 78       | 131      | 109      | 96       | 78       | 51       | 45       | 69       | 48       | 48        | 45       | 45       |
| Late Payment Fees                      | \$76,316 | \$71,612 | \$97,229 | \$56,875 | \$22,205 | \$27,499 | \$10,212 | \$12,478 | \$16,425 | \$10,396  | \$16,287 | \$25,952 |
| 407050 Late Payment Fees               |          |          |          |          |          |          |          |          |          |           |          |          |
| Service Work                           |          |          |          |          |          |          |          |          |          |           |          |          |
| 407120 Reg Servicework-Revenue         |          |          |          |          |          |          |          |          |          |           |          |          |
| 407140 Jobbing Generation Appl. Pay    | -\$124   | -\$11    | -\$157   | \$6      | -\$42    | -\$90    | -\$38    | -\$26    | -\$226   | -\$89     |          | -\$32    |
| 407142 Jobbing Generation Appl. Mail   | -\$109   | -\$26    | -\$239   | -\$225   | -\$399   |          | -\$61    |          |          | -\$5      | -\$179   |          |
| 407144 Jobbing Labor Additives         | \$110    | \$110    | \$25     | \$25     |          |          |          |          |          |           |          |          |
| Total                                  | -\$124   | \$74     | -\$386   | -\$194   | -\$441   | -\$90    | -\$98    | -\$26    | -\$226   | -\$94     | -\$179   | -\$32    |
| Damage Billing                         |          |          |          |          |          |          |          |          |          |           |          |          |
| 450100 Damage Billing - Mains          | \$1,086  | \$4,843  | \$6,475  | \$2,917  | \$5,227  | \$17,132 | \$1,415  | \$6,245  | \$1,050  | \$6,041   | \$2,932  | \$5,418  |
| 450200 Damage Billing - Services       | \$2,841  | \$5,051  | \$5,315  | \$6,550  | \$2,373  | \$8,694  | \$252    | \$7,814  | \$2,755  | \$6,041   | \$9,143  | \$5,418  |
| Total                                  | \$3,927  | \$9,894  | \$11,790 | \$9,467  | \$7,600  | \$25,827 | \$1,667  | \$14,059 | \$3,805  | \$6,041   | \$12,074 | \$5,418  |
| Miscellaneous                          |          |          |          |          |          |          |          |          |          |           |          |          |
| 450500 Lost and Unaccounted For Gas    | \$30     | \$70     | \$353    | \$161    | \$261    | \$842    | \$71     | \$443    | \$52     | \$58      | \$300    |          |
| 407110 Gas Management Fee              | -\$2     | -\$2     | \$0      | -\$3     | -\$1     | -\$4     | -\$4     | -\$5     | -\$3     | -\$2      | -\$2     | -\$4     |
| 407200 Rent from Gas Property          |          |          | \$45     |          |          |          |          |          | \$45     |           |          | \$45     |
| 407500 Miscellaneous Operating Revenue |          |          |          |          |          |          |          |          |          |           |          |          |
| 610100 Purchased Gas Exp               | \$29     | \$68     | \$398    | \$6,503  | \$260    | \$838    | \$66     | \$438    | \$95     | -\$66,732 | \$6,670  | \$41     |
| SubTotal                               |          |          |          |          |          |          |          |          |          |           |          |          |
| Less Cost of Gas Sold                  |          |          |          |          |          |          |          |          |          |           |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          |          |           |          |          |
| (Orderant - Not recovered through PGA) |          |          |          |          |          |          |          |          |          |           |          |          |
| Total                                  | \$29     | \$68     | \$398    | \$159    | \$260    | \$838    | \$66     | \$438    | \$95     | -\$66,676 | \$6,670  | \$41     |

## Chattanooga Gas Miscellaneous Revenues

|                                        | Jan 2005 | Feb 2005 | Mar 2005 | Apr 2005 | May 2005 | Jun 2005 | Jul 2005 | Aug 2005 | Sep 2005 | Oct 2005  | Nov 2005 | Dec 2005 |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|
| <b>Reconnect Charges</b>               |          |          |          |          |          |          |          |          |          |           |          |          |
| 407100 Reconnect Charge - Firm         | \$8,762  | \$13,843 | \$13,316 | \$11,774 | \$14,251 | \$10,797 | \$7,821  | \$6,978  | \$7,815  | \$11,845  | \$22,524 | \$6,883  |
| 407101 Seasonal Reconnect Change       | \$550    | \$250    | \$109    | -\$9     | \$150    | \$50     | \$219    | \$145    | \$532    | \$2,513   | \$6,892  | \$1,311  |
| Per Customer Charge                    | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50      | \$50     | \$50     |
| Number of Reconnects                   | 186      | 282      | 269      | 235      | 288      | 217      | 163      | 142      | 167      | 287       | 588      | 164      |
| <b>Service Establishment</b>           |          |          |          |          |          |          |          |          |          |           |          |          |
| 407102 Turn-on Charge- Firm            | \$10,118 | \$10,078 | \$11,646 | \$7,173  | \$9,043  | \$9,791  | \$9,827  | \$10,092 | \$8,893  | \$9,727   | \$22,326 | \$15,264 |
| 407104 Establish Service- SONP         | \$165    |          |          |          | \$55     | \$60     | \$60     | \$55     | -\$5     | \$60      | \$100    | \$60     |
| Per Customer Charge                    | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15      | \$15     | \$15     |
| Number of Turn-Ons                     | 686      | 672      | 776      | 478      | 607      | 653      | 659      | 676      | 593      | 652       | 1,499    | 1,022    |
| <b>Returned Check Charge</b>           |          |          |          |          |          |          |          |          |          |           |          |          |
| 407103 Meter Set Charge- Firm          | \$4,575  | \$4,475  | \$3,193  | \$2,229  | \$2,450  | \$2,700  | \$2,729  | \$2,473  | \$2,120  | \$3,987   | \$5,161  | \$5,244  |
| Per Customer Charge                    | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25      | \$25     | \$25     |
| Number of Turn-Ons                     | 183      | 179      | 128      | 89       | 98       | 108      | 109      | 99       | 85       | 159       | 206      | 210      |
| <b>Returned Check Charge</b>           |          |          |          |          |          |          |          |          |          |           |          |          |
| 407090 Returned Check -Marketer        | \$1,160  | \$2,080  | \$2,180  | \$1,660  | \$1,160  | \$500    | \$1,160  | \$740    | \$740    | \$560     | \$780    | \$880    |
| Per Customer Charge                    | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20      | \$20     | \$20     |
| Number of Returned Checks              | 58       | 104      | 109      | 83       | 58       | 25       | 58       | 37       | 37       | 28        | 39       | 44       |
| <b>Late Payment Fees</b>               |          |          |          |          |          |          |          |          |          |           |          |          |
| 407050 Late Payment Fees               | \$61,383 | \$67,233 | \$72,332 | \$59,453 | \$79,800 | \$37,067 | \$7,520  | \$9,879  | \$62,247 | -\$35,625 | \$15,955 | \$41,293 |
| <b>Service Work</b>                    |          |          |          |          |          |          |          |          |          |           |          |          |
| 407120 Reg Servicework-Revenue         | \$5      |          | -\$56    | -\$16    |          |          |          |          | \$2,300  |           |          |          |
| 407140 Jobbing Generation Appl. Pay    |          | -\$69    |          |          | -\$69    | -\$135   |          |          | -\$135   | -\$134    |          |          |
| 407142 Jobbing Generation Appl. Mail   |          |          |          |          |          |          |          |          |          |           |          |          |
| 407144 Jobbing Labor Additives         |          | -\$69    | -\$56    | -\$16    | -\$69    | -\$135   | \$0      | \$0      | \$2,186  | -\$134    | \$0      | \$0      |
| <b>Total</b>                           |          |          |          |          |          |          |          |          |          |           |          |          |
| <b>Damage Billing</b>                  |          |          |          |          |          |          |          |          |          |           |          |          |
| 450100 Damage Billing - Mains          | \$1,711  | \$4,174  |          |          | \$4,755  | \$1,563  | \$19,605 | \$3,727  | -\$1,544 | \$3,168   | \$9,779  | \$1,473  |
| 450200 Damage Billing - Services       | \$100    | \$2,006  | \$1,240  | \$1,821  | \$7,505  | \$3,605  | \$7,417  | \$667    | \$12,490 | \$5,247   | \$1,855  | \$6,455  |
| <b>Total</b>                           | \$1,811  | \$6,180  | \$1,240  | \$1,821  | \$12,260 | \$5,168  | \$27,022 | \$4,394  | \$10,946 | \$8,415   | \$11,634 | \$7,928  |
| <b>Miscellaneous</b>                   |          |          |          |          |          |          |          |          |          |           |          |          |
| 450500 Lost and Unaccounted For Gas    | \$86     | \$188    |          |          | \$233    | \$57     | \$945    | \$186    | -\$79    | \$158     | \$441    | \$74     |
| 407110 Gas Management Fee              | -\$3     | -\$2     | -\$2     | -\$2     | -\$7     | -\$7     | -\$2     | -\$4     | -\$4     | -\$3      | -\$2     | -\$5     |
| 407200 Rent from Gas Property          |          | \$45     |          |          |          | \$45     |          |          |          |           | \$45     |          |
| 407500 Miscellaneous Operating Revenue |          |          |          |          |          |          |          |          |          |           |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          | -\$637   |           |          |          |
| <b>SubTotal</b>                        | \$83     | \$231    | -\$2     | -\$2     | \$227    | \$95     | \$943    | \$182    | -\$720   | \$155     | \$7,784  | \$69     |
| Less Cost of Gas Sold                  |          |          |          |          |          |          |          |          |          |           |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          |          |           |          |          |
| (Oderant - Not recovered through PGA)  |          |          |          |          |          |          |          |          |          |           |          |          |
| <b>Total</b>                           | \$83     | \$231    | -\$2     | -\$2     | \$227    | \$95     | \$943    | \$182    | -\$720   | \$155     | \$7,299  | \$69     |

## Chattanooga Gas Miscellaneous Revenues

|                                        | Jan 2006 | Feb 2006 | Mar 2006 | Apr 2006 | May 2006 | Jun 2006 | Jul 2006 | Aug 2006 | Sep 2006 | Oct 2006 | Nov 2006 | Dec 2006 |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Reconnect Charges</b>               |          |          |          |          |          |          |          |          |          |          |          |          |
| 407100 Reconnect Charge - Firm         | \$6,847  | \$5,485  | \$6,366  | \$8,700  | \$14,447 | \$13,347 | \$7,939  | \$10,750 | \$9,240  | \$21,474 | \$9,622  | \$4,593  |
| 407101 Seasonal Reconnect Charge       | \$376    | \$505    | \$8      | \$159    | \$259    | -\$23    | \$55     | \$323    | \$1,611  | \$4,996  | \$2,406  | \$1,016  |
| Per Customer Charge                    | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     |
| Number of Reconnects                   | 144      | 120      | 127      | 177      | 294      | 266      | 160      | 221      | 217      | 529      | 241      | 112      |
| <b>Service Establishment</b>           |          |          |          |          |          |          |          |          |          |          |          |          |
| 407102 Turn-on Charge- Firm            | \$10,010 | \$9,809  | \$8,737  | \$6,686  | \$8,719  | \$9,312  | \$8,028  | \$9,766  | \$8,693  | \$18,230 | \$16,240 | \$11,777 |
| 407104 Establish Service- SONP         | -\$5     |          |          |          |          |          |          |          |          | \$55     | \$77     | \$48     |
| Per Customer Charge                    | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     |
| Number of Turn-Ons                     | 667      | 654      | 582      | 446      | 581      | 621      | 535      | 651      | 590      | 1,219    | 1,088    | 788      |
| <b>407103 Meter Set Charge- Firm</b>   |          |          |          |          |          |          |          |          |          |          |          |          |
| Per Customer Charge                    | \$3,898  | \$3,592  | \$2,915  | \$2,101  | \$1,817  | \$2,396  | \$1,667  | \$2,626  | \$2,547  | \$4,735  | \$5,041  | \$6,147  |
| Number of Turn-Ons                     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     |
|                                        | 156      | 144      | 117      | 84       | 73       | 96       | 67       | 105      | 102      | 189      | 202      | 246      |
| <b>Returned Check Che</b>              |          |          |          |          |          |          |          |          |          |          |          |          |
| 407090 Returned Check -Marketer        | \$1,200  | \$720    | \$900    | \$1,300  | \$1,020  | \$1,400  | \$935    | \$940    | \$900    | \$1,060  | \$460    | \$1,260  |
| Per Customer Charge                    | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     |
| Number of Returned Checks              | 60       | 36       | 45       | 65       | 51       | 70       | 47       | 47       | 45       | 53       | 23       | 63       |
| <b>Late Payment Fees</b>               |          |          |          |          |          |          |          |          |          |          |          |          |
| 407050 Late Payment Fees               | \$67,388 | \$88,222 | \$69,648 | \$53,886 | \$34,962 | \$16,386 | \$24,573 | \$21,385 | \$7,723  | \$19,174 | \$29,310 | \$63,496 |
| <b>Service Work</b>                    |          |          |          |          |          |          |          |          |          |          |          |          |
| 407120 Reg Servicework-Revenue         |          |          |          |          |          |          |          |          |          |          |          | -\$16    |
| 407140 Jobbing Generation Appl. Pay    |          |          | -\$319   |          | -\$135   |          |          |          |          |          |          | \$80     |
| 407142 Jobbing Generation Appl. Matl   |          |          | -\$319   |          | -\$135   |          |          |          |          |          |          | \$64     |
| 407144 Jobbing Labor Additives         |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                  | \$0      | \$0      | -\$319   | \$0      | -\$135   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| <b>Damage Billing</b>                  |          |          |          |          |          |          |          |          |          |          |          |          |
| 450100 Damage Billing - Mains          |          | \$6,902  | \$1,330  |          | \$6,110  | \$941    | \$4,050  |          | \$21,204 | -\$1,334 | \$1,718  | \$6,655  |
| 450200 Damage Billing - Services       | -\$891   | \$9,364  |          |          | \$12,589 | \$4,281  | \$9,658  |          | \$20,895 | \$1,105  | \$5,630  | \$8,113  |
| Total                                  | -\$891   | \$16,265 | \$1,330  | \$0      | \$18,699 | \$5,223  | \$13,708 | \$0      | \$42,099 | -\$230   | \$7,348  | \$14,767 |
| <b>Miscellaneous</b>                   |          |          |          |          |          |          |          |          |          |          |          |          |
| 450500 Lost and Unaccounted For Gas    |          | \$345    |          |          | \$407    | \$60     | \$162    |          | \$1,083  | -\$67    | \$90     | \$310    |
| 407110 Gas Management Fee              | -\$2     | -\$3     | -\$2     | \$0      | -\$2     | -\$7     | -\$7     | -\$11    | -\$7     | -\$5     | \$0      | -\$3     |
| 407200 Rent from Gas Property          |          |          |          |          |          |          |          |          |          |          |          |          |
| 407500 Miscellaneous Operating Revenue |          |          |          |          |          |          |          |          |          |          |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          |          |          |          |          |
| SubTotal                               | -\$2     | \$342    | -\$2     | \$0      | \$405    | \$53     | \$155    | -\$11    | \$21,285 | \$245    | \$90     | \$307    |
| Less Cost of Gas Sold                  |          |          |          |          |          |          |          |          |          |          |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          |          |          |          |          |
| (Oderant - Not recovered through PGA)  |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                  | -\$2     | \$342    | -\$2     | \$0      | \$405    | \$53     | \$155    | -\$11    | \$21,285 | \$245    | \$90     | \$307    |

## Chattanooga Gas

### Miscellaneous Revenues

|                                                    | Jan 2007 | Feb 2007 | Mar 2007 | Apr 2007 | May 2007 | Jun 2007 | Jul 2007 | Aug 2007 | Sep 2007 | Oct 2007 | Nov 2007 | Dec 2007 |
|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Reconnect Charges 407100 Reconnect Charge - Firm   | \$2,424  | \$3,961  | \$8,876  | \$13,204 | \$4,875  | \$8,774  | \$7,408  | \$11,325 | \$7,500  | \$14,884 | \$15,669 | \$4,953  |
| 407101 Seasonal Reconnect Charge                   | \$221    | \$191    | \$145    | \$314    | \$82     | \$45     | -\$5     | \$164    | \$478    | \$3,341  | \$4,412  | \$963    |
| Per Customer Charge                                | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     |
| Number of Reconnects                               | 53       | 83       | 180      | 270      | 99       | 176      | 148      | 230      | 160      | 365      | 402      | 118      |
| Service Establishme407102 Turn-on Charge- Firm     | \$10,670 | \$9,638  | \$8,326  | \$8,528  | \$8,368  | \$9,463  | \$8,753  | \$9,534  | \$7,364  | \$13,099 | \$19,162 | \$9,200  |
| 407104 Establish Service- SONP                     | -\$5     | \$27     | -\$2     | \$27     | -\$2     | \$15     | \$15     | \$15     | \$15     | \$137    | \$125    | \$16     |
| Per Customer Charge                                | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     |
| Number of Turn-Ons                                 | 711      | 644      | 555      | 570      | 558      | 631      | 584      | 636      | 491      | 882      | 1,286    | 614      |
| 407103 Meter Set Charge- Firm                      | \$4,029  | \$3,542  | \$2,125  | \$1,786  | \$1,770  | \$1,283  | \$1,898  | \$1,522  | \$1,550  | \$3,516  | \$6,324  | \$3,398  |
| Per Customer Charge                                | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     |
| Number of Returned Checks                          | 161      | 142      | 85       | 71       | 71       | 51       | 76       | 61       | 62       | 141      | 253      | 136      |
| Returned Check Che 407090 Returned Check -Marketer | \$1,320  | \$1,440  | \$920    | \$1,600  | \$2,140  | \$1,140  | \$1,060  | \$920    | \$680    | \$880    | \$560    | \$1,220  |
| Per Customer Charge                                | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     |
| Number of Returned Checks                          | 66       | 72       | 46       | 80       | 107      | 57       | 53       | 46       | 34       | 44       | 28       | 61       |
| Late Payment Fees 407050 Late Payment Fees         | \$65,852 | \$69,479 | \$75,869 | \$44,054 | \$28,887 | \$20,303 | \$14,035 | \$16,161 | \$10,609 | \$17,965 | \$13,554 | \$25,008 |
| Service Work                                       |          |          |          |          |          |          |          |          |          |          |          |          |
| 407120 Reg Servicework-Revenue                     |          |          |          |          | -\$17    | \$5      |          |          |          |          |          | -\$36    |
| 407140 Jobbing Generation Appl. Pay                |          |          |          |          |          |          |          |          |          |          |          |          |
| 407142 Jobbing Generation Appl. Matl               |          |          |          | \$1      |          |          |          |          |          |          |          |          |
| 407144 Jobbing Labor Additives                     |          |          |          |          | -\$17    | \$5      |          |          |          |          |          | -\$36    |
| Total                                              | \$0      | \$0      | \$0      | \$1      |          |          |          |          | \$0      | \$0      | \$0      |          |
| Damage Billing                                     |          |          |          |          |          |          |          |          |          |          |          |          |
| 450100 Damage Billing - Mains                      |          | \$3,502  | \$1,271  |          | \$4,343  | \$8,501  | \$2,086  | \$1,655  | \$1,087  |          |          | \$3,757  |
| 450200 Damage Billing - Services                   | \$3,429  | \$2,197  | \$2,485  | \$4,590  | \$991    | \$12,250 | \$8,227  | \$1,690  | \$7,473  | \$5,787  | \$1,519  | \$3,211  |
| Total                                              | \$3,429  | \$5,699  | \$3,756  | \$4,590  | \$5,334  | \$20,752 | \$10,313 | \$3,345  | \$8,560  | \$5,787  | \$1,519  | \$6,968  |
| Miscellaneous                                      |          |          |          |          |          |          |          |          |          |          |          |          |
| 450500 Lost and Unaccounted For Gas                |          | \$175    | \$64     |          | \$217    | \$374    | \$104    | \$83     | \$164    | -\$109   | -\$2     | \$181    |
| 407110 Gas Management Fee                          | \$0      | \$0      | -\$2     | \$0      | -\$1     | -\$2     | -\$8     | -\$6     | -\$7     | -\$1     | -\$2     | -\$1     |
| 407200 Rent from Gas Property                      |          |          |          |          |          |          |          |          |          |          |          |          |
| 407500 Miscellaneous Operating Revenue             |          |          |          |          |          |          |          |          |          | -\$1,022 |          |          |
| 610100 Purchased Gas Exp                           |          |          |          |          |          |          |          |          |          |          |          |          |
| SubTotal                                           | \$0      | \$175    | \$62     | \$0      | \$216    | \$372    | \$97     | \$77     | \$157    | -\$1,133 | -\$2     | \$180    |
| Less Cost of Gas Sold                              |          |          |          |          |          |          |          |          |          |          |          |          |
| 610100 Purchased Gas Exp                           |          |          |          |          |          |          |          |          |          |          |          |          |
| (Oderant - Not recovered through PGA)              |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                              | \$0      | \$175    | \$62     | \$0      | \$216    | \$372    | \$97     | \$77     | \$157    | -\$1,133 | -\$2     | \$180    |

# Chattanooga Gas

### Miscellaneous Revenues

|                                       | Jan 2008                               | Feb 2008 | Mar 2008 | Apr 2008 | May 2008 | Jun 2008 | Jul 2008 | Aug 2008 | Sep 2008 | Oct 2008 | Nov 2008 | Dec 2008 |          |
|---------------------------------------|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Reconnect Charges                     | 407100 Reconnect Charge - Firm         | \$5,140  | \$6,501  | \$5,142  | \$5,974  | \$6,383  | \$7,007  | \$9,350  | \$9,534  | \$6,059  | \$19,020 | \$11,546 | \$7,727  |
|                                       | 407101 Seasonal Reconnect Change       | \$545    | \$109    | -\$11    | \$105    | -\$9     | \$55     | \$159    | -\$14    | \$710    | \$4,310  | \$3,290  | \$887    |
|                                       | Per Customer Charge                    | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     |
|                                       | Number of Reconnects                   | 114      | 132      | 103      | 122      | 127      | 141      | 190      | 190      | 135      | 467      | 297      | 172      |
| Service Establishment                 | 407102 Turn-on Charge- Firm            | \$10,968 | \$10,995 | \$7,339  | \$6,882  | \$8,006  | \$7,756  | \$8,567  | \$8,595  | \$7,788  | \$14,606 | \$14,336 | \$11,732 |
|                                       | 407104 Establish Service- SONP         | -\$2     |          |          |          |          |          |          |          | \$55     | \$187    | \$11     | \$52     |
|                                       | Per Customer Charge                    | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     |
|                                       | Number of Turn-Ons                     | 731      | 733      | 489      | 459      | 534      | 517      | 571      | 573      | 523      | 986      | 956      | 786      |
|                                       | 407103 Meter Set Charge- Firm          | \$4,496  | \$2,786  | \$1,594  | \$1,613  | \$1,268  | \$1,695  | \$1,516  | \$1,741  | \$2,299  | \$4,949  | \$5,271  | \$4,840  |
|                                       | Per Customer Charge                    | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     | \$25     |
|                                       | Number of Turn-Ons                     | 180      | 111      | 64       | 65       | 51       | 66       | 61       | 70       | 92       | 198      | 211      | 194      |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
| Returned Check Chg                    | 407090 Returned Check -Marketer        | \$1,340  | \$1,700  | \$1,520  | \$1,300  | \$980    | \$1,340  | \$1,620  | \$480    | \$1,340  | \$600    | \$1,220  | \$960    |
|                                       | Per Customer Charge                    | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     |
|                                       | Number of Returned Checks              | 67       | 85       | 76       | 65       | 49       | 67       | 81       | 24       | 67       | 30       | 61       | 48       |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
| Late Payment Fees                     | 407050 Late Payment Fees               | \$61,615 | \$63,036 | \$74,463 | \$60,176 | \$39,702 | \$21,551 | \$18,336 | \$16,541 | \$14,923 | \$15,416 | \$14,444 | \$36,855 |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
| Service Work                          | 407120 Reg Servicework-Revenue         |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       | 407140 Jobbing Generation Appl. Pay    | -\$12    |          |          |          |          |          |          |          |          |          |          |          |
|                                       | 407142 Jobbing Generation Appl. Matl   |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       | 407144 Jobbing Labor Additives         |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                 |                                        | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Damage Billing                        | 450100 Damage Billing - Mains          | \$3,513  |          | \$2,931  | \$2,431  | \$1,300  | \$3,112  | \$3,350  | \$566    | \$10,455 | \$2,835  | \$3,103  | \$10,923 |
|                                       | 450200 Damage Billing - Services       | \$8,785  | -\$650   | \$1,978  | \$1,986  | \$2,311  | \$7,862  | \$3,653  | \$1,953  | \$8,347  | \$4,659  | \$4,763  | \$3,113  |
|                                       | Total                                  | \$12,298 | -\$650   | \$4,909  | \$4,417  | \$3,611  | \$10,974 | \$7,003  | \$2,519  | \$18,802 | \$7,494  | \$7,867  | \$14,036 |
|                                       |                                        |          |          |          |          |          |          |          |          |          |          |          |          |
| Miscellaneous                         | 450500 Lost and Unaccounted For Gas    | \$255    |          | \$147    | \$122    | \$65     | \$193    | \$87     | \$49     | \$523    | \$142    | \$218    | \$546    |
|                                       | 407110 Gas Management Fee              | -\$1     | -\$2     | -\$2     | -\$1     | -\$2     | -\$3     | -\$3     | -\$1     | -\$1     | -\$2     | -\$2     | -\$2     |
|                                       | 407200 Rent from Gas Property          |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       | 407500 Miscellaneous Operating Revenue |          |          |          |          |          |          |          | \$23,115 |          |          |          |          |
|                                       | 610100 Purchased Gas Exp               | \$23,462 |          |          |          |          |          | \$84     | \$23,163 |          |          | \$216    | \$544    |
|                                       | SubTotal                               | \$23,716 | -\$2     | \$144    | \$121    | \$63     | \$191    |          |          |          | \$140    |          |          |
|                                       | Less Cost of Gas Sold                  |          |          |          |          |          |          |          |          |          |          |          |          |
|                                       | 610100 Purchased Gas Exp               | \$23,462 |          |          |          |          |          |          |          |          |          |          |          |
| (Odorant - Not recovered through PGA) | \$254                                  |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                 |                                        | -\$2     | \$144    | \$121    | \$63     | \$191    | \$94     | \$48     | \$23,115 | \$522    | \$140    | \$216    | \$544    |

# Chattanooga Gas

## Miscellaneous Revenues

Chattanooga Gas Company  
Docket No. 09-00183  
CAPD Question 1-34  
Attachment 34-1

|                                        | Jan 2009 | Feb 2009 | Mar 2009 | Apr 2009 | May 2009 | Jun 2009 | Jul 2009 | Aug 2009 | Sep 2009 | Oct 2009 | Nov 2009 | Dec 2009 |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Reconnect Charges</b>               |          |          |          |          |          |          |          |          |          |          |          |          |
| 407100 Reconnect Charge - Firm         | \$1,382  | \$5,929  | \$3,853  | \$6,727  | \$7,921  | \$9,103  | \$9,759  | \$8,710  | \$9,507  | \$17,694 | \$8,623  | \$7,043  |
| 407101 Seasonal Reconnect Change       | \$609    | \$268    | \$27     | \$50     | -\$5     | -\$55    | \$169    | \$259    | \$1,069  | \$4,058  | \$1,392  | \$1,326  |
| Per Customer Charge                    | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     | \$50     |
| Number of Reconnects                   | 40       | 124      | 78       | 136      | 158      | 181      | 199      | 179      | 212      | 435      | 200      | 167      |
| <b>Service Establishme</b>             |          |          |          |          |          |          |          |          |          |          |          |          |
| 407102 Turn-on Charge- Firm            | \$9,611  | \$7,958  | \$6,772  | \$5,556  | \$7,139  | \$7,873  | \$8,465  | \$8,316  | \$7,217  | \$14,623 | \$13,897 | \$11,238 |
| 407104 Establish Service- SONP         | \$50     | -\$5     |          |          | \$27     | -\$2     |          | \$27     | -\$2     | \$109    | \$73     | \$75     |
| Per Customer Charge                    | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     | \$15     |
| Number of Turn-Ons                     | 644      | 530      | 451      | 370      | 478      | 525      | 564      | 556      | 481      | 982      | 931      | 754      |
| <b>407103 Meter Set Charge- Firm</b>   |          |          |          |          |          |          |          |          |          |          |          |          |
| Per Customer Charge                    | \$3,125  | \$2,128  | \$1,460  | \$869    | \$952    | \$1,196  | \$1,529  | \$1,035  | \$1,702  | \$5,388  | \$5,718  | \$6,490  |
| Number of Turn-Ons                     | 125      | 85       | 58       | 35       | 38       | 48       | 61       | 41       | 68       | 216      | 229      | 260      |
| <b>Returned Check Cha</b>              |          |          |          |          |          |          |          |          |          |          |          |          |
| 407090 Returned Check -Marketer        | \$1,840  | \$1,500  | \$1,500  | \$1,320  | \$1,360  | \$1,240  | \$940    | \$860    | \$820    | \$1,044  | \$660    | \$1,080  |
| Per Customer Charge                    | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     | \$20     |
| Number of Returned Checks              | 92       | 75       | 75       | 66       | 68       | 62       | 47       | 43       | 41       | 52       | 33       | 54       |
| <b>Late Payment Fees</b>               |          |          |          |          |          |          |          |          |          |          |          |          |
| 407050 Late Payment Fees               | \$67,014 | \$55,590 | \$73,908 | \$52,101 | \$28,249 | \$16,282 | \$10,234 | \$7,991  | \$7,662  | \$6,880  | \$12,444 | \$17,568 |
| <b>Service Work</b>                    |          |          |          |          |          |          |          |          |          |          |          |          |
| 407120 Reg Servicework-Revenue         |          |          |          |          |          |          |          |          |          |          |          |          |
| 407140 Jobbing Generation Appl. Pay    |          |          |          |          |          |          |          |          |          |          |          |          |
| 407142 Jobbing Generation Appl. Maint  |          |          |          |          |          |          |          |          |          |          |          |          |
| 407144 Jobbing Labor Additives         |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                  | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| <b>Damage Billing</b>                  |          |          |          |          |          |          |          |          |          |          |          |          |
| 450100 Damage Billing - Mains          | \$1,749  | \$1,582  | \$6,917  | \$1,014  |          | \$4,226  |          | \$1,678  |          | \$2,728  | \$1,720  |          |
| 450200 Damage Billing - Services       | \$2,849  | \$1,558  | \$550    | \$4,428  | \$2,437  | \$1,775  | \$5,151  | \$3,370  | \$1,422  | \$1,387  | \$3,317  | \$2,844  |
| Total                                  | \$4,599  | \$3,140  | \$7,467  | \$5,443  | \$2,437  | \$6,000  | \$5,151  | \$5,048  | \$1,422  | \$4,114  | \$5,037  | \$2,844  |
| <b>Miscellaneous</b>                   |          |          |          |          |          |          |          |          |          |          |          |          |
| 450500 Lost and Unaccounted For Gas    | \$87     | \$79     | \$346    | \$51     | -\$1     | \$284    |          | \$84     |          | \$0      |          | -\$2     |
| 407110 Gas Management Fee              | -\$3     | -\$2     | \$0      | \$0      | -\$1     | -\$1     | -\$5     | \$0      | -\$2     | \$0      |          |          |
| 407200 Rent from Gas Property          |          |          |          |          |          |          |          |          |          |          |          |          |
| 407500 Miscellaneous Operating Revenue |          |          |          |          |          |          |          |          |          |          |          |          |
| 610100 Purchased Gas Exp               | \$84     | \$77     | \$345    | \$50     | -\$1     | \$283    | -\$5     | \$24,739 | -\$2     | \$0      | \$0      | -\$2     |
| SubTotal                               |          |          |          |          |          |          |          | \$24,823 |          |          |          |          |
| Less Cost of Gas Sold                  |          |          |          |          |          |          |          |          |          |          |          |          |
| 610100 Purchased Gas Exp               |          |          |          |          |          |          |          |          |          |          |          |          |
| (Overant - Not recovered through PGA)  |          |          |          |          |          |          |          |          |          |          |          |          |
| Total                                  | \$84     | \$77     | \$345    | \$50     | -\$1     | \$283    | -\$5     | \$24,739 | -\$2     | \$0      | \$0      | -\$2     |

**DISCOVERY REQUEST NO. 105:**

Please provide the data and calculations used to support the position that average use per customer has declined, on average, about one percent per year from 1980 to 2000 and provide similar data for the period 2000 to current. Please provide this information in electronic spreadsheet format with all data, formulas, and calculations preserved and all assumptions clearly identified.

**Response:**

The basis for Mr. Yardley's statement concerning the gradual decline in average consumption per customer from 1980 through 2000 was a study performed by the American Gas Association entitled *Patterns in Residential Natural Gas Consumption, 1997-2000*, which is attached and references an earlier study addressing trends from 1980. This attachment is being filed confidential under the protective order issued in this docket. Similar data specific to Chattanooga Gas Company is presented by Ms. Shields in Exhibit MHS-3. An electronic copy of the supporting data for this document is provided in the response to CAPD Request No.1.

**DISCOVERY REQUEST NO. 106:**

For purposes of this request, please refer to page 14, lines 4 through 5 of Mr. Yardley's Direct Testimony. Please identify the Company's current energy efficiency efforts, on a per measure basis, as well as their annual participation levels and energy savings, and explain what is meant, both qualitatively and quantitatively, by the opinion that it is Tennessee state policy to promote "additional energy efficiency measures."

**Response:**

Please refer to the Company's response to CAPD discovery requests 142 and 173 for the requested information concerning the Company's current energy efficiency efforts. The Company believes that the Tennessee State Legislature and Governor Bredesen have supported policy initiatives that "require the TRA to implement rate design approaches that support additional energy efficiency efforts" as indicated on page 14 of Mr. Yardley's testimony. The bases for Mr. Yardley's testimony include the following excerpt from legislation signed into law by Governor Bredesen in June 2009:

The General Assembly declares that the policy of this State is that the Tennessee regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the authority has rate making authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provides timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

In addition, the State of Tennessee, through certification of Governor Bredesen, certified to the United States Department of Energy that Tennessee would implement ratemaking

**Chattanooga Gas Company**

**Docket Number 09-00183**

**CAPD**

**Question 106**

**2/11/2010**

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policies that align utility incentives with the promotion of additional energy efficiency as required in order to obtain specific American Recovery and Renewal Act of 2009 funds.

A copy of Governor Bredesen's certification is provided as Attachment CAPD 106-1.

PHIL BREDESEN  
THE GOVERNOR OF TENNESSEE

23 March 2009

The Honorable Steven Chu  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

RE: State Energy Program Assurances

Dear Secretary Chu:

As a condition of receiving our State's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Renewal Act of 2009 (H.R. 1)(ARRA), I am providing the following assurances. I have communicated with our public utility commission and requested that they consider additional actions to promote energy efficiency, consistent with the Federal statutory language contained in H.R. 1 and their obligations to maintain just and reasonable rates, while protecting the public. I have also communicated with the State Legislature and requested that they consider actions to improve building energy codes, consistent with State law and State Constitutional requirements, and to consider the statutory language contained in ARRA.

We are prioritizing our energy investments to take advantage of existing programs and expand programs where appropriate.

Our State is committed to a robust improvement in energy efficiency and renewable energy, as well as a balanced State energy policy. I want to assure you that, within the limits of my authority, we will move forward in these critical areas.

We look forward to immediate distribution of the Federal SEP funds to permit my State to make progress in energy efficiency and renewable energy.

Sincerely,



Phil Bredesen

**DISCOVERY REQUEST NO. 128:**

Please provide the Company's load forecast that was current as of Docket 06-00175 on a per customer class basis. This information should be provided in electronic format with all calculations, assumptions and formulae. To the extent a statistical software package was utilized to develop this forecast, please identify the software and the version utilized, and provide all input and output information utilized/generated by the package to generate the customer class specific forecasts. Provide workpapers supporting this response in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

**Response:**

Please find attached the following:

- Discovery Request No. 128-1 – Testimony of Mr. Phil Buchanan from Docket 06-00175 that in section 2 and 3, pp. 6-16, presents and explains the development of the forecast model, including a discussion of assumptions and methods used.
- Discovery Request No. 128-2 – Presents the statistical output from the forecast model regressions for Residential R-1, Commercial C-1 and

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Commercial C-2 use per customer as present in Mr. Buchanan's testimony from Docket 06-00175.

- Discovery Request No. 128-3 – Provides the data used to generate the forecast regressions.
- Discovery Request No. 128-4 – Provides the full excel forecast model used as the basis for the final settlement of Docket 06-00175.

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

**PREPARED DIRECT TESTIMONY  
OF  
PHILIP G. BUCHANAN**

**IN RE:  
CHATTANOOGA GAS COMPANY  
DOCKET NO. \_\_\_\_\_**

**Q. Please state your name, position and business address.**

A. Philip G. Buchanan, Consultant, Rates and Regulatory, AGL Services Company.  
My business address is Ten Peachtree Place, Suite 1000, Atlanta, Georgia 30309.

**Q. Have you provided an outline of your educational background and professional experiences?**

A. Yes. Attachment A to this testimony contains a summary of my educational background and professional experiences.

**Q. Have you previously submitted testimony before the Tennessee Regulatory Authority or any other regulatory commission?**

A. Yes. I provided testimony before the Tennessee Regulatory Authority ("TRA") in Docket No. 04-00034 on behalf of Chattanooga Gas Company ("CGC" or the "Company") and before the Georgia Public Service Commission in Docket No. 18638-U on behalf of Atlanta Gas Light Company.

**Q. What is the purpose of your testimony?**

A. I will support and describe the specific methods employed in developing the normalization of billing determinates and base revenue for the Test Year period ending December 31, 2005, and for the forecast of billing determinates and

Chattanooga Gas Company  
Docket No. 09-00183 – CAPD 128-1

1 base revenue for the Attrition Year period ending December 31, 2007 for  
2 Chattanooga Gas Company (“CGC” or “the Company”). The Attrition Year  
3 period forecast is the base from which the requested base revenue increase of  
4 \$5.8M has been determined.

5 **Q. Are you sponsoring any exhibits in connection with your testimony?**

6 **A.** Yes, I am sponsoring the following exhibits:

- 7 • Exhibit PGB-1 – Test Year Actual and Normalized billing determinates and
- 8 forecasted Attrition Year period billing determinates and base revenue
- 9 • Exhibit PGB-2 – Graph of Chattanooga Gas Company Retail Gas Prices
- 10 • Exhibit PGB-3 – Graph of Chattanooga Gas Company Residential Use Per
- 11 Customer over time
- 12 • Exhibit PGB-4 – Residential and Commercial consumption equations and
- 13 Forecast Pro graph of fit of the forecast model
- 14 • Exhibit PGB-5 – Customer Growth by class
- 15 • Exhibit PGB-6 – 1975 to 2005 Normal Heating Degree Days
- 16 • Exhibit PGB-7 – Breakout of the proposed Commercial C-2 customer class

17 **Q. Were these exhibits and related schedules prepared by you or under your**  
18 **direct supervision?**

19 **A.** Yes.

20 **Q. How is your testimony organized?**

21 **A.** Section 1 is a summary of the results of the Attrition Year period forecast of base  
22 revenues. Section 2 discusses CGC’s approach to forecasting customers,  
23 consumption, and base revenue for the Attrition Year period. Section 3 discusses

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the forecast of billing determinates and base revenue for the proposed Commercial C-2 customer class. Section 4 discusses the forecast of Other Revenues, and gas cost revenues. Finally, Section 5 reviews the difference between the proposed cost of service and the forecast of base revenue for the Attrition Year period.

**Section 1**

**Q. Please summarize the results of CGC's Attrition Year period forecast.**

A. CGC's base revenue for the Test Year period was \$30.7M. When normalized for the most recent 30-year normal weather pattern and for natural gas prices expected in the 2007 Attrition Year period, normalized Test Year period base revenue is \$29.0M. The normalization of Test Year period base revenue can be attributed to the following:

|                                                          |          |
|----------------------------------------------------------|----------|
| Test Year period base revenue                            | \$30.7M  |
| Update 30-year normal weather pattern                    | \$(1.0M) |
| Update price variable                                    | \$(0.6M) |
| Adjust for Unbilled Revenue and Prior Period Adjustments | \$(0.1M) |
| Normalized Test Year period Base Revenue                 | \$29.0M  |

CGC's forecast of normalized customers, usage, and base revenue for the Attrition Year period is displayed in Exhibit PGB-1. The forecast of Attrition Year period base revenue is \$28.5M. Forecasted Attrition Year period

1 Residential and Commercial new customer growth is expected to be 1,200  
2 customers and 240 customers, respectively. Annual residential and commercial  
3 customer attrition rates are forecast at 1.93% and 2.4%, respectively. Attrition  
4 Year period Industrial customers and usage are expected to be similar to Test  
5 Year period levels. The forecasted decline in total base revenue in the Attrition  
6 Year period from pre-normalized 2005 levels can be attributed mainly to the  
7 updated normal weather pattern, higher than normal attrition rates in the  
8 Residential and Commercial customer classes, and increased declining use per  
9 customer due to (i) continued efficiency gains in gas equipment and building  
10 weatherization and (ii) conservation due to gas prices.

11 **Q. The Company has not achieved the level of base revenues authorized in its**  
12 **2004 rate case. How do you account for this?**

13 A. Several factors may account for the Company not being able to achieve  
14 the level of base revenue that were projected in its last rate case. A major factor  
15 causing base revenue erosion is declining use per customer.

16 **Q. Please explain.**

17 A. Declining use per customer is a national phenomenon in the natural gas industry.  
18 Increases in appliance efficiency, reduced appliance saturation, and more efficient  
19 housing characteristics all contribute to natural gas customers using less gas  
20 annually. Bruce McDowell of the American Gas Association (“AGA”) stated in a  
21 presentation at the AGA Public Affairs and Marketing Forum on April 23, 2003,  
22 that weather normalized use per residential customer has declined 21% in 21  
23 years. CGC has experienced similar trends. Weather normalized annual use per

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1 residential customer averaged 899 Ccfs in 1998. The weather normalized annual  
2 use per residential customer for the 2004 rate case Test Year period ending  
3 September 2003 was approximately 800 Ccfs. This indicates an annual average  
4 decline of 2% per year from 1998 to 2003.

5  
6 Changes in normal weather patterns also have contributed to the decline in usage.  
7 30-year normal weather has become warmer over time. Normal heating degree  
8 days were updated in this case to include average weather for the 30 years ending  
9 July 2005. For this period, the annual number of normal heating degree days is  
10 3,287. This represents a decline in normal heating degree days of 138 (or 4%).  
11 Put another way, the most recent 30-year normal weather is 4% warmer than the  
12 weather pattern used to forecast usage and base revenue in the most recent CGC  
13 rate case. Warmer 30-year normal weather translates directly into lower usage,  
14 which decreases base revenue.

15  
16 Recently, the price of natural gas also has affected customer usage. Conservation  
17 by residential and commercial customers has hastened the usage decline. In 2005,  
18 natural gas prices rose to a peak level of \$1.43 per therm. Please see Exhibit  
19 PGB-2, which displays natural gas retail prices. Weather normalized use per  
20 residential customer in 2005 was 697 Dths. This indicates an annual average  
21 decline of 6% per year from 2003 to 2005, or 3 times the historical annual rate.  
22 Exhibit PGB-3 displays this decline in use per customer.

1   **Q.   What steps has the Company taken to address its base revenue erosion due to**  
2       **declining use per customer?**

3   A.   Clearly, conservation of natural gas resources is good policy. For the customer,  
4       conservation results in a lower total gas bill as the commodity portion makes up  
5       approximately 75% of the total gas bill. Conservation results in better  
6       management of our environment as we use less of our natural energy resources;  
7       however, conservation has a negative impact on the ability of the Company to  
8       recover the fixed costs of its distribution system. Under current rate design, the  
9       respective interests of the customer, the environment, and the Company are at  
10      odds. The Company is proposing a comprehensive rate design that will align  
11      better the interests of the customer and the Company. This proposal will be  
12      addressed in the testimony of Witness Daniel Nikolich.

13

14

**Section 2**

15

16   **Q.   Please discuss CGC's approach to forecasting demand and base revenues for**  
17       **the attrition year period.**

18   A.   Customers, usage, and base revenue are forecast using a multi-step process for  
19       each of the customer classes we serve. Each customer is classified as one of the  
20       following characters of service: Residential, Multi-Family R-4, General Service  
21       Commercial C-1, proposed General Service Commercial C-2, and Industrial. The  
22       next stage of the process includes four steps. First, consumption equations are  
23       developed that model consumption per customer for each of the customer classes.

1       The consumption for the Multi-Family R-4 and large industrial classes are  
2       forecast in a different manner, as will be described below. Second, the number of  
3       customers billed for each class is determined. Third, a consumption forecast for  
4       each class is calculated by applying the results of the consumption equations to  
5       the number of customers billed in the class. Fourth, a base-revenue forecast is  
6       generated by applying the class consumptions, along with other billing  
7       determinants, including customer service charges, to the existing rate structure.

8   **Q.   Is this the traditional manner in which CGC has developed its forecast?**

9   A.   The basic forecasting methods described in my testimony were employed by CGC  
10       in its 1998 base rate proceeding, and employed again for the 2004 base rate  
11       proceeding. On an on-going basis our methods are reviewed through activities  
12       such as variance analyses, and adjusted when required. This is an evolutionary  
13       process with the goal of continually improving forecast performance. New  
14       techniques are evaluated continually and are incorporated into the forecast models  
15       when they demonstrate improvement in forecast accuracy.

16   **Q.   How were the consumption equations developed for the Company's various**  
17       **customer classes?**

18   A.   Consumption equations were developed for the Residential and Commercial  
19       classes. Consumption for the Multi-Family and Industrial classes were forecasted  
20       on an individual customer basis.  
21       For the Residential and Commercial classes, the Company employed statistical  
22       regression techniques, which correlated historical consumption with actual  
23       heating degree days, natural gas retail price, a time trend, and a cubic spline term

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1           to develop models of gas usage per customer. The relationships between usage  
2           and actual heating degree days and between usage and price were the factors with  
3           the largest impact on usage.

4       **Q. Please describe the relationship between each of the factors and use per**  
5       **customer.**

6       A. A customer's usage depends on several factors. By quantifying the historical  
7       relationship between usage and these factors, an accurate forecast of usage can be  
8       made. The most obvious factor affecting usage is weather. Heating degree days  
9       are a measure of how cold the weather was when usage occurred. Usage has a  
10      direct relationship with the number of heating degree days.

11      Another factor affecting usage is the retail price of natural gas. Recently, natural  
12      gas prices have climbed to all time highs. As discussed above, customers have  
13      taken measures to conserve usage to lower their bill. Some customers simply  
14      lower their thermostat during cold weather to lower their consumption, while  
15      some supplement their energy needs with alternative sources such as kerosene or  
16      wood. Each of these actions results in lower gas usage when prices climb. Thus,  
17      it was important in the modeling process to establish the historical relationship  
18      between usage and price.

19      The relationship between usage and a time-trend factor takes into account the  
20      long-term declines in use per customer due to efficiency gains. Over time,  
21      homeowners of older homes replace inefficient natural gas equipment with new,  
22      more efficient models, lowering their natural gas usage. Homeowners also add  
23      insulation and weather stripping to make their home more efficient. New homes

1 are added to the system that have efficient natural gas equipment installed,  
2 lowering the average use per customer on CGC's system. This results in a decline  
3 in average use per customer per year over time.

4 The cubic spline term provides an adjustment for the non-linear relationship  
5 between usage and weather during transitional-weather months. The term  
6 provides adjustment only when the average daily temperature of the month is  
7 above 55°F. This adjustment is necessary to forecast more accurately usage in  
8 "shoulder months" when the relationship between usage and cold weather is not  
9 exactly the same as usage during warmer weather.

10 The models for forecasting use per customer for the Residential and Commercial  
11 customer classes in this proceeding take into account the effects of all of the  
12 above-discussed factors.

13 **Q. Were these models then used to develop consumption equations?**

14 A. Yes. The models employed 72 months of historical consumption, temperature,  
15 and price data, over the period January 2000 through December 2005. From these  
16 models, the consumption equations that are used to develop monthly average  
17 usage per customer for the Residential and Commercial classes were derived. The  
18 consumption equations can, in their most basic form, be broken down into a base-  
19 use component (non-temperature sensitive) and a heat-use component  
20 (temperature sensitive). Review of the output statistics, use of holdout periods  
21 (i.e., segmenting the dataset into two periods and using one subset to develop a  
22 model and the other to evaluate equation performance), and validation through  
23 "backcasting" (i.e., comparing actual historical results to the fitted values

1 generated by the statistical model) demonstrated the accuracy of the regression  
2 models selected. Please see Exhibit PGB-4 for the consumption equations that  
3 were developed and graphs of the validations of the models through backcasting.

4 **Q. For the attrition year period, how was the number of customers billed in**  
5 **each class developed?**

6 **A.** The number of customers billed by class for the Attrition Year period was  
7 developed as follows:

8 - The actual number of customers by class that were billed as of May 2006 was  
9 determined and used as the base starting point upon which new customer growth  
10 was added.

11 - A monthly forecast of new customers by class was developed in coordination  
12 with the Marketing and Engineering Departments, as well as reliance on historical  
13 trends.

14 - A seasonal pattern of changes in the number of active and inactive customers  
15 was developed from historical customer count data.

16 - A percentage of attrition (i.e., loss of customers due to building demolition,  
17 switch to use of alternative source of energy, business failures, etc.) was  
18 developed from historical customer count data.

19 - The aggregate number of customers by class by month was developed by adding  
20 the monthly growth projections, seasonal changes in customer patterns, and  
21 monthly attrition projections to the May 2006 starting point. Exhibit PGB-5  
22 presents the monthly number of customers by class used to develop the  
23 normalized consumption and base revenues.

1   **Q.   How was consumption developed for the customer classes?**

2   A.   Consumption by class for those classes for which we employed consumption  
3       equations was developed by multiplying the projected number of customers billed  
4       in the class for each month by the usage per customer for the month. The usage  
5       per customer was developed by applying the consumption equation for the month  
6       with an input of expected natural gas prices and updated 30-year normal heating  
7       degree days for that month and multiplying by the number of average meter read  
8       days in the month.

9   **Q.   How were expected natural gas prices developed?**

10  A.   The wholesale futures price of natural gas during the Attrition Year period, as  
11       reported by NYMEX on June 15, 2006, were used as the basis to project retail  
12       price. Monthly wholesale futures prices from January 2007 through December  
13       2007 were increased by the historical average difference between wholesale and  
14       retail prices to project retail price.

15  **Q.   How was consumption developed for the remaining classes?**

16  A.   For classes that were forecast by individual customer (Multi-Family R-4, I1/T1,  
17       I1/T2 + T1, L1, T1, and Special Contract), the monthly consumption for the class  
18       represents the aggregate of the individual customer forecasts. The forecast by  
19       individual customer was prepared by reviewing historical monthly consumption  
20       data and customer surveys with the Marketing Department, and correcting for  
21       future changes in demand resulting from customer expansions and contractions  
22       and customer loss.

23  **Q.   What heating degree-day pattern was applied to the consumption equations?**

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1 A. To develop a normalized consumption forecast for those classes where  
2 consumption equations were employed, it was necessary to develop a normal  
3 heating degree-day pattern for each day of the year. Heating degree-days are the  
4 difference between a base 65°F temperature and the average temperature for a day  
5 when that daily average is below the base temperature. The base-65°F heating  
6 degree-day pattern that was employed is presented in Exhibit PGB-6. It is based  
7 on 30 years of daily weather data (July 1, 1974 through June 30, 2005) as  
8 measured by the National Oceanic and Atmospheric Administration (“NOAA”)  
9 for Chattanooga’s Lovell Field (“KCHA”). This weather distribution then is  
10 adjusted for the Company’s meter read schedule.

11 Although the base temperature that was found to have highest correlation with  
12 actual usage was 65°F, the base temperature of 55°F also had a high correlation  
13 with actual usage. Therefore, both base 65°F and base 55°F were incorporated  
14 into the multiple regression models.

15 **Q. How were base revenues for the attrition year period developed?**

16 A. The base revenues shown on Exhibit PGB-1 were developed by applying the  
17 forecasted, normalized consumption and number of customers billed by class for  
18 the Attrition Year period to a model of the existing rate structure of the  
19 Company’s tariff.

20 **Q. Were changes made to the forecast models that were used in the 2004 rate**  
21 **case?**

22 A. As stated above, new techniques are evaluated continually in an attempt to  
23 improve forecast accuracy. In order to improve the performance of the models,

1 retail price, historic trend, and a cubic spline were introduced as a variable in the  
2 residential and commercial equations. These variables were not included in the  
3 2004 forecast models. Next, an updated 30 Year Normal heating degree-day  
4 distribution was used to derive Attrition Year period base revenues. By updating  
5 the weather data to the most recent 30-year period available (1975 - 2005), usage  
6 and base revenue projections will be more likely to reflect the most recent 30 year  
7 trend in weather. Next, Weather Normalization Adjustment (“WNA”) factors  
8 were updated using the new weather pattern and usage forecast. By updating  
9 WNA factors, customers’ bills will be more likely to reflect levels of charges  
10 experienced at normal weather. Lastly, the customer count forecast is based on  
11 actual number of customers as of May 2006 and includes growth in residential  
12 and commercial accounts. These growth forecasts have been tempered by  
13 including the higher level of losses currently being experienced due to attrition.  
14 This combination of growth and attrition results in a net change of customers that  
15 is more reflective of system growth.

16 **Q. Is the forecast model being filed as part of this proceeding?**

17 **A.** Yes. The entire forecast model is being filed as part of the Minimum Filing  
18 Guidelines #s 29 and 34.

20 **Section 3**

21  
22 **Q. The Company has proposed to disaggregate the current commercial class**  
23 **into two classes, C-1 and C-2. Could you please discuss the process the**

1           **company employed to reclassify customers into the new service classification**  
2           **being proposed by the Company?**

3    A.    The proposed C-2 customer class consists of customers whose annual usage  
4           exceeds 4,000 therms per year. Usage data during the period of January 2000  
5           through March 2006 was examined for all commercial customers. Approximately  
6           1,729 commercial customers qualify for the proposed class. These customers  
7           then were used as the basis for the forecast of Commercial C-2 usage, Demand  
8           Units, and base revenue for the attrition year. Exhibit PGB-7 displays the details  
9           of the proposed Commercial C-2 customer class. All other commercial customers  
10          whose annual usage is less than 4,000 therms will remain on the current  
11          Commercial C-1 class.

12   **Q.    For the projected test year period, how was the number of customers billed**  
13       **in the proposed C-2 rate class developed?**

14   A.    The number of customers billed by proposed class for the Attrition Year period  
15          was developed as follows:  
16          - As described above, qualifying customers as of December 2005 were assigned  
17          to the new C-2 rate class. From this data, the number of customers in the proposed  
18          class was determined and used as the base starting point upon which new  
19          customer growth was added.  
20          - A monthly forecast of new customers was developed in coordination with the  
21          Marketing and Engineering Departments.  
22          - A seasonal pattern of changes in the number of active and inactive customers  
23          was developed from historical customer count data.

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1       - The aggregate number of customers by class by month was developed by adding  
2       the monthly growth projections and seasonal changes in customer patterns to the  
3       April 2006 starting point.

4       **Q.   How was consumption developed for the proposed customer class?**

5       A.   The 51 months of individual monthly customer billing records for customers who  
6       qualify for the proposed C-2 class were aggregated. This data then was used to  
7       generate use per customer for the new class in the same manner as for the existing  
8       rate classes. Then, as before, new customer load and new incremental load from  
9       existing customers were added.

10      **Q.   Is there any impact on the forecast resulting from the reclassification?**

11      A.   No. Exhibit PGB-1 presents the new forecast of customers, usage, and base  
12      revenue under current rates resulting from the reclassification. Exhibit PGB-7  
13      presents the forecast of customers, usage, and base revenue of the total  
14      Commercial customer class, as well as the proposed C-1 and C-2 classes at  
15      current rates. As shown when the two exhibits are compared, there is no change in  
16      either the aggregate number of Commercial customers or volumes as a result of  
17      the reclassification.

18      **Q.   Under the proposed rate structure, the “demand unit” billing determinant**  
19      **has been introduced for customers who qualify for the proposed C-2**  
20      **customer class. Please define this billing determinant.**

21      A.   Demand Units are a measure of the firm capacity on CGC’s distribution system  
22      that is needed by the customer for use on a design day. In other words, the  
23      Demand Unit represents the customer’s peak demand, measured in decatherms.

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1 This demand factor is similar to the demand units that are used in the Company's  
2 Industrial classes' current rate structures. Exhibit PGB-7 presents the proposed  
3 Demand Unit quantities.

4 **Q. How was the number of demand units determined for the class?**

5 A. The Demand Units for each customer were determined by reviewing individual  
6 customer billing data for the past year and calculated in the manner described in  
7 the Company's proposed tariff. The individual customers' Demand Units then  
8 were aggregated to the C-2 class level. The calculation process is similar to that  
9 utilized by Atlanta Gas Light Company to calculate Dedicated Design Day  
10 Capacity ("DDDC") factors for its firm residential and commercial customers.  
11 The DDDC factor is a factor used to recover a portion of the costs of Atlanta Gas  
12 Light Company's distribution system from each customer, dependant on their  
13 respective design day requirements.

14 **Q. Were demand units calculated for other classes of customers as well?**

15 A. Yes. Demand Units were calculated for all firm residential and commercial  
16 customers, along with the firm requirements of the industrial customers. When  
17 aggregated by class, the Demand Units can be used to allocate design day  
18 capacity of the system. This allocation of design day capacity was used by  
19 Witness David Heintz in his Class Cost of Service Study.

20

21 **Section 4**

22

23 **Q. Please list the sources of "other revenue."**

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1 A. Other Revenue items include revenue from turn-ons, meter sets, returned checks,  
2 reconnects, seasonal reconnects, late payment fees, damage billing, and jobbing.

3 **Q. Please explain procedures used to calculate revenue associated with these**  
4 **charges.**

5 A. Revenues associated with charges for turn-ons, meter sets, reconnects, seasonal  
6 reconnects, returned checks, damage billing, and jobbing were forecast in the  
7 same manner. The 12-month average number of occurrences (or revenue) for  
8 each charge was calculated for each month from March 2005 through February  
9 2006. The 12-month average of these 12 months is the forecast for the Attrition  
10 Year period. For late payment revenue, the historical percentage of late payment  
11 revenue, as compared to base revenue, was calculated. The same percentage was  
12 applied to forecasted Attrition Year period base revenue to forecast late payment  
13 revenue.

14 **Q. How were Purchase Gas Adjustment (“PGA”) revenues projected?**

15 A. The NYMEX wholesale futures price as of June 15, 2006 was adjusted to estimate  
16 PGA rates for the Attrition Year period. The projected PGA rates for each class  
17 then were applied to forecasted sales volumes to produce PGA revenue.

18 **Q. What were the results of the attrition period base revenue and revenue**  
19 **forecast under current rates?**

20 A. Total base revenue for the Attrition Year period under current rates is projected to  
21 be \$28.5M, with total revenue (including gas costs) of \$122.1M. Please see  
22 column 7 of Exhibit PGB-1 for a summary of attrition period base revenue under  
23 current rates.

1

2

**Section 5**

3

4 **Q. What is the Company's base revenue requirement for the attrition period?**

5 A. As discussed in the testimony of Witness Michael Morley, the Company proposes  
6 an attrition period base-revenue requirement of \$34.4M.

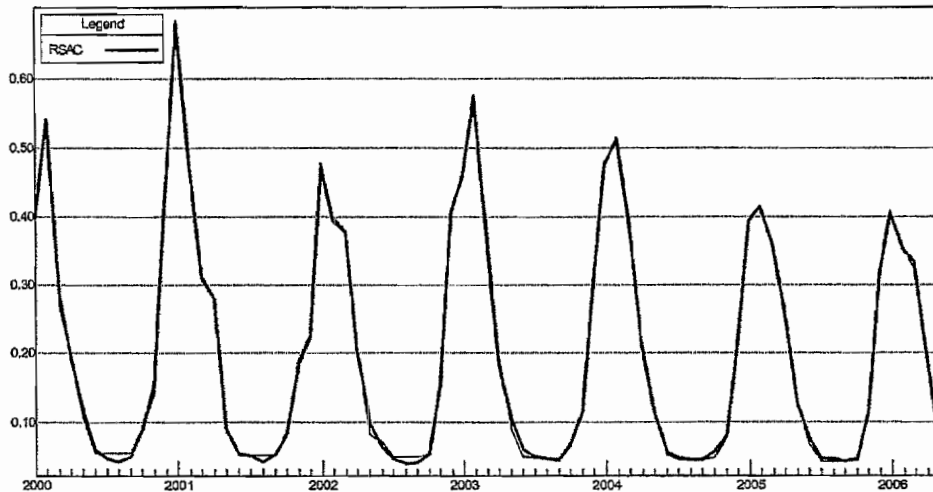
7 **Q. Are existing rates sufficient to recover the base revenue requirement?**

8 A. No. The comparison of projected attrition period base revenue under current rates  
9 to the projected attrition period revenue requirement yields a base revenue  
10 deficiency of \$5.8M. The proposed rates to recover Attrition Year period base-  
11 revenue requirement are discussed in the testimony of Witness Daniel Nikolich.

12 **Q. Does this complete your testimony?**

13 A. Yes, it does.

**Chattanooga Gas**  
**Residential Consumption per Customer Model**  
Forecast Pro XE version 4



Actual and Backcasted Use per Customer per Day

**Forecast Model for RSAC**  
Regression (8 regressors, 0 lagged errors)

| Term                                                                  | Variables                       | Coefficient | Std. Error | t-Statistic | Significance |
|-----------------------------------------------------------------------|---------------------------------|-------------|------------|-------------|--------------|
| SDD <sub>(base 55°F)</sub> per MRD                                    | X <sub>1</sub>                  | 0.022206    | 0.000402   | 55.26717    | 100.00000%   |
| Cubic Spline Knot <sub>(base 55°F, at 55°F)</sub>                     | X <sub>2</sub>                  | 0.000026    | 0.000004   | 6.748522    | 100.00000%   |
| Trend * SDD <sub>(base 55°F)</sub> per MRD                            | X <sub>3</sub> * X <sub>5</sub> | -0.000041   | 0.00001    | -4.358652   | 99.99550%    |
| RPGA <sub>(lagged 1 Month)</sub> * SDD <sub>(base 55°F)</sub> per MRD | X <sub>4</sub> * X <sub>1</sub> | -0.000301   | 0.000052   | -5.748476   | 100.00000%   |
| Trend                                                                 | X <sub>5</sub>                  | -0.000202   | 0.000057   | -3.527331   | 99.92430%    |
| Constant                                                              | X <sub>0</sub>                  | 0.031288    | 0.004155   | 7.530846    | 100.00000%   |
| Jan05PPA                                                              | X <sub>6</sub>                  | 0.034239    | 0.00874    | 3.917467    | 99.91910%    |
| Mar05PPA                                                              | X <sub>7</sub>                  | 0.020928    | 0.005968   | 3.506591    | 99.91910%    |

**Within-Sample Statistics**

|                |          |                      |          |
|----------------|----------|----------------------|----------|
| Sample size    | 76       | Number of parameters | 8        |
| Mean           | 0.1989   | Standard deviation   | 0.1673   |
| R-square       | 0.9977   | Adjusted R-square    | 0.9975   |
| Durbin-Watson  | 1.869    | Ljung-Box(18)=28.79  | P=0.949  |
| Forecast error | 0.00842  | BIC                  | 0.01     |
| MAPE           | 5.456%   | RMSE                 | 0.007964 |
| MAD            | 0.006118 |                      |          |

**Chattanooga Gas**  
**Residential Consumption per Customer Model**

Equation Form

RSAC =

$$\begin{aligned}
 &+ X_0 \\
 &+ [\text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}] * X_1 \\
 &+ [\text{Cubic Spline Knot}_{(\text{base } 65^\circ\text{F, at } 55^\circ\text{F})}] * X_2 \\
 &+ [\text{Trend} * \text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}] * X_3 * X_5 \\
 &+ [\text{RPGA}_{(\text{lagged 1 Month})} * \text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}] * X_4 * X_1 \\
 &+ [\text{Trend}] * X_5 \\
 &+ [\text{Jan05PPA}] * X_6 \\
 &+ [\text{Mar05PPA}] * X_7 \\
 &= \text{RSAC}
 \end{aligned}$$

Where:

RSAC

$X_0$

$\text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}$

$X_1$

$\text{Cubic Spline Knot}_{(\text{base } 65^\circ\text{F, at } 55^\circ\text{F})}$

$X_2$

$\text{Trend} * \text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}$

$X_3$

$\text{RPGA}_{(\text{lagged 1 month})} * \text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}$

$X_4$

$X_5$

Trend

Jan05PPA

$X_6$

Mar05PPA

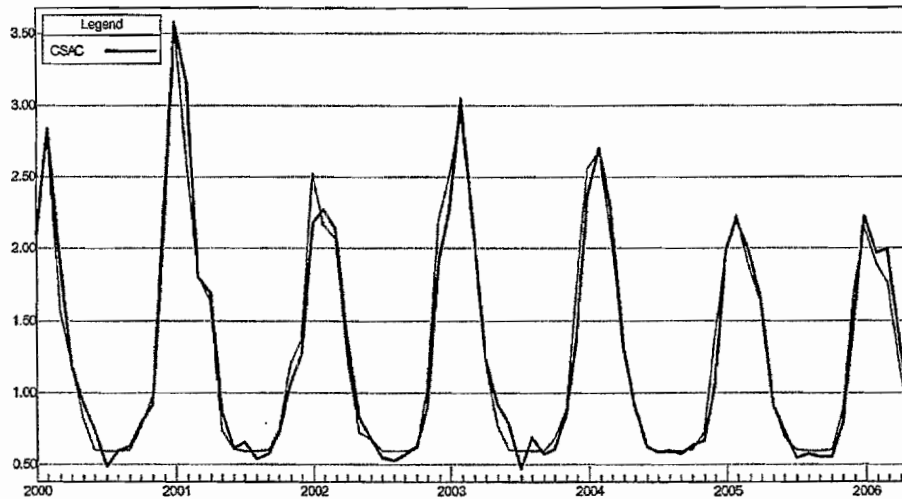
$X_7$

- = Monthly Average Consumption per Average Number of Meter Read Days
- = Constant or Base Load per Average Meter Read Day
- = Coefficient to capture heating sensitivity
- = Sales (Cycle Averaged) Heating Degree Days based upon 65°F
- = Coefficient to capture non-linear change in heating sensitivity above 55°F
- = Discontinuous variable to account for the non-linear change in heating sensitivity at temperatures above 55°F
- = Coefficient to capture time trend sensitivity
- = Sales (Cycle Averaged) Heating Degree Days based upon 55°F
- = Coefficient to capture price sensitivity
- = The inflation adjusted real monthly PGA billing factor
- = Linear time variable to capture the change in equipment efficiency over time
- = Monthly time trend
- = Coefficient to denote single month adjustment
- = One time adjustment to account for a prior period billing correction
- = Coefficient to denote single month adjustment
- = One time adjustment to account for a prior period billing correction

# Chattanooga Gas

## Commercial Consumption per Customer Model

Forecast Pro XE version 4



Actual and Backcasted Use per Customer per Day

### Forecast Model for CSAC

Regression (4 regressors, 0 lagged errors)

| Term                                                                          | Variables                       | Coefficient | Std. Error | t-Statistic | Significance |
|-------------------------------------------------------------------------------|---------------------------------|-------------|------------|-------------|--------------|
| SDD <sub>(base 65°F)</sub> per MRD                                            | X <sub>1</sub>                  | 0.095879    | 0.003337   | 28.73494    | 100.00000%   |
| Cubic Spline Knot <sub>(base 65°F, at 55°F)</sub>                             | X <sub>2</sub>                  | 0.000139    | 0.000063   | 2.219145    | 97.03710%    |
| Trend * RPGA <sub>(lagged 1 Month)</sub> * SDD <sub>(base 65°F)</sub> per MRD | X <sub>3</sub> * X <sub>4</sub> | -0.000028   | 0.000005   | -5.063431   | 99.99970%    |
| Constant                                                                      | X <sub>0</sub>                  | 0.45795     | 0.050847   | 9.006372    | 100.00000%   |

### Within-Sample Statistics

|                |         |                      |        |
|----------------|---------|----------------------|--------|
| Sample size    | 76      | Number of parameters | 4      |
| Mean           | 1.26    | Standard deviation   | 0.7711 |
| R-square       | 0.9676  | Adjusted R-square    | 0.9663 |
| Durbin-Watson  | 1.575   | Ljung-Box(18)=53.83  | P=1    |
| Forecast error | 0.1416  | BIC                  | 0.1545 |
| MAPE           | 7.987%  | RMSE                 | 0.1379 |
| MAD            | 0.09315 |                      |        |

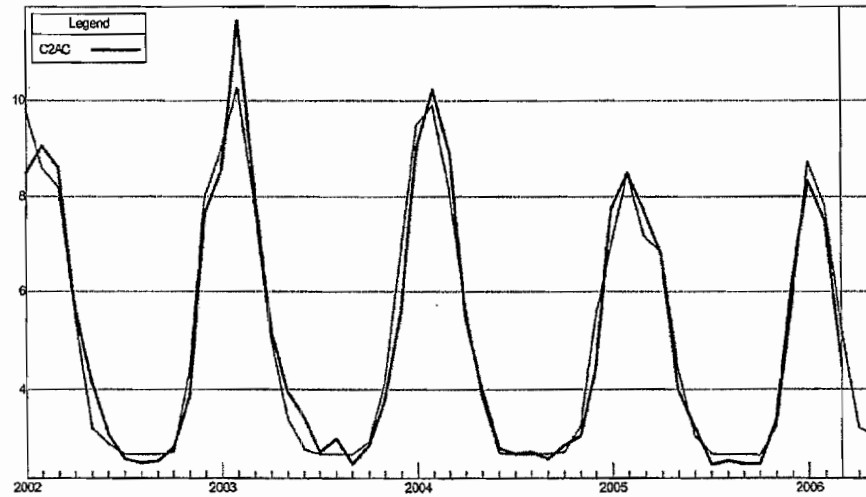
### Equation Form

$$\begin{aligned}
 \text{CSAC} = & X_0 \\
 & + [\text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}] * X_1 \\
 & + [\text{Cubic Spline Knot}_{(\text{base } 65^\circ\text{F}, \text{ at } 55^\circ\text{F})}] * X_2 \\
 & + [\text{Trend} * \text{RPGA}_{(\text{lagged } 1 \text{ Month})} * \text{SDD}_{(\text{base } 65^\circ\text{F})} \text{ per MRD}] * X_3 * X_4 \\
 = & \text{CSAC}
 \end{aligned}$$

### Where:

|                                                                               |   |                                                                                                               |
|-------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------|
| CSAC                                                                          | = | Monthly Average Consumption per Average Number of Meter Read Days                                             |
| X <sub>0</sub>                                                                | = | Constant or Base Load per Average Meter Read Day                                                              |
| SDD <sub>(base 65°F)</sub> per MRD                                            | = | Coefficient to capture heating sensitivity                                                                    |
| X <sub>1</sub>                                                                | = | Sales (Cycle Averaged) Heating Degree Days based upon 65°F                                                    |
| Cubic Spline Knot <sub>(base 65°F, at 55°F)</sub>                             | = | Coefficient to capture non-linear change in heating sensitivity above 55°F                                    |
| X <sub>2</sub>                                                                | = | Discontinuous variable to account for the non-linear change in heating sensitivity at temperatures above 55°F |
| Trend * RPGA <sub>(lagged 1 Month)</sub> * SDD <sub>(base 65°F)</sub> per MRD | = | Coefficient to capture price sensitivity                                                                      |
| X <sub>3</sub>                                                                | = | The inflation adjusted real monthly PGA billing factor lagged one month                                       |
| X <sub>4</sub>                                                                | = | Sales (Cycle Averaged) Heating Degree Days based upon 55°F                                                    |

**Chattanooga Gas**  
**Proposed Commercial C-2 Consumption per Customer Model**  
Forecast Pro XE version 4



Actual and Backcasted Use per Customer per Day

Forecast Model for C2AC  
Regression (5 regressors, 0 lagged errors)

| Term                                                                  | Variables   | Coefficient | Std. Error | t-Statistic | Significance |
|-----------------------------------------------------------------------|-------------|-------------|------------|-------------|--------------|
| SDD <sub>(base 72°F)</sub> per MRD                                    | $X_1$       | 0.358845    | 0.019953   | 17.984794   | 100.00000%   |
| Cubic Spline Knot <sub>(base 72°F, at 55°F)</sub>                     | $X_2$       | 0.000321    | 0.000069   | 4.669155    | 99.99740%    |
| RPGA <sub>(lagged 1 Month)</sub> * SDD <sub>(base 72°F)</sub> per MRD | $X_3 * X_1$ | -0.01339    | 0.002178   | -6.147733   | 100.00000%   |
| Winter 2006                                                           | $X_4$       | 1.261817    | 0.321539   | 3.924311    | 99.97110%    |
| Constant                                                              | $X_0$       | 1.074075    | 0.273483   | 3.927387    | 99.97140%    |

Within-Sample Statistics

|                |        |                      |          |
|----------------|--------|----------------------|----------|
| Sample size    | 51     | Number of parameters | 5        |
| Mean           | 5.072  | Standard deviation   | 2.63     |
| R-square       | 0.9639 | Adjusted R-square    | 0.9608   |
| Durbin-Watson  | 1.647  | Ljung-Box(18)=22.36  | P=0.7835 |
| Forecast error | 0.5209 | BIC                  | 0.5999   |
| MAPE           | 7.367% | RMSE                 | 0.4947   |
| MAD            | 0.3984 |                      |          |

Equation Form

$$\begin{aligned}
 \text{C2AC} = & + X_0 \\
 & + [\text{SDD}_{(\text{base } 72^\circ\text{F})} \text{ per MRD}] * X_1 \\
 & + [\text{Cubic Spline Knot}_{(\text{base } 72^\circ\text{F, at } 55^\circ\text{F})}] * X_2 \\
 & + [\text{RPGA}_{(\text{lagged 1 Month})} * \text{SDD}_{(\text{base } 72^\circ\text{F})} \text{ per MRD}] * X_3 * X_1 \\
 & + \text{Winter 2006} * X_4 \\
 = & \text{CSAC}
 \end{aligned}$$

Where:

|                                                                       |   |                                                                                                               |
|-----------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------|
| C2AC                                                                  | = | Monthly Average Consumption per Average Number of Meter Read Days                                             |
| $X_0$                                                                 | = | Constant or Base Load per Average Meter Read Day                                                              |
| SDD <sub>(base 72°F)</sub> per MRD                                    | = | Coefficient to capture heating sensitivity                                                                    |
| $X_1$                                                                 | = | Sales (Cycle Averaged) Heating Degree Days based upon 72°F                                                    |
| Cubic Spline Knot <sub>(base 72°F, at 55°F)</sub>                     | = | Coefficient to capture non-linear change in heating sensitivity above 55°F                                    |
| $X_2$                                                                 | = | Discontinuous variable to account for the non-linear change in heating sensitivity at temperatures above 55°F |
| RPGA <sub>(lagged 1 Month)</sub> * SDD <sub>(base 72°F)</sub> per MRD | = | Coefficient to capture price sensitivity                                                                      |
| $X_3$                                                                 | = | The inflation adjusted real monthly PGA billing factor lagged one month                                       |
| Winter 2006                                                           | = | Coefficient to denote single month adjustment                                                                 |
| $X_4$                                                                 | = | One time adjustment to account for a prior period billing correction                                          |

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Vertical

|        | MRD<br>Average | CGCTRD<br>Cycl Trend | SDD55<br>SDD 55 | SDD65<br>SDD 65 | SDD72<br>SDD 72 | SDD80<br>SDD 80 | SalesTemp<br>Monthly Sales Temp | SDD55MRD<br>SDD Per MRJ |
|--------|----------------|----------------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|-------------------------|
|        | 2000           | 2000                 | 2000            | 2000            | 2000            | 2000            | 2000                            | 2000                    |
|        | 1              | 1                    | 1               | 1               | 1               | 1               | 1                               | 1                       |
|        | 12             | 12                   | 12              | 12              | 12              | 12              | 12                              | 12                      |
|        | 12             | 12                   | 12              | 12              | 12              | 12              | 12                              | 12                      |
| Jan-00 | 33.2           | 1                    | 318             | 618             | 833             | 1083            | 41                              | 9.578313                |
| Feb-00 | 28.6           | 2                    | 424             | 698             | 897             | 1125            | 38.6                            | 14.825175               |
| Mar-00 | 29.6           | 3                    | 113             | 340             | 548             | 786             | 55                              | 3.817568                |
| Apr-00 | 31.0           | 4                    | 51              | 241             | 454             | 702             | 60.8                            | 1.645161                |
| May-00 | 30.4           | 5                    | 9               | 101             | 240             | 469             | 63.4                            | 0.296053                |
| Jun-00 | 30.9           | 6                    | 0               | 1               | 30              | 183             | 75.1                            | 0                       |
| Jul-00 | 31.9           | 7                    | 0               | 0               | 5               | 57              | 82.3                            | 0                       |
| Aug-00 | 29.7           | 8                    | 0               | 0               | 0               | 31              | 75.7                            | 0                       |
| Sep-00 | 31.8           | 9                    | 0               | 1               | 14              | 100             | 81.1                            | 0                       |
| Oct-00 | 29.5           | 10                   | 15              | 74              | 186             | 395             | 55.4                            | 0.508475                |
| Nov-00 | 29.6           | 11                   | 61              | 158             | 319             | 555             | 58.3                            | 2.060811                |
| Dec-00 | 31.1           | 12                   | 342             | 619             | 823             | 1060            | 42.3                            | 10.996785               |
| Jan-01 | 28.9           | 13                   | 650             | 969             | 1193            | 1449            | 45.8                            | 22.491349               |
| Feb-01 | 30.4           | 14                   | 412             | 694             | 897             | 1128            | 39.6                            | 13.552632               |
| Mar-01 | 31.4           | 15                   | 189             | 462             | 668             | 903             | 50                              | 6.019108                |
| Apr-01 | 30.1           | 16                   | 142             | 383             | 576             | 826             | 57.5                            | 4.717608                |
| May-01 | 30.9           | 17                   | 14              | 71              | 189             | 422             | 64.2                            | 0.453074                |
| Jun-01 | 31.9           | 18                   | 0               | 7               | 81              | 275             | 71.9                            | 0                       |
| Jul-01 | 29.8           | 19                   | 0               | 0               | 9               | 109             | 79.8                            | 0                       |
| Aug-01 | 31.9           | 20                   | 0               | 0               | 0               | 27              | 75.5                            | 0                       |
| Sep-01 | 29.4           | 21                   | 0               | 1               | 9               | 97              | 81                              | 0                       |
| Oct-01 | 29.6           | 22                   | 3               | 71              | 201             | 411             | 50.1                            | 0.101351                |
| Nov-01 | 29.4           | 23                   | 46              | 235             | 428             | 662             | 54.8                            | 1.564626                |
| Dec-01 | 30.5           | 24                   | 65              | 299             | 505             | 748             | 54.3                            | 2.131148                |
| Jan-02 | 31.4           | 25                   | 401             | 702             | 922             | 1174            | 39.3                            | 12.770701               |
| Feb-02 | 29.2           | 26                   | 274             | 538             | 742             | 974             | 45.1                            | 9.383562                |
| Mar-02 | 30.4           | 27                   | 264             | 531             | 732             | 967             | 47.7                            | 8.684211                |
| Apr-02 | 30.8           | 28                   | 85              | 269             | 451             | 691             | 60.4                            | 2.75974                 |
| May-02 | 29.4           | 29                   | 4               | 64              | 176             | 372             | 63.9                            | 0.136054                |
| Jun-02 | 30.8           | 30                   | 0               | 45              | 116             | 283             | 71.7                            | 0                       |
| Jul-02 | 30.4           | 31                   | 0               | 0               | 3               | 63              | 77.8                            | 0                       |
| Aug-02 | 29.8           | 32                   | 0               | 0               | 0               | 10              | 77.1                            | 0                       |
| Sep-02 | 30.8           | 33                   | 0               | 0               | 0               | 31              | 81.3                            | 0                       |
| Oct-02 | 30.7           | 34                   | 0               | 12              | 53              | 206             | 58.2                            | 0                       |
| Nov-02 | 28.7           | 35                   | 51              | 187             | 352             | 574             | 55.8                            | 1.777003                |
| Dec-02 | 29.8           | 36                   | 299             | 582             | 785             | 1023            | 44.1                            | 10.033557               |
| Jan-03 | 30.7           | 37                   | 391             | 705             | 925             | 1176            | 40.3                            | 12.736156               |
| Feb-03 | 29.8           | 38                   | 536             | 833             | 1041            | 1280            | 36.8                            | 17.986577               |
| Mar-03 | 30.4           | 39                   | 300             | 582             | 788             | 1023            | 45.8                            | 9.868421                |
| Apr-03 | 31.1           | 40                   | 66              | 273             | 487             | 736             | 59.8                            | 2.122186                |
| May-03 | 30.5           | 41                   | 19              | 89              | 252             | 491             | 62.9                            | 0.622951                |
| Jun-03 | 30.7           | 42                   | 0               | 4               | 101             | 321             | 70                              | 0                       |
| Jul-03 | 30.4           | 43                   | 0               | 0               | 19              | 149             | 74.5                            | 0                       |
| Aug-03 | 29.9           | 44                   | 0               | 0               | 1               | 70              | 73.8                            | 0                       |
| Sep-03 | 30.4           | 45                   | 0               | 0               | 2               | 58              | 78.5                            | 0                       |
| Oct-03 | 30.4           | 46                   | 2               | 51              | 135             | 349             | 51.7                            | 0.065789                |
| Nov-03 | 29.4           | 47                   | 18              | 137             | 324             | 559             | 58                              | 0.612245                |
| Dec-03 | 31.3           | 48                   | 195             | 452             | 666             | 916             | 51.4                            | 6.230032                |

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Vertical

|        | MRD<br>Average Cyl. Trend | CGCTRD<br>2000 | SDD55<br>SDD 55 | SDD65<br>SDD 65 | SDD72<br>SDD 72 | SDD80<br>SDD 80 | SalesTemp<br>Monthly Sales Temp | SDD55MRD<br>SDD Per MRJ |
|--------|---------------------------|----------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|-------------------------|
|        |                           | 2000           | 2000            | 2000            | 2000            | 2000            | 2000                            | 2000                    |
| Jan-04 | 30.5                      | 49             | 435             | 735             | 952             | 1202            | 42.8                            | 14.262295               |
| Feb-04 | 30.6                      | 50             | 486             | 785             | 999             | 1244            | 40.3                            | 15.882353               |
| Mar-04 | 29.7                      | 51             | 295             | 565             | 770             | 1008            | 47.2                            | 9.93266                 |
| Apr-04 | 29.7                      | 52             | 84              | 297             | 500             | 738             | 55.9                            | 2.828283                |
| May-04 | 30.2                      | 53             | 24              | 140             | 288             | 524             | 61                              | 0.794702                |
| Jun-04 | 30.4                      | 54             | 2               | 17              | 42              | 207             | 73                              | 0.065789                |
| Jul-04 | 30.6                      | 55             | 0               | 0               | 2               | 91              | 77.1                            | 0                       |
| Aug-04 | 30.0                      | 56             | 0               | 0               | 4               | 85              | 73.9                            | 0                       |
| Sep-04 | 31.0                      | 57             | 0               | 0               | 14              | 133             | 77.2                            | 0                       |
| Oct-04 | 28.3                      | 58             | 0               | 7               | 67              | 261             | 51.9                            | 0                       |
| Nov-04 | 29.7                      | 59             | 8               | 71              | 209             | 441             | 61.8                            | 0.26936                 |
| Dec-04 | 33.4                      | 60             | 112             | 358             | 558             | 806             | 54.5                            | 3.353293                |
| Jan-05 | 32.9                      | 61             | 347             | 614             | 808             | 1031            | 53.4                            | 10.547112               |
| Feb-05 | 30.5                      | 62             | 361             | 649             | 867             | 1117            | 44.3                            | 11.836066               |
| Mar-05 | 31.0                      | 63             | 252             | 529             | 724             | 948             | 44                              | 8.129032                |
| Apr-05 | 30.1                      | 64             | 173             | 422             | 647             | 908             | 58                              | 5.747508                |
| May-05 | 29.5                      | 65             | 28              | 162             | 361             | 604             | 57.3                            | 0.949153                |
| Jun-05 | 30.8                      | 66             | 8               | 58              | 165             | 381             | 66.6                            | 0.25974                 |
| Jul-05 | 30.8                      | 67             | 0               | 1               | 17              | 127             | 76.1                            | 0                       |
| Aug-05 | 29.4                      | 68             | 0               | 0               | 0               | 28              | 81                              | 0                       |
| Sep-05 | 30.7                      | 69             | 0               | 0               | 0               | 37              | 82.4                            | 0                       |
| Oct-05 | 30.4                      | 70             | 0               | 3.57142857      | 30.5714286      | 168.238095      | 73.26868496                     | 0                       |
| Nov-05 | 30.7                      | 71             | 43.7142857      | 172.857143      | 322.714286      | 559.285714      | 61.41932501                     | 1.423918                |
| Dec-05 | 31.7                      | 72             | 279.190476      | 549.571429      | 765.380952      | 1019.09524      | 49.12775466                     | 8.807271                |
| Jan-06 | 32.1                      | 73             | 423.857143      | 727.238095      | 945.238095      | 1194.38095      | 41.17611489                     | 13.204272               |
| Feb-06 | 32                        | 74             | 322.333333      | 631.333333      | 855             | 1110.61905      | 48.34687052                     | 10.072917               |
| Mar-06 | 30.9                      | 75             | 274.095238      | 537.571429      | 748.47619       | 995.333333      | 50.80131363                     | 8.870396                |
| Apr-06 | 31.9                      | 76             | 101.047619      | 292.714286      | 481.52381       | 732.380952      | 61.98602308                     | 3.167637                |
| May-06 | 30                        | 77             | 1.19047619      | 67.0952381      | 211.52381       | 445             |                                 | 0.039683                |
| Jun-06 | 32.2                      | 78             |                 |                 |                 |                 |                                 |                         |
| Jul-06 | 30.6                      | 79             |                 |                 |                 |                 |                                 |                         |
| Aug-06 | 31                        | 80             |                 |                 |                 |                 |                                 |                         |
| Sep-06 | 30.6                      | 81             |                 |                 |                 |                 |                                 |                         |
| Oct-06 |                           | 82             |                 |                 |                 |                 |                                 |                         |
| Nov-06 |                           | 83             |                 |                 |                 |                 |                                 |                         |
| Dec-06 |                           | 84             |                 |                 |                 |                 |                                 |                         |
| Jan-07 |                           | 85             |                 |                 |                 |                 |                                 |                         |
| Feb-07 |                           | 86             |                 |                 |                 |                 |                                 |                         |
| Mar-07 |                           | 87             |                 |                 |                 |                 |                                 |                         |
| Apr-07 |                           | 88             |                 |                 |                 |                 |                                 |                         |
| May-07 |                           | 89             |                 |                 |                 |                 |                                 |                         |
|        |                           | 90             |                 |                 |                 |                 |                                 |                         |
|        |                           | 91             |                 |                 |                 |                 |                                 |                         |

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| SDD65MRD    | SDD72MRD    | SDD80MRD    | Knot5565       | Knot5572       | Knot5580       | ResCGC        | ComCGC       | C2CUST       | Res Volume    |
|-------------|-------------|-------------|----------------|----------------|----------------|---------------|--------------|--------------|---------------|
| SDD Per MRJ | SDD Per MRJ | SDD Per MRJ | Cubil Spline I | Cubil Spline I | Cubil Spline I | Residential C | Commercial C | Commercial C | Residential V |
| 2000        | 2000        | 2000        | 2000           | 2000           | 2000           | 2000          | 2000         | 2002         | 2000          |
| 1           | 1           | 1           | 1              | 1              | 1              | 1             | 1            | 1            | 1             |
| 12          | 12          | 12          | 12             | 12             | 12             | 12            | 12           | 12           | 12            |
| 12          | 12          | 12          | 12             | 12             | 12             | 12            | 12           | 12           | 12            |
| 18.614458   | 25.090361   | 32.620482   | 0              | 0              | 0              | 49182         | 8033         | 1661         | 654569        |
| 24.405594   | 31.363636   | 39.335664   | 0              | 0              | 0              | 49447         | 8110         | 1673         | 766607        |
| 11.486486   | 18.513514   | 26.554054   | 0              | 0              | 0              | 49026         | 8000         | 1700         | 415024        |
| 7.774194    | 14.645161   | 22.645161   | 11.027116      | 13.05821       | 13.05821       | 49333         | 8160         | 1681         | 297804        |
| 3.322368    | 7.894737    | 15.427632   | 297.760747     | 754.879243     | 877.118273     | 49917         | 8085         | 1647         | 176800        |
| 0.032362    | 0.970874    | 5.92233     | 990.322785     | 4118.40951     | 6943.46094     | 48259         | 7829         | 1677         | 89967         |
| 0           | 0.15674     | 1.786834    | 1000           | 4778.35551     | 12508.4395     | 45452         | 7469         | 1682         | 68860         |
| 0           | 0           | 1.043771    | 1000           | 4913           | 13748.5016     | 45552         | 7281         | 1679         | 58023         |
| 0.031447    | 0.440252    | 3.144654    | 990.595536     | 4541.1011      | 10439.3404     | 47876         | 7695         | 1683         | 77294         |
| 2.508475    | 6.305085    | 13.389831   | 420.446459     | 1223.29729     | 1565.00462     | 48274         | 7727         | 1690         | 127130        |
| 5.337838    | 10.777027   | 18.75       | 101.335609     | 240.987075     | 244.140625     | 49295         | 7859         | 1679         | 228512        |
| 19.903537   | 26.463023   | 34.083601   | 0              | 0              | 0              | 49988         | 8076         | 1694         | 686857        |
| 33.529412   | 41.280277   | 50.138408   | 0              | 0              | 0              | 50522         | 8205         | 1707         | 992773        |
| 22.828947   | 29.506579   | 37.105263   | 0              | 0              | 0              | 50650         | 8291         | 1736         | 721395        |
| 14.713376   | 21.273885   | 28.757962   | 0              | 0              | 0              | 50682         | 8271         | 1749         | 498898.2      |
| 12.724252   | 19.136213   | 27.44186    | 0              | 0              | 0              | 50445         | 8231         | 1746         | 424425.6      |
| 2.297735    | 6.116505    | 13.656958   | 456.935994     | 1289.15503     | 1459.44798     | 49503         | 8055         | 1746         | 139621        |
| 0.219436    | 2.539185    | 8.62069     | 935.603198     | 3023.97579     | 4394.27071     | 48759         | 7894         | 1736         | 84747         |
| 0           | 0.302013    | 3.657718    | 1000           | 4655.77899     | 9721.26008     | 48448         | 7794         | 1712         | 74301.5       |
| 0           | 0           | 0.846395    | 1000           | 4913           | 14091.1319     | 47982         | 7731         | 1732         | 66794         |
| 0.034014    | 0.306122    | 3.29932     | 989.830469     | 4652.34278     | 10219.2736     | 47869         | 7714         | 1736         | 76947         |
| 2.398649    | 6.790541    | 13.885135   | 439.210143     | 1064.16308     | 1373.13291     | 48167         | 7726         | 1717         | 118657.4      |
| 7.993197    | 14.557823   | 22.517007   | 8.081914       | 14.565702      | 15.308283      | 49342         | 7844         | 1741         | 266362.8      |
| 9.803279    | 16.557377   | 24.52459    | 0.007613       | 0.086717       | 0.10745        | 49918         | 8007         | 1745         | 339105        |
| 22.356688   | 29.363057   | 37.388535   | 0              | 0              | 0              | 51159         | 8327         | 1719         | 755362.7      |
| 18.424658   | 25.410959   | 33.356164   | 0              | 0              | 0              | 51332         | 8389         | 1728         | 591351        |
| 17.467105   | 24.078947   | 31.809211   | 0              | 0              | 0              | 51447         | 8391         | 1732         | 590595        |
| 8.733766    | 14.642857   | 22.435065   | 2.030214       | 13.096577      | 16.874429      | 51117         | 8300         | 1733         | 316993        |
| 2.176871    | 5.986395    | 12.653061   | 478.786035     | 1335.94473     | 1882.25261     | 50526         | 8141         | 1727         | 147730.3      |
| 1.461039    | 3.766234    | 9.188312    | 622.608564     | 2317.66335     | 3953.07185     | 50005         | 8035         | 1713         | 99803         |
| 0           | 0.098684    | 2.072368    | 1000           | 4827.93668     | 12052.513      | 49701         | 7945         | 1717         | 71633         |
| 0           | 0           | 0.33557     | 1000           | 4913           | 15004.214      | 49349         | 7889         | 1715         | 60653         |
| 0           | 0           | 1.006494    | 1000           | 4913           | 13812.7814     | 49275         | 7885         | 1711         | 64514         |
| 0.390879    | 1.726384    | 6.710098    | 887.260171     | 3563.08024     | 6118.34744     | 49600         | 7916         | 1706         | 83132         |
| 6.515679    | 12.264808   | 20          | 42.301374      | 106.17268      | 125            | 50724         | 8096         | 1720         | 223940.4      |
| 19.530201   | 26.342282   | 34.328859   | 0              | 0              | 0              | 51523         | 8337         | 1728         | 626763        |
| 22.964169   | 30.130293   | 38.306189   | 0              | 0              | 0              | 51902         | 8409         | 1722         | 730567        |
| 27.95302    | 34.932886   | 42.95302    | 0              | 0              | 0              | 52128         | 8465         | 1735         | 892202        |
| 19.144737   | 25.921053   | 33.651316   | 0              | 0              | 0              | 52129         | 8464         | 1742         | 578397        |
| 8.778135    | 15.659164   | 23.665595   | 1.824188       | 2.41061        | 2.376091       | 51494         | 8352         | 1741         | 290485        |
| 2.918033    | 8.262295    | 16.098361   | 355.19079      | 667.101833     | 705.358547     | 50657         | 8199         | 1730         | 160971        |
| 0.130293    | 3.289902    | 10.456026   | 961.419176     | 2577.04307     | 3076.4458      | 50237         | 8068         | 1718         | 94023         |
| 0           | 0.625       | 4.901316    | 1000           | 4390.80273     | 8119.00607     | 49882         | 7958         | 1726         | 76031         |
| 0           | 0.033445    | 2.341137    | 1000           | 4884.0602      | 11633.6057     | 49703         | 7942         | 1725         | 70825         |
| 0           | 0.065789    | 1.907895    | 1000           | 4856.18139     | 12313.7568     | 49742         | 7912         | 1728         | 69975         |
| 1.677632    | 4.440789    | 11.480263   | 576.422264     | 1981.01184     | 2471.18199     | 50514         | 7988         | 1726         | 102534        |
| 4.659864    | 11.020408   | 19.013605   | 152.284939     | 213.803424     | 214.533989     | 51431         | 8174         | 1731         | 172039        |
| 14.440895   | 21.277955   | 29.265176   | 0              | 0              | 0              | 52100         | 8369         | 1727         | 478113        |

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| SDD65MRD    | SDD72MRD    | SDD80MRD    | Knot5565       | Knot5572       | Knot5580       | ResCGC        | ComCGC       | C2CUST       | Res Volume    |
|-------------|-------------|-------------|----------------|----------------|----------------|---------------|--------------|--------------|---------------|
| SDD Per MRJ | SDD Per MRJ | SDD Per MRJ | Cubil Spline F | Cubil Spline F | Cubil Spline F | Residential C | Commercial C | Commercial C | Residential V |
| 2000        | 2000        | 2000        | 2000           | 2000           | 2000           | 2000          | 2000         | 2002         | 2000          |
| 24.098361   | 31.213115   | 39.409836   | 0              | 0              | 0              | 52513         | 8476         | 1741         | 759535        |
| 25.653595   | 32.647059   | 40.653595   | 0              | 0              | 0              | 52761         | 8532         | 1741         | 828797        |
| 19.023569   | 25.925926   | 33.939394   | 0              | 0              | 0              | 52728         | 8518         | 1741         | 620876        |
| 10          | 16.835017   | 24.848485   | 0              | 0.004491       | 0.003478       | 52367         | 8456         |              | 320975        |
| 4.635762    | 9.536424    | 17.350993   | 154.356213     | 415.758253     | 447.522809     | 52289         | 8372         |              | 180327        |
| 0.559211    | 1.381579    | 6.809211    | 841.443334     | 3809.88069     | 6019.41948     | 51483         | 8218         |              | 90540         |
| 0           | 0.065359    | 2.973856    | 1000           | 4856.55133     | 10686.0062     | 50893         | 8075         |              | 75576         |
| 0           | 0.133333    | 2.833333    | 1000           | 4798.30458     | 10891.8385     | 50639         | 7992         |              | 70217         |
| 0           | 0.451613    | 4.290323    | 1000           | 4531.76109     | 8882.18831     | 50861         | 7996         |              | 73757         |
| 0.24735     | 2.367491    | 9.222615    | 927.615327     | 3132.97118     | 3927.39941     | 51059         | 8052         |              | 82568         |
| 2.390572    | 7.037037    | 14.848485   | 440.611711     | 988.930001     | 1046.14668     | 51929         | 8186         |              | 125191        |
| 10.718563   | 16.706587   | 24.131737   | 0              | 0.02526        | 0.654567       | 52859         | 8412         |              | 376115        |
| 18.662614   | 24.559271   | 31.337386   | 0              | 0              | 0              | 53318         | 8462         |              | 687830        |
| 21.278689   | 28.42623    | 36.622951   | 0              | 0              | 0              | 53578         | 8584         |              | 677409        |
| 17.064516   | 23.354839   | 30.580645   | 0              | 0              | 0              | 53809         | 8580         |              | 596809        |
| 14.019934   | 21.495017   | 30.166113   | 0              | 0              | 0              | 53684         | 8601         |              | 425031        |
| 5.491525    | 12.237288   | 20.474576   | 91.640827      | 108.034623     | 92.678251      | 52640         | 8430         |              | 196799        |
| 1.883117    | 5.357143    | 12.37013    | 534.771012     | 1578.26051     | 2014.63624     | 52172         | 8189         |              | 126324        |
| 0.032468    | 0.551948    | 4.123377    | 990.291191     | 4449.82991     | 9098.72933     | 51674         | 8142         |              | 75231         |
| 0           | 0           | 0.952381    | 1000           | 4913           | 13906.449      | 51586         | 8163         |              | 71336         |
| 0           | 0           | 1.205212    | 1000           | 4913           | 13472.4171     | 51694         | 8125         |              | 69795         |
| 0.117481    | 1.005639    | 5.534148    | 965.168132     | 4091.67077     | 7375.98885     | 51695         | 8149         |              | 74072         |
| 5.630526    | 10.511866   | 18.217776   | 83.423322      | 273.123728     | 311.972554     | 52472         | 8269         |              | 181160        |
| 17.336638   | 24.14451    | 32.148115   | 0              | 0              | 0              | 53383         | 8531         |              | 531587        |
| 22.655392   | 29.44667    | 37.208129   | 0              | 0              | 0              | 53654         | 8595         |              | 696810        |
| 19.729167   | 26.71875    | 34.706845   | 0              | 0              | 0              | 53769         | 8604         |              | 604672        |
| 17.397134   | 24.22253    | 32.211435   | 0              | 0              | 0              | 53738         | 8574         |              | 552360        |
| 9.175996    | 15.09479    | 22.958651   | 0.559484       | 6.915579       | 8.506517       | 53374         | 8444         |              | 318159        |
| 2.236508    | 7.050794    | 14.833333   | 467.919699     | 984.83907      | 1050.83807     | 52825         | 8316         |              | 109364        |

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| CommVol      | C2VOL      | RSAC            | CSAC        | C2AC           | PGA    | RPGA     | CPI       | ResElec     |
|--------------|------------|-----------------|-------------|----------------|--------|----------|-----------|-------------|
| Commercial \ | Commercial | Res Avg upc per | Com avg UPC | Com avg UPC R1 |        | C1       | CPI South | Url Average |
| 2000         | 2002       | 2000            | 2000        | 2002           | 2000   | 2000     | 1999      | 1999        |
| 1            | 1          | 1               | 1           | 1              | 1      | 1        | 1         | 1           |
| 12           | 12         | 12              | 12          | 12             | 12     | 12       | 12        | 12          |
| 12           | 12         | 12              | 12          | 12             | 12     | 12       | 12        | 12          |
| 561289       | 4441811    | 0.400877        | 2.104605    | 8.516493       | 4.843  | 4.843    | 159.9     | 6.20390474  |
| 657594       | 4433637    | 0.542084        | 2.835117    | 9.075725       | 4.284  | 4.265803 | 160       | 6.40402043  |
| 448586       | 4452097    | 0.285993        | 1.894367    | 8.614739       | 4.284  | 4.222249 | 160.6     | 6.30396599  |
| 300849       | 2931976    | 0.194729        | 1.189315    | 5.66294        | 4.68   | 4.607007 | 161.5     | 6.40400198  |
| 227261       | 2005647    | 0.116509        | 0.924637    | 4.142033       | 4.68   | 4.607007 | 161.6     | 6.5040729   |
| 178945       | 1582083    | 0.060332        | 0.739699    | 3.062989       | 4.86   | 4.761349 | 161.7     | 6.40402555  |
| 115480       | 1304882    | 0.047492        | 0.484678    | 2.551947       | 5.712  | 5.5794   | 162.2     | 6.30395293  |
| 128491       | 1239719    | 0.042888        | 0.594190    | 2.477743       | 5.712  | 5.5794   | 162.6     | 6.20389308  |
| 153618       | 1305468    | 0.050769        | 0.627778    | 2.518439       | 5.484  | 5.340798 | 163.2     | 6.30395957  |
| 178524       | 1445111    | 0.089271        | 0.783184    | 2.785327       | 5.484  | 5.340798 | 163.6     | 6.50407837  |
| 213308       | 1853784    | 0.156608        | 0.916955    | 3.847039       | 6.888  | 6.704157 | 163.5     | 6.5041117   |
| 545945       | 3875277    | 0.441815        | 2.173663    | 7.676674       | 7.814  | 7.614474 | 163.6     | 6.30395701  |
| 847449       | 4487909    | 0.679942        | 3.573857    | 8.563911       | 7.814  | 7.573995 | 164.1     | 6.10735242  |
| 794372       | 6031501    | 0.468511        | 3.151690    | 11.658949      | 10.068 | 9.707161 | 164.8     | 6.1504416   |
| 466666.1     | 4378761    | 0.313494        | 1.796878    | 8.23546        | 7.788  | 7.491271 | 166.5     | 6.38390561  |
| 419692.8     | 2848681    | 0.279523        | 1.693996    | 5.246132       | 6.671  | 6.386879 | 166.7     | 6.484339    |
| 215156.5     | 2106482    | 0.091277        | 0.864431    | 3.955612       | 6.467  | 6.18075  | 166.7     | 6.51467243  |
| 154539       | 1820052    | 0.054485        | 0.613692    | 3.415039       | 6.22   | 5.927422 | 167.5     | 6.46136678  |
| 151522.1     | 1404501    | 0.051464        | 0.652378    | 2.698638       | 5.33   | 5.097045 | 168       | 6.36582837  |
| 133921       | 1540218    | 0.043638        | 0.543028    | 2.974152       | 4.987  | 4.771817 | 168       | 6.37761776  |
| 130698       | 1297382    | 0.054675        | 0.576291    | 2.458355       | 5.082  | 4.842951 | 168.5     | 6.32514948  |
| 165196.7     | 1478316    | 0.083225        | 0.722362    | 2.832197       | 5.082  | 4.857054 | 168.5     | 6.45629921  |
| 245829.1     | 1924942    | 0.183616        | 1.065978    | 3.760725       | 5.082  | 4.876937 | 168.6     | 6.4067837   |
| 307952       | 3061292    | 0.222729        | 1.260995    | 5.604863       | 4.861  | 4.684029 | 168.4     | 6.10020419  |
| 569433.9     | 4757799    | 0.470223        | 2.177836    | 9.07466        | 4.861  | 4.675792 | 169.3     | 5.70276453  |
| 556084       | 5407438    | 0.394525        | 2.270112    | 10.226485      | 4.861  | 4.664854 | 170.2     | 5.92486005  |
| 544458       | 4579022    | 0.377621        | 2.134406    | 8.901607       | 4.192  | 3.997137 | 170.6     | 6.10833934  |
| 357571       | 2819834    | 0.201342        | 1.398729    | 5.478587       | 6.11   | 5.792322 | 171.4     | 6.23468571  |
| 198748.9     | 2071758    | 0.099451        | 0.830385    | 3.972279       | 6.358  | 6.023948 | 171.7     | 6.51499912  |
| 167607       | 1446240    | 0.064801        | 0.677260    | 2.777214       | 6.358  | 6.013532 | 172.2     | 6.67165969  |
| 131469       | 1390450    | 0.047410        | 0.544322    | 2.64645        | 6.638  | 6.274745 | 171.6     | 6.6535026   |
| 124209       | 1380091    | 0.041244        | 0.528342    | 2.682393       | 6.638  | 6.267525 | 171.5     | 6.6263185   |
| 137064       | 1353957    | 0.042509        | 0.564379    | 2.552661       | 6.638  | 6.253133 | 172.2     | 6.57097546  |
| 153170       | 1364357    | 0.054594        | 0.630274    | 2.825938       | 7.6    | 7.130703 | 171.7     | 6.53536093  |
| 207803       | 1551061    | 0.153829        | 0.894333    | 3.036295       | 7.6    | 7.130703 | 171       | 6.24926132  |
| 473780       | 2532073    | 0.408212        | 1.907000    | 4.387186       | 7.6    | 7.142955 | 170.3     | 6.11801265  |
| 584270       | 4386062    | 0.458498        | 2.263241    | 7.741867       | 7.6    | 7.122559 | 170.6     | 6.25239054  |
| 767527       | 4505322    | 0.574349        | 3.042639    | 8.51386        | 7.6    | 7.070068 | 171       | 6.33485574  |
| 549480       | 4159511    | 0.364983        | 2.135515    | 7.702513       | 8.361  | 7.729803 | 172.1     | 6.36648852  |
| 323009       | 3568343    | 0.181387        | 1.243551    | 6.809282       | 8.361  | 7.734161 | 173.1     | 6.51051527  |
| 229874       | 2028625    | 0.104186        | 0.919240    | 3.974968       | 8.361  | 7.760408 | 173.2     | 6.58355559  |
| 193471       | 1702138    | 0.060964        | 0.781109    | 3.216777       | 8.361  | 7.74289  | 173.5     | 6.51658103  |
| 113603       | 1286796    | 0.050139        | 0.469583    | 2.420573       | 7.26   | 6.719492 | 173.6     | 6.35894457  |
| 163455       | 1277043    | 0.047658        | 0.688331    | 2.518077       | 7.26   | 6.69683  | 173.8     | 6.34287124  |
| 138559       | 1298707    | 0.046275        | 0.576069    | 2.4481         | 7.26   | 6.681806 | 174.2     | 6.36514529  |
| 148367       | 1289903    | 0.066770        | 0.610978    | 2.458344       | 7.174  | 6.61007  | 174.9     | 6.53102782  |
| 203928       | 1801470    | 0.113777        | 0.848584    | 3.389937       | 7.174  | 6.632414 | 174.9     | 6.57770371  |
| 361198       | 3429620    | 0.293190        | 1.378883    | 6.264615       | 7.174  | 6.632414 | 174.6     | 6.35773674  |

$$\begin{aligned} & \text{Theorem 1.1. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is self-adjoint if and only if } T = T^*. \\ & \text{Theorem 1.2. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is normal if and only if } T T^* = T^* T. \\ & \text{Theorem 1.3. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is unitary if and only if } T^{-1} = T^*. \\ & \text{Theorem 1.4. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is an isometry if and only if } T^* T = I. \\ & \text{Theorem 1.5. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is a surjection if and only if } T T^* = I. \\ & \text{Theorem 1.6. Let } \mathcal{H} \text{ be a Hilbert space and } T \text{ a bounded linear operator on } \mathcal{H}. \text{ Then } T \text{ is an isomorphism if and only if } T \text{ is invertible.} \end{aligned}$$
[illegible]

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| ComElec<br>Average | RElecRes<br>Average | RElecCom<br>Average |
|--------------------|---------------------|---------------------|
| 1999               | 1999                | 1999                |
| 1                  | 1                   | 1                   |
| 12                 | 12                  | 12                  |
| 12                 | 12                  | 12                  |
| 6.19977334         | 6.37                | 6.36                |
| 6.49985202         | 6.57                | 6.67                |
| 6.39983149         | 6.44                | 6.54                |
| 6.39979591         | 6.51                | 6.5                 |
| 6.29978406         | 6.6                 | 6.4                 |
| 6.19980638         | 6.5                 | 6.29                |
| 5.99982398         | 6.38                | 6.07                |
| 5.89980126         | 6.26                | 5.95                |
| 6.59977254         | 6.34                | 6.64                |
| 6.39978804         | 6.52                | 6.42                |
| 6.49976152         | 6.53                | 6.52                |
| 6.29977706         | 6.32                | 6.32                |
| 5.86546179         | 6.11                | 5.87                |
| 6.36214487         | 6.12                | 6.34                |
| 6.37798088         | 6.29                | 6.29                |
| 6.37953729         | 6.38                | 6.28                |
| 6.27570544         | 6.41                | 6.18                |
| 6.40218855         | 6.33                | 6.27                |
| 6.28819068         | 6.22                | 6.14                |
| 6.34612021         | 6.23                | 6.2                 |
| 6.23735116         | 6.16                | 6.07                |
| 6.3713685          | 6.29                | 6.2                 |
| 6.38996706         | 6.24                | 6.22                |
| 6.08377147         | 5.94                | 5.93                |
| 5.84106237         | 5.53                | 5.66                |
| 6.00265882         | 5.71                | 5.79                |
| 6.11301713         | 5.88                | 5.88                |
| 6.14695475         | 5.97                | 5.89                |
| 6.17584329         | 6.23                | 5.9                 |
| 6.4506198          | 6.36                | 6.15                |
| 6.66574593         | 6.36                | 6.37                |
| 6.64086004         | 6.34                | 6.35                |
| 6.57885418         | 6.26                | 6.27                |
| 6.58460988         | 6.25                | 6.29                |
| 6.18354989         | 6                   | 5.93                |
| 6.11418715         | 5.9                 | 5.89                |
| 6.39510797         | 6.01                | 6.15                |
| 6.51816712         | 6.08                | 6.26                |
| 6.54551515         | 6.07                | 6.24                |
| 6.4579111          | 6.17                | 6.12                |
| 6.65158739         | 6.24                | 6.3                 |
| 6.61734707         | 6.16                | 6.26                |
| 6.26271923         | 6.01                | 5.92                |
| 6.29206697         | 5.99                | 5.94                |
| 6.28975108         | 6                   | 5.93                |
| 6.49852034         | 6.13                | 6.1                 |
| 6.57883513         | 6.17                | 6.17                |
| 6.45761194         | 5.98                | 6.07                |

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| ComElec<br>Average | RElecRes<br>Average | RElecCom<br>Average |
|--------------------|---------------------|---------------------|
| 1999               | 1999                | 1999                |
| 6.52379309         | 5.9                 | 6.11                |
| 6.67114372         | 5.85                | 6.21                |
| 6.70092252         | 5.94                | 6.2                 |
| 6.7160855          | 6.16                | 6.21                |
| 6.67429482         | 6.17                | 6.19                |
| 6.41431198         | 6.07                | 5.94                |
| 6.43962074         | 5.97                | 5.96                |
| 6.59223296         | 5.92                | 6.08                |
| 6.31074637         | 5.91                | 5.81                |
| 7.09983419         | 6.48                | 6.54                |
| 7.12493754         | 6.54                | 6.59                |
| 7.08570298         | 6.28                | 6.55                |
| 7.01038889         | 6.16                | 6.46                |
| 7.08320611         | 6.16                | 6.49                |
| 7.1808337          | 6.28                | 6.54                |
| 7.17175436         | 6.38                | 6.51                |
| 7.17229734         | 6.38                | 6.47                |
| 6.95896745         | 6.17                | 6.24                |
| 6.86943562         | 6.12                | 6.17                |
| 6.93602993         | 6.14                | 6.23                |
| 6.92277077         | 6.17                | 6.21                |
| 7.02078502         | 6.29                | 6.27                |
| 7.12593166         | 6.37                | 6.37                |
| 7.05190558         | 6.14                | 6.31                |
| 7.09221422         | 6.02                | 6.34                |
| 7.11755598         | 6.04                | 6.32                |
| 7.17257304         | 6.07                | 6.33                |
| 7.22541391         | 6.2                 | 6.33                |
| 7.27160678         | 6.28                | 6.37                |
| 7.07528458         | 6.1                 | 6.18                |
| 6.79616053         | 6.1                 | 6.18                |
| 6.82548275         | 6.1                 | 6.18                |
| 6.99756022         | 6.1                 | 6.18                |
| 7.05038713         | 6.1                 | 6.18                |
| 7.5312954          | 6.1                 | 6.18                |



[illegible]

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2005 Forecast Update Period (01/01/05 through 12/31/05)**

Demand Charges Company (Base Rates)

| Firm Sales                                                             | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | 2005 Total |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| R-1 Residential                                                        |        |        |        |        |        |        |        |        |        |        |        |        |            |
| R-4 Residential                                                        |        |        |        |        |        |        |        |        |        |        |        |        |            |
| C-1 Commercial & Industrial                                            |        |        |        |        |        |        |        |        |        |        |        |        |            |
| C-2 Large Commercial & Industrial (Proposed)                           |        |        |        |        |        |        |        |        |        |        |        |        |            |
| L-1 Large Volume Standby Sales Service                                 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 26,364 | 316,364    |
| L-172 + T1 Large Volume Firm Service with Period Standby Sales Service | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 143,040    |
| L-172 + T1 Large Volume Firm Service                                   | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 39,282 | 479,404    |
| Sub-Total L-1 Large Volume Standby Sales Service                       | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 66,286 | 809,404    |
| L-172 + T1 Large Volume Firm Service                                   | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 11,920 | 143,040    |
| Sub-Total L-172 + T1 Large Volume Firm Service                         | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 28,202 | 342,040    |
| L-1 Intermittent Service                                               |        |        |        |        |        |        |        |        |        |        |        |        |            |
| Sub-Total L-1 Intermittent Service                                     |        |        |        |        |        |        |        |        |        |        |        |        |            |
| Sub-Total Firm Sales                                                   | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 1,151,444  |
| Transportation                                                         |        |        |        |        |        |        |        |        |        |        |        |        |            |
| L-172 Large Volume Firm Service with Standby Sales Service             |        |        |        |        |        |        |        |        |        |        |        |        |            |
| L-172 + T1 Large Volume Firm Service with Period Standby Sales Service |        |        |        |        |        |        |        |        |        |        |        |        |            |
| L-172 + T1 Large Volume Firm Service                                   |        |        |        |        |        |        |        |        |        |        |        |        |            |
| T-3 Low Volume Transportation Service                                  |        |        |        |        |        |        |        |        |        |        |        |        |            |
| Sub-Total Transportation                                               |        |        |        |        |        |        |        |        |        |        |        |        |            |
| Sub-Total Firm Sales and Transportation                                | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 94,488 | 1,151,444  |

**Commodity Charges (Base Rates)**

| Firm Sales                                                             | Jan          | Feb          | Mar          | Apr          | May        | Jun        | Jul        | Aug        | Sep        | Oct        | Nov        | Dec          | 2005 Total    |
|------------------------------------------------------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|---------------|
| R-1 Residential                                                        | \$ 1,400,600 | \$ 1,411,079 | \$ 1,201,132 | \$ 944,538   | \$ 428,733 | \$ 236,910 | \$ 152,820 | \$ 145,834 | \$ 141,114 | \$ 147,095 | \$ 422,832 | \$ 1,144,376 | \$ 7,871,075  |
| R-4 Residential                                                        | 2,331        | 2,148        | 2,058        | 949          | 719        | 0          | 0          | 388        | 514        | 449        | 1,009      | 1,568        | 12,449        |
| C-1 Commercial & Industrial                                            | 348,121      | 375,414      | 328,988      | 200,998      | 80,528     | 38,775     | (2,854)    | 27,041     | 23,281     | 25,270     | 63,765     | 217,981      | 1,713,864     |
| C-2 Large Commercial & Industrial (Proposed)                           | 1,133,334    | 1,164,894    | 1,081,418    | 937,701      | 518,972    | 343,821    | 258,160    | 255,620    | 260,359    | 255,780    | 377,130    | 882,853      | 7,494,752     |
| L-1 Large Volume Standby Sales Service                                 |              |              |              |              |            |            |            |            |            |            |            |              |               |
| L-172 + T1 Large Volume Firm Service                                   |              |              |              |              |            |            |            |            |            |            |            |              |               |
| L-172 + T1 Large Volume Firm Service with Period Standby Sales Service |              |              |              |              |            |            |            |            |            |            |            |              |               |
| Sub-Total L-1 Large Volume Standby Sales Service                       |              |              |              |              |            |            |            |            |            |            |            |              |               |
| Sub-Total Firm Sales                                                   | \$ 2,884,386 | \$ 2,954,535 | \$ 2,512,528 | \$ 1,883,186 | \$ 828,950 | \$ 279,731 | \$ 150,966 | \$ 146,855 | \$ 145,008 | \$ 148,614 | \$ 446,786 | \$ 1,236,877 | \$ 10,108,936 |
| Transportation                                                         |              |              |              |              |            |            |            |            |            |            |            |              |               |
| L-1 Intermittent Service                                               |              |              |              |              |            |            |            |            |            |            |            |              |               |
| Sub-Total Transportation                                               |              |              |              |              |            |            |            |            |            |            |            |              |               |
| Sub-Total Firm Sales and Transportation                                | \$ 2,884,386 | \$ 2,954,535 | \$ 2,512,528 | \$ 1,883,186 | \$ 828,950 | \$ 279,731 | \$ 150,966 | \$ 146,855 | \$ 145,008 | \$ 148,614 | \$ 446,786 | \$ 1,236,877 | \$ 10,108,936 |

| Firm Sales                                        | Jan 05       | Feb          | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          | Oct          | Nov          | Dec          | 2005          |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| R-1 Residential                                   | \$ 6,189,486 | \$ 5,070,370 | \$ 4,795,770 | \$ 3,309,797 | \$ 1,513,328 | \$ 986,025   | \$ 976,940   | \$ 546,088   | \$ 817,274   | \$ 951,406   | \$ 2,033,397 | \$ 6,070,712 | \$ 34,931,706 |
| Residential                                       | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000        | 1,000         |
| C-1 Commercial & Industrial                       | 1,897,680    | 1,281,470    | 1,132,760    | 567,780      | 235,990      | 195,570      | 117,480      | 104,220      | 114,250      | 198,330      | 391,540      | 1,302,440    | 7,659,270     |
| C-2 Commercial & Industrial (Prosest)             | 3,460,540    | 2,481,830    | 3,057,890    | 3,306,850    | 1,698,340    | 1,472,310    | 1,433,400    | 1,384,510    | 1,454,150    | 1,588,560    | 2,438,330    | 4,016,760    | 30,656,380    |
| J-1 Large Volume Standby Sales Service            | 192,647      | 150,554      | 1,062,281    | 796,280      | 888,583      | 774,790      | 795,028      | 847,718      | 1,061,933    | 1,008,065    | 226,308      | 816,025      | 9,162,350     |
| L-1/1/2 - T-1 Full Standby Service                | 51,164       | 27,527       | 21,728       | 47,087       | 28,073       | 20,722       | 20,722       | 20,722       | 21,115       | 20,725       | 20,725       | 20,725       | 318,654       |
| sub-Totals T-1 Large Volume Standby Sales Service | 243,811      | 177,081      | 1,084,009    | 843,367      | 916,656      | 795,510      | 815,750      | 868,440      | 1,083,048    | 1,028,790    | 247,033      | 836,750      | 9,480,954     |
| L-1/1/2 - T-1 Part Volume Standby Sales Service   | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| sub-Totals T-1 Part Volume Standby Sales Service  | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| T-1 Standby Sales Service                         | \$12,169,845 | \$10,302,105 | \$13,012,033 | \$8,959,437  | \$12,852,680 | \$8,921,534  | \$9,741,774  | \$8,994,464  | \$12,111,072 | \$11,154,815 | \$2,273,758  | \$8,952,774  | \$120,741,198 |
| SS-1 Special Service                              | \$ 19,067    | \$ 33,262    | \$ 39,906    | \$ 31,823    | \$ 40,970    | \$ 33,759    | \$ 29,819    | \$ 36,096    | \$ 26,817    | \$ 59,418    | \$ 52,211    | \$ 33,562    | \$ 439,041    |
| Intercompany Sales                                |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Sub-Totals                                        | \$ 19,067    | \$ 33,262    | \$ 39,906    | \$ 31,823    | \$ 40,970    | \$ 33,759    | \$ 29,819    | \$ 36,096    | \$ 26,817    | \$ 59,418    | \$ 52,211    | \$ 33,562    | \$ 439,041    |
| Grand Total Sales Service                         | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| Sub-Totals                                        | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| Intercompany Sales                                |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Sub-Totals                                        |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Grand Total Sales Service                         | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| Intercompany Sales                                |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Sub-Totals                                        |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Grand Total Sales Service                         | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| Intercompany Sales                                |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Sub-Totals                                        |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Grand Total Sales Service                         | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,126,024 | \$119,260,240 |
| Intercompany Sales                                |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Sub-Totals                                        |              |              |              |              |              |              |              |              |              |              |              |              |               |
| Grand Total Sales Service                         | \$11,926,024 | \$10,126,024 | \$11,926,024 | \$10,1       |              |              |              |              |              |              |              |              |               |

[illegible]

### PQA Commodity Recoveries

| Firm Sales                                   | Jan          | Feb          | Mar          | Apr          | May          | Jun        | Jul        | Aug        | Sep        | Oct        | Nov          | Dec          | Total         |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|---------------|
| R-1 Residential                              | \$ 6,210,968 | \$ 5,703,270 | \$ 4,811,719 | \$ 3,327,887 | \$ 1,523,328 | \$ 974,725 | \$ 580,348 | \$ 552,094 | \$ 620,574 | \$ 935,005 | \$ 2,643,387 | \$ 6,802,712 | \$ 34,797,090 |
| R-2 Commercial                               | 1,410,400    | 1,372,140    | 1,337,770    | 970,220      | 570,360      | 170,360    | 0          | 118,020    | 104,700    | 198,320    | 303,220      | 1,397,960    | 7,832,160     |
| C-1 Commercial & Industrial (Proposed)       | 2,096,600    | 1,372,140    | 1,337,770    | 970,220      | 570,360      | 170,360    | 0          | 118,020    | 104,700    | 198,320    | 303,220      | 1,397,960    | 7,832,160     |
| C-2 Large Commercial & Industrial            | 3,940,010    | 4,812,380    | 3,940,160    | 3,320,550    | 1,875,640    | 1,479,210  | 1,438,650  | 1,350,550  | 1,480,550  | 1,515,420  | 2,448,850    | 4,027,010    | 30,760,540    |
| I-1 Large Volume Standby Sales Service       | 146,689      | 106,074      | 1,028,318    | 760,771      | 854,614      | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,709,400     |
| I-1/7-2 R-1 Standby Service                  | 30,848       | 1,629        | 1,919        | 26,727       | 6,000        | 0          | 0          | 0          | 0          | 0          | 0            | 0            | 69,580        |
| S-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| S-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Standby Sales Service | 175,335      | 107,302      | 8,634,335    | 78,749       | 82,674       | 738,025    | 898,679    | 812,016    | 1,033,272  | 1,873,889  | 182,236      | 470,008      | 8,778,719     |
| I-1/2 T-1 Large Volume Stand                 |              |              |              |              |              |            |            |            |            |            |              |              |               |

[illegible]

| Item                                                                 | Jan 05      | Feb         | Mar         | Apr         | May         | Jun         | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         | 2005 Total   |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>Firm Sales</b>                                                    |             |             |             |             |             |             |             |             |             |             |             |             |              |
| R-1 Residential                                                      | \$ (28,400) | \$ (28,900) | \$ (25,100) | \$ (18,100) | \$ (9,400)  | \$ (6,100)  | \$ (3,800)  | \$ (3,400)  | \$ (3,200)  | \$ (3,600)  | \$ (6,800)  | \$ (28,000) | \$ (195,000) |
| C-1 Commercial & Industrial                                          | (6,900)     | (9,870)     | (5,070)     | (2,360)     | (1,110)     | (790)       | (500)       | (500)       | (900)       | (600)       | (1,800)     | (5,500)     | (23,580)     |
| C-2 Large Commercial & Industrial (Proposed)                         | (15,470)    | (20,530)    | (18,220)    | (12,740)    | (8,300)     | (8,900)     | (8,550)     | (6,350)     | (6,380)     | (8,600)     | (10,400)    | (16,310)    | (135,160)    |
| <b>L-1 Large Volume Standby Sales Service</b>                        |             |             |             |             |             |             |             |             |             |             |             |             |              |
| L-1/1-2 Full Standby Service                                         | (18,968)    | (15,137)    | (26,643)    | (24,107)    | (23,377)    | (23,811)    | (23,287)    | (24,812)    | (24,036)    | (28,920)    | (17,128)    | (19,680)    | - (270,286)  |
| L-1/1-2 T-1 Partial Standby Service                                  | (6,835)     | (6,273)     | (8,263)     | (8,250)     | (6,255)     | (6,250)     | (6,250)     | (6,250)     | (6,250)     | (7,168)     | (7,168)     | (7,168)     | (293,347)    |
| L-1/1-2 T-1 Full Standby Service                                     | (22,303)    | (21,418)    | (27,650)    | (37,719)    | (31,738)    | (30,922)    | (29,517)    | (31,063)    | (27,835)    | (33,900)    | (23,318)    | (23,318)    | (233,417)    |
| <b>L-2 Large Volume Standby Sales Service</b>                        |             |             |             |             |             |             |             |             |             |             |             |             |              |
| L-2/1-2 Full Standby Service                                         | (25,010)    | (24,127)    | (30,640)    | (35,868)    | (33,333)    | (32,400)    | (31,600)    | (32,400)    | (31,600)    | (35,800)    | (23,318)    | (23,318)    | (233,417)    |
| <b>Shipping</b>                                                      |             |             |             |             |             |             |             |             |             |             |             |             |              |
| S-1 Standby Service                                                  | \$ (235)    | \$ (239)    | \$ (479)    | \$ (418)    | \$ (254)    | \$ (440)    | \$ (493)    | \$ (474)    | \$ (280)    | \$ (387)    | \$ (340)    | \$ (260)    | \$ (4,658)   |
| S-1 Special Service                                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| <b>Transportation</b>                                                |             |             |             |             |             |             |             |             |             |             |             |             |              |
| T-1 Large Volume Firm Service with Standby Sales Service             | (22,303)    | (21,418)    | (27,650)    | (37,719)    | (31,738)    | (30,922)    | (29,517)    | (31,063)    | (27,835)    | (33,900)    | (23,318)    | (23,318)    | (233,417)    |
| T-1 Large Volume Firm Service with Partial Standby Sales Service     | (25,010)    | (24,127)    | (30,640)    | (35,868)    | (33,333)    | (32,400)    | (31,600)    | (32,400)    | (31,600)    | (35,800)    | (23,318)    | (23,318)    | (233,417)    |
| T-1 Interruptible Transportation Service                             | (18,968)    | (15,137)    | (26,643)    | (24,107)    | (23,377)    | (23,811)    | (23,287)    | (24,812)    | (24,036)    | (28,920)    | (17,128)    | (19,680)    | - (270,286)  |
| T-1 Special Service                                                  | (6,835)     | (6,273)     | (8,263)     | (8,250)     | (6,255)     | (6,250)     | (6,250)     | (6,250)     | (6,250)     | (7,168)     | (7,168)     | (7,168)     | (293,347)    |
| <b>Total Firm Sales</b>                                              | \$ (76,443) | \$ (76,900) | \$ (69,075) | \$ (65,337) | \$ (52,080) | \$ (44,256) | \$ (40,700) | \$ (41,737) | \$ (43,191) | \$ (47,551) | \$ (45,598) | \$ (74,919) | \$ (688,054) |
| <b>Transportation</b>                                                |             |             |             |             |             |             |             |             |             |             |             |             |              |
| L-1/1-2 Large Volume Firm Service with Standby Sales Service         | (22,303)    | (21,418)    | (27,650)    | (37,719)    | (31,738)    | (30,922)    | (29,517)    | (31,063)    | (27,835)    | (33,900)    | (23,318)    | (23,318)    | (233,417)    |
| L-1/1-2 Large Volume Firm Service with Partial Standby Sales Service | (25,010)    | (24,127)    | (30,640)    | (35,868)    | (33,333)    | (32,400)    | (31,600)    | (32,400)    | (31,600)    | (35,800)    | (23,318)    | (23,318)    | (233,417)    |
| T-1 Interruptible Transportation Service                             | (18,968)    | (15,137)    | (26,643)    | (24,107)    | (23,377)    | (23,811)    | (23,287)    | (24,812)    | (24,036)    | (28,920)    | (17,128)    | (19,680)    | - (270,286)  |
| T-1 Special Service                                                  | (6,835)     | (6,273)     | (8,263)     | (8,250)     | (6,255)     | (6,250)     | (6,250)     | (6,250)     | (6,250)     | (7,168)     | (7,168)     | (7,168)     | (293,347)    |
| <b>Total Transportation</b>                                          | \$ (76,443) | \$ (76,900) | \$ (69,075) | \$ (65,337) | \$ (52,080) | \$ (44,256) | \$ (40,700) | \$ (41,737) | \$ (43,191) | \$ (47,551) | \$ (45,598) | \$ (74,919) | \$ (688,054) |



## Chattanooga Gas Company

Chattanooga Gas 2006 Rate Case  
for the 2006 Forecast Period (01/01/06 through 12/31/06)

Number of Customers Table

[illegible]

Consumption Table (in Therms)

[illegible]

| Firm Status                                      | Jan 01       | Feb          | Mar          | Apr          | May        | Jun        | Jul        | Aug        | Sep        | Oct        | Nov        | Dec          | 2000 Total    |
|--------------------------------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|---------------|
| R-1 Residential                                  | \$ 1,830,556 | \$ 2,001,144 | \$ 1,891,159 | \$ 1,280,265 | \$ 765,420 | \$ 547,630 | \$ 519,550 | \$ 521,050 | \$ 516,690 | \$ 606,330 | \$ 957,770 | \$ 1,429,150 | \$ 12,559,315 |
| R-4 Residential                                  | 6,708        | 3,450        | 3,382        | 2,590        | 1,829      | 1,750      | 1,829      | 1,829      | 1,829      | 1,559      | 2,976      | 2,976        | 32,127        |
| C-2 Large Commercial & Industrial                | \$ 51,543    | \$ 767,233   | \$ 724,635   | \$ 670,730   | \$ 170,450 | \$ 129,800 | \$ 110,760 | \$ 108,220 | \$ 103,110 | \$ 120,440 | \$ 171,820 | \$ 370,720   | \$ 3,883,780  |
| C-4 Large Commercial & Industrial (Proposed)     | \$ 1,228,102 | \$ 1,177,211 | \$ 681,164   | \$ 493,930   | \$ 371,720 | \$ 307,840 | \$ 307,840 | \$ 306,950 | \$ 307,700 | \$ 340,360 | \$ 516,560 | \$ 1,098,260 | \$ 7,375,602  |
| L-1 Large Volume Standby Sales Service           | 29,364       | 29,364       | 29,364       | 29,364       | 29,364     | 29,364     | 29,364     | 29,364     | 29,364     | 29,364     | 29,364     | 29,364       | 316,368       |
| L-1/2 Large Volume Standby Sales Service         | 11,928       | 11,928       | 11,928       | 11,928       | 11,928     | 11,928     | 11,928     | 11,928     | 11,928     | 11,928     | 11,928     | 11,928       | 140,736       |
| L-1/2 + T1 Large Volume Standby Sales Service    | 31,322       | 31,322       | 31,322       | 31,322       | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322       | 378,104       |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Interimtable Sales                               | \$ 1,830,556 | \$ 2,001,144 | \$ 1,891,159 | \$ 1,280,265 | \$ 765,420 | \$ 547,630 | \$ 519,550 | \$ 521,050 | \$ 516,690 | \$ 606,330 | \$ 957,770 | \$ 1,429,150 | \$ 12,559,315 |
| L-1 Intermittent Service                         | 31,322       | 31,322       | 31,322       | 31,322       | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322     | 31,322       | 378,104       |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322  | \$ 31,322    | \$ 378,104    |
| Sub-Total L-1 Large Volume Standby Sales Service | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614    | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614  | \$ 72,614    | \$ 875,152    |
| Sub-Total L-1 Intermittent Service               | \$ 31,322    | \$ 31,322    | \$ 31,322    | \$ 31,322    |            |            |            |            |            |            |            |              |               |

[illegible]

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2006 Forecast Period (01/01/06 through 12/31/06)**  
**WNA Commodity Charges (Base Rates)**

| Firm Sales                                       | Jan-06             | Feb               | Mar               | Apr               | May         | Jun         | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         | 2006 Total        |
|--------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| R-1 Residential                                  | \$ 192             | \$ 310,275        | \$ 102,654        | \$ 110,169        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 528,248        |
| R-4 Commercial                                   | (53,976)           | 232,465           | 63,320            | 88,861            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 328,670           |
| C-2 Large Commercial & Industrial (Proposed)     | (13,711)           | 64,030            | 16,133            | 17,414            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 83,897            |
| I-1 Large Volume Standby Sales Service           |                    |                   |                   |                   |             |             |             |             |             |             |             |             |                   |
| I-1/72 x T-1 Period Standby Service              |                    |                   |                   |                   |             |             |             |             |             |             |             |             |                   |
| sub-Total I-1 Large Volume Standby Sales Service |                    |                   |                   |                   |             |             |             |             |             |             |             |             |                   |
| Intermittible Sales                              |                    |                   |                   |                   |             |             |             |             |             |             |             |             | \$ 0              |
| L-1 Intermittible Service                        |                    |                   |                   |                   |             |             |             |             |             |             |             |             | \$ 0              |
| sub-Total Intermittible Sales                    |                    |                   |                   |                   |             |             |             |             |             |             |             |             | \$ 0              |
| <b>Total Sales</b>                               | <b>\$ (67,537)</b> | <b>\$ 637,871</b> | <b>\$ 189,107</b> | <b>\$ 194,450</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 949,811</b> |

**Gas Costs**

| Firm Sales                                       | Jan-06               | Feb                  | Mar                  | Apr                 | May                 | Jun                 | Jul                 | Aug                 | Sep                 | Oct                 | Nov                 | Dec                  | 2006 Total           |
|--------------------------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| R-1 Residential                                  | \$ 9,288,692         | \$ 7,624,637         | \$ 8,097,809         | \$ 3,559,823        | \$ 1,895,970        | \$ 629,540          | \$ 677,400          | \$ 669,400          | \$ 892,100          | \$ 1,210,500        | \$ 2,888,800        | \$ 5,409,000         | \$ 40,443,771        |
| R-4 Commercial                                   | 37,000               | 15,700               | 14,600               | 8,100               | 3,000               | 3,000               | 3,100               | 3,200               | 3,200               | 13,500              | 9,500               | 8,500                | 115,500              |
| C-2 Large Commercial & Industrial (Proposed)     | 1,327,600            | 1,307,400            | 514,700              | 514,700             | 44,000              | 44,000              | 29,000              | 29,000              | 13,000              | 13,000              | 20,000              | 8,000                | 7,150,000            |
| I-1 Large Volume Standby Sales Service           | 6,362,088            | 5,741,400            | 3,044,530            | 1,893,030           | 1,462,430           | 1,462,430           | 1,417,240           | 1,453,100           | 1,448,450           | 1,860,250           | 2,343,180           | 3,909,720            | 32,260,760           |
| I-1/72 x T-1 Period Standby Service              |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| sub-Total I-1 Large Volume Standby Sales Service |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Intermittible Sales                              |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| L-1 Intermittible Service                        |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| SS-1 Special Service                             |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| sub-Total Intermittible Sales                    |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| <b>Total Sales and Transportation</b>            | <b>\$ 17,444,172</b> | <b>\$ 15,279,298</b> | <b>\$ 13,250,627</b> | <b>\$ 7,609,098</b> | <b>\$ 4,249,403</b> | <b>\$ 3,694,654</b> | <b>\$ 3,294,649</b> | <b>\$ 3,402,143</b> | <b>\$ 3,443,662</b> | <b>\$ 4,435,100</b> | <b>\$ 5,960,280</b> | <b>\$ 10,649,843</b> | <b>\$ 62,663,031</b> |

[illegible][illegible]

[illegible]

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2006 Forecast Period (01/01/06 through 12/31/06)**

PGA Commodity Surcharge

| Firm Sales                                       | Jan 06             | Feb                | Mar                | Apr                | May                | Jun                | Jul                | Aug                | Sep                | Oct                | Nov               | Dec                | 2006 Total          |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|---------------------|
| R-1 Residential                                  | \$ (27,500)        | \$ (23,800)        | \$ (21,600)        | \$ (12,500)        | \$ (5,500)         | \$ (3,200)         | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (94,500)         |
| R-2 Commercial & Industrial                      | \$ (100)           | \$ (100)           | \$ (100)           | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (200)            |
| C-2 Large Commercial & Industrial (Proposed)     | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)        | \$ (4,100)         | \$ (21,500)         |
| L-1 Large Volume Standby Sales Service           | \$ (20,300)        | \$ (10,300)        | \$ (0,800)         | \$ (5,300)         | \$ (5,300)         | \$ (5,300)         | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (71,500)         |
| L-1-1-2 Full Standby Service                     | \$ (5,051)         | \$ (3,572)         | \$ (25,433)        | \$ (20,414)        | \$ (22,938)        | \$ (19,833)        | \$ (18,740)        | \$ (21,815)        | \$ (21,835)        | \$ (25,245)        | \$ (2,452)        | \$ (7,510)         | \$ (107,852)        |
| sub-Total L-1 Large Volume Standby Sales Service | \$ (1,208)         | \$ (270)           | \$ (25,433)        | \$ (20,414)        | \$ (22,938)        | \$ (19,833)        | \$ (18,740)        | \$ (21,815)        | \$ (21,835)        | \$ (25,245)        | \$ (2,452)        | \$ (7,510)         | \$ (107,852)        |
| Intermittible Sales                              | \$ (7,050)         | \$ (5,951)         | \$ (5,321)         | \$ (25,722)        | \$ (22,567)        | \$ (24,228)        | \$ (19,155)        | \$ (13,743)        | \$ (21,815)        | \$ (21,835)        | \$ (2,452)        | \$ (7,510)         | \$ (202,082)        |
| sub-Total Intermittible Sales                    | \$ (7,050)         | \$ (5,951)         | \$ (5,321)         | \$ (25,722)        | \$ (22,567)        | \$ (24,228)        | \$ (19,155)        | \$ (13,743)        | \$ (21,815)        | \$ (21,835)        | \$ (2,452)        | \$ (7,510)         | \$ (202,082)        |
| SS-1 Standby Service                             | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)        | \$ (1,000)         | \$ (10,000)         |
| sub-Total Standby Service                        | \$ (7,227)         | \$ (6,371)         | \$ (6,321)         | \$ (26,722)        | \$ (23,567)        | \$ (25,228)        | \$ (20,155)        | \$ (14,743)        | \$ (22,815)        | \$ (22,835)        | \$ (3,452)        | \$ (8,510)         | \$ (212,082)        |
| Transportation                                   | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)        | \$ (0,000)         | \$ (0,000)          |
| sub-Total Sales Service                          | \$ (18,835)        | \$ (13,221)        | \$ (31,742)        | \$ (46,136)        | \$ (46,136)        | \$ (44,136)        | \$ (37,895)        | \$ (35,558)        | \$ (42,650)        | \$ (47,077)        | \$ (5,902)        | \$ (15,020)        | \$ (238,935)        |
| Intermittible Sales                              | \$ (7,227)         | \$ (6,371)         | \$ (6,321)         | \$ (26,722)        | \$ (23,567)        | \$ (25,228)        | \$ (20,155)        | \$ (14,743)        | \$ (22,815)        | \$ (22,835)        | \$ (3,452)        | \$ (8,510)         | \$ (212,082)        |
| sub-Total Intermittible Sales                    | \$ (7,227)         | \$ (6,371)         | \$ (6,321)         | \$ (26,722)        | \$ (23,567)        | \$ (25,228)        | \$ (20,155)        | \$ (14,743)        | \$ (22,815)        | \$ (22,835)        | \$ (3,452)        | \$ (8,510)         | \$ (212,082)        |
| SS-1 Standby Service                             | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)        | \$ (1,000)         | \$ (10,000)         |
| sub-Total Standby Service                        | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)        | \$ (1,000)         | \$ (10,000)         |
| Transportation                                   | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)        | \$ (0,000)         | \$ (0,000)          |
| sub-Total Transportation                         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)        | \$ (0,000)         | \$ (0,000)          |
| <b>Total Sales and Transportation</b>            | <b>\$ (18,835)</b> | <b>\$ (13,221)</b> | <b>\$ (31,742)</b> | <b>\$ (46,136)</b> | <b>\$ (46,136)</b> | <b>\$ (44,136)</b> | <b>\$ (37,895)</b> | <b>\$ (35,558)</b> | <b>\$ (42,650)</b> | <b>\$ (47,077)</b> | <b>\$ (5,902)</b> | <b>\$ (15,020)</b> | <b>\$ (238,935)</b> |

**Total PGA Surcharge**

| Firm Sales                                       | Jan 06             | Feb                | Mar                | Apr                | May                | Jun                | Jul                | Aug                | Sep                | Oct                | Nov               | Dec                | 2006 Total          |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|---------------------|
| R-1 Residential                                  | \$ (27,500)        | \$ (23,800)        | \$ (21,600)        | \$ (12,500)        | \$ (5,500)         | \$ (3,200)         | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (94,500)         |
| R-2 Commercial & Industrial                      | \$ (100)           | \$ (100)           | \$ (100)           | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (200)            |
| C-2 Large Commercial & Industrial (Proposed)     | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)         | \$ (4,100)        | \$ (4,100)         | \$ (21,500)         |
| L-1 Large Volume Standby Sales Service           | \$ (20,300)        | \$ (10,300)        | \$ (0,800)         | \$ (5,300)         | \$ (5,300)         | \$ (5,300)         | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0              | \$ 0               | \$ (71,500)         |
| L-1-1-2 Full Standby Service                     | \$ (5,051)         | \$ (3,572)         | \$ (25,433)        | \$ (20,414)        | \$ (22,938)        | \$ (19,833)        | \$ (18,740)        | \$ (21,815)        | \$ (21,835)        | \$ (25,245)        | \$ (2,452)        | \$ (7,510)         | \$ (107,852)        |
| sub-Total L-1 Large Volume Standby Sales Service | \$ (1,208)         | \$ (270)           | \$ (25,433)        | \$ (20,414)        | \$ (22,938)        | \$ (19,833)        | \$ (18,740)        | \$ (21,815)        | \$ (21,835)        | \$ (25,245)        | \$ (2,452)        | \$ (7,510)         | \$ (107,852)        |
| Intermittible Sales                              | \$ (7,050)         | \$ (5,951)         | \$ (5,321)         | \$ (25,722)        | \$ (22,567)        | \$ (24,228)        | \$ (19,155)        | \$ (13,743)        | \$ (21,815)        | \$ (21,835)        | \$ (2,452)        | \$ (7,510)         | \$ (202,082)        |
| sub-Total Intermittible Sales                    | \$ (7,050)         | \$ (5,951)         | \$ (5,321)         | \$ (25,722)        | \$ (22,567)        | \$ (24,228)        | \$ (19,155)        | \$ (13,743)        | \$ (21,815)        | \$ (21,835)        | \$ (2,452)        | \$ (7,510)         | \$ (202,082)        |
| SS-1 Standby Service                             | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)         | \$ (1,000)        | \$ (1,000)         | \$ (10,000)         |
| sub-Total Standby Service                        | \$ (7,227)         | \$ (6,371)         | \$ (6,321)         | \$ (26,722)        | \$ (23,567)        | \$ (25,228)        | \$ (20,155)        | \$ (14,743)        | \$ (22,815)        | \$ (22,835)        | \$ (3,452)        | \$ (8,510)         | \$ (212,082)        |
| Transportation                                   | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)        | \$ (0,000)         | \$ (0,000)          |
| sub-Total Transportation                         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)         | \$ (0,000)        | \$ (0,000)         | \$ (0,000)          |
| <b>Total Sales and Transportation</b>            | <b>\$ (18,835)</b> | <b>\$ (13,221)</b> | <b>\$ (31,742)</b> | <b>\$ (46,136)</b> | <b>\$ (46,136)</b> | <b>\$ (44,136)</b> | <b>\$ (37,895)</b> | <b>\$ (35,558)</b> | <b>\$ (42,650)</b> | <b>\$ (47,077)</b> | <b>\$ (5,902)</b> | <b>\$ (15,020)</b> | <b>\$ (238,935)</b> |

| Item Sales                                   | Jan 06        | Feb          | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          | Oct          | Nov          | Dec          | 2005 Total    |
|----------------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| R-1 Residential                              | \$111,199,648 | \$ 9,625,781 | \$ 8,391,068 | \$ 4,900,088 | \$ 1,841,330 | \$ 1,377,170 | \$ 1,196,900 | \$ 1,210,459 | \$ 1,203,790 | \$ 1,018,830 | \$ 3,650,970 | \$ 7,038,450 | \$ 53,300,096 |
| R-2 Commercial & Industrial                  | 7,700,225     | 2,544,840    | 2,840,385    | 1,833,145    | 353,935      | 397,245      | 1,680        | 4,823        | 1,680        | 12,705       | 1,275        | 1,275        | 47,077,515    |
| C-2 Large Commercial & Industrial (Proposed) | 2,604,202     | 6,018,011    | 5,982,694    | 1,833,145    | 2,167,120    | 1,810,050    | 1,728,083    | 1,751,159    | 1,755,255    | 267,430      | 2,558,050    | 5,002,240    | 11,880,240    |
| I-1 Large Volume Standby Sales Service       | 476,610       | 408,834      | 1,592,442    | 1,153,330    | 1,208,183    | 1,124,231    | 1,043,227    | 1,230,953    | 1,201,861    | 1,377,284    | 184,439      | 401,051      | 11,444,564    |
| I-1/2-2 T-1 Partial Standby Service          | 117,970       | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-2 Full Standby Sales Service       | 591,590       | 487,285      | 1,633,744    | 1,305,683    | 1,302,218    | 1,161,554    | 1,079,295    | 1,239,934    | 1,237,693    | 1,413,319    | 270,471      | 437,083      | 13,174,783    |
| I-1/2-2 T-3 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-4 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-5 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-6 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-7 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-8 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-9 Full Standby Sales Service       | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-10 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-11 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-12 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-13 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-14 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-15 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-16 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-17 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-18 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-19 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-20 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-21 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-22 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-23 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-24 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-25 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-26 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-27 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-28 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-29 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-30 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-31 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-32 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-33 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-34 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-35 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-36 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-37 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-38 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-39 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-40 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-41 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-42 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-43 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-44 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-45 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-46 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-47 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-48 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-49 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-50 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-51 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-52 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-53 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-54 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-55 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-56 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-57 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-58 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-59 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-60 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-61 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-62 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-63 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-64 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-65 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-66 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055      | 37,723       | 36,032       | 39,382       | 36,032       | 36,032       | 36,032       | 37,723       | 730,254       |
| I-1/2-2 T-67 Full Standby Sales Service      | 1,179,770     | 92,451       | 61,302       | 150,583      | 104,055</    |              |              |              |              |              |              |              |               |

Chattanooga Gas Company  
Chattanooga Gas 2006 Rate Case  
for the 2007 Forecast Period (01/01/07 through 12/31/07)

### Number of Customers Table

[illegible]

## Consumption Table (in Therms)

| Time Sales                                    | Jan       | Feb       | Mar       | Apr       | May       | Jun       | Jul       | Aug       | Sep       | Oct       | Nov       | Dec       | Total      |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| R-1 Residential                               | 7,690,950 | 7,093,930 | 4,981,890 | 2,921,590 | 1,398,930 | 894,700   | 640,600   | 945,700   | 640,600   | 1,132,100 | 2,847,700 | 5,584,990 | 36,475,900 |
| R-2 Non-Residential                           | 1,382,710 | 1,287,600 | 781,400   | 315,520   | 139,500   | 128,200   | 64,500    | 55,500    | 56,200    | 46,700    | 161,100   | 70,600    | 5,201,500  |
| C-1 Small Commercial & Industrial             | 5,320,200 | 4,774,500 | 3,167,000 | 2,847,500 | 1,781,700 | 1,050,300 | 1,453,300 | 1,475,500 | 1,453,600 | 1,687,000 | 2,638,000 | 4,068,000 | 32,441,700 |
| C-2 Large Commercial & Industrial (Proposed)  |           |           |           |           |           |           |           |           |           |           |           |           |            |
| L-1 Large Volume Standby Sales Service        | 336,148   | 312,590   | 1,427,000 | 1,144,500 | 1,846,300 | 1,111,600 | 1,051,600 | 1,224,500 | 1,224,600 | 1,415,900 | 137,500   | 421,700   | 11,065,339 |
| L-1F-2 Full Standby Service                   | 15,691    | 12,500    | 121,800   | 125,500   | 1,800     | 1,800     | 0         | 0         | 0         | 145,900   | 137,500   | 421,700   | 339,524    |
| L-1F-2 T-1 Large Volume Standby Sales Service | 36,873    | 22,181    | 1,441,500 | 1,258,800 | 4,759,700 | 1,113,600 | 1,051,600 | 1,224,500 | 1,224,600 | 1,415,900 | 137,500   | 421,700   | 11,379,262 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 | 2,844,410 | 2,844,410 | 2,844,410 | 3,144,410 | 2,844,410 | 2,844,410 | 28,444,410 |
| L-1F-2 T-1 Large Volume Standby Sales Service | 1,241,525 | 1,098,623 | 3,144,410 | 2,844,410 | 4,483,340 | 2,844,410 |           |           |           |           |           |           |            |

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2007 Forecast Period (01/01/07 through 12/31/07)**  
Company Metrics

| Firm Sales                                                       | Jan 07              | Feb                 | Mar                 | Apr                 | May                 | Jun                 | Jul                 | Aug                 | Sep                 | Oct                 | Nov                 | Dec                 | 2007 Total           |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| R-1 Residential                                                  | \$ 1,918,600        | \$ 1,872,240        | \$ 1,459,680        | \$ 1,082,770        | \$ 630,000          | \$ 541,010          | \$ 519,660          | \$ 514,830          | \$ 510,520          | \$ 600,880          | \$ 1,098,200        | \$ 1,588,500        | \$ 12,505,690        |
| R-4 Residential                                                  | 3,441               | 3,250               | 3,168               | 2,039               | 1,828               | 1,799               | 1,623               | 1,623               | 1,624               | 1,599               | 2,075               | 2,975               | 27,882               |
| C-1 Commercial & Industrial                                      | \$ 515,020          | \$ 492,070          | \$ 340,380          | \$ 221,860          | \$ 122,830          | \$ 122,830          | \$ 108,150          | \$ 105,350          | \$ 112,630          | \$ 164,080          | \$ 164,080          | \$ 343,900          | \$ 2,758,800         |
| C-2 Lease Commercial & Industrial (Proposed)                     | \$ 1,340,720        | \$ 1,285,620        | \$ 963,740          | \$ 708,740          | \$ 376,910          | \$ 325,000          | \$ 315,630          | \$ 315,630          | \$ 315,630          | \$ 350,640          | \$ 702,760          | \$ 1,072,600        | \$ 8,005,400         |
| M-1 Large Volume Standby Sales Service                           | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 26,394              | 316,218              |
| I-1/2 Large Volume Standby Sales Service                         | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 11,928              | 143,136              |
| I-1/2 + T-1 Standby Sales Service                                | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 30,292              | 363,504              |
| Sub-Total L-1 Large Volume Standby Sales Service                 | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 68,614           | \$ 828,876           |
| Intermittible Sales                                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1 Intermittible Service                                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Sub-Total Intermittible Service                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Transportation                                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 Large Volume Firm Service with Standby Sales Service       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 + T-1 Large Volume Firm Service with Standby Sales Service |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| T-3 Low Volume Transportation Service                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Sub-Total Transportation                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Other Sales and Transportation                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Reconnect Charges                                                | \$ 8,400            | \$ 12,100           | \$ 12,050           | \$ 10,550           | \$ 12,450           | \$ 9,750            | \$ 7,300            | \$ 6,450            | \$ 7,550            | \$ 13,150           | \$ 27,050           | \$ 7,500            | \$ 135,400           |
| Service Establishment                                            | \$ 15,060           | \$ 14,850           | \$ 15,075           | \$ 9,555            | \$ 11,650           | \$ 12,705           | \$ 12,705           | \$ 12,765           | \$ 12,765           | \$ 11,150           | \$ 14,005           | \$ 20,915           | \$ 178,420           |
| Returned Check                                                   | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 14,340            |
| Service Work                                                     | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 663,900           |
| Damage Billing                                                   | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 1,704             |
| Miscellaneous                                                    | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                 |
| Sub-Total Other Sales and Transportation                         | \$ 70,922           | \$ 73,512           | \$ 73,687           | \$ 46,667           | \$ 70,675           | \$ 68,970           | \$ 55,570           | \$ 44,670           | \$ 51,630           | \$ 80,365           | \$ 163,610          | \$ 49,762           | \$ 1,073,771         |
| <b>Total Firm Sales</b>                                          | <b>\$ 4,814,200</b> | <b>\$ 4,684,836</b> | <b>\$ 3,979,137</b> | <b>\$ 3,145,932</b> | <b>\$ 1,803,480</b> | <b>\$ 1,560,224</b> | <b>\$ 1,553,940</b> | <b>\$ 1,553,940</b> | <b>\$ 1,553,940</b> | <b>\$ 1,645,139</b> | <b>\$ 2,934,860</b> | <b>\$ 4,284,271</b> | <b>\$ 34,353,961</b> |
| Customer Charge                                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| R-1 Residential                                                  | \$ 402,350          | \$ 404,490          | \$ 405,010          | \$ 402,400          | \$ 398,740          | \$ 392,160          | \$ 398,370          | \$ 396,430          | \$ 396,870          | \$ 388,590          | \$ 395,120          | \$ 401,130          | \$ 4,750,720         |
| R-4 Residential                                                  | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 1,110               | 13,320               |
| C-1 Commercial & Industrial                                      | 134,320             | 135,770             | 135,590             | 134,560             | 92,730              | 92,730              | 94,150              | 93,560              | 93,140              | 93,790              | 134,780             | 132,300             | 1,370,300            |
| C-2 Lease Commercial & Industrial (Proposed)                     | 35,420              | 35,460              | 35,500              | 35,540              | 32,510              | 28,700              | 26,720              | 26,730              | 25,780              | 26,840              | 28,860              | 35,960              | 373,020              |
| I-1 Large Volume Standby Sales Service                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 Large Volume Standby Sales Service                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 + T-1 Standby Sales Service                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Sub-Total L-1 Large Volume Standby Sales Service                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Intermittible Sales                                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1 Intermittible Service                                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Sub-Total Intermittible Service                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Transportation                                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 Large Volume Firm Service with Standby Sales Service       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| I-1/2 + T-1 Large Volume Firm Service with Standby Sales Service |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| T-3 Low Volume Transportation Service                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Sub-Total Transportation                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Other Sales and Transportation                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Reconnect Charges                                                | \$ 8,400            | \$ 12,100           | \$ 12,050           | \$ 10,550           | \$ 12,450           | \$ 9,750            | \$ 7,300            | \$ 6,450            | \$ 7,550            | \$ 13,150           | \$ 27,050           | \$ 7,500            | \$ 135,400           |
| Service Establishment                                            | \$ 15,060           | \$ 14,850           | \$ 15,075           | \$ 9,555            | \$ 11,650           | \$ 12,705           | \$ 12,705           | \$ 12,765           | \$ 12,765           | \$ 11,150           | \$ 14,005           | \$ 20,915           | \$ 178,420           |
| Returned Check                                                   | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 1,195            | \$ 14,340            |
| Service Work                                                     | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 55,325           | \$ 663,900           |
| Damage Billing                                                   | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 142              | \$ 1,704             |
| Miscellaneous                                                    | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                 |
| Sub-Total Other Sales and Transportation                         | \$ 70,922           | \$ 73,512           | \$ 73,687           | \$ 46,667           | \$ 70,675           | \$ 68,970           | \$ 55,570           | \$ 44,670           | \$ 51,630           | \$ 80,365           | \$ 163,610          | \$ 49,762           | \$ 1,073,771         |
| <b>Total Customer Charge</b>                                     | <b>\$ 574,800</b>   | <b>\$ 577,400</b>   | <b>\$ 577,400</b>   | <b>\$ 573,470</b>   | <b>\$ 569,300</b>   | <b>\$ 519,770</b>   | <b>\$ 510,650</b>   | <b>\$ 508,130</b>   | <b>\$ 509,230</b>   | <b>\$ 510,570</b>   | <b>\$ 602,100</b>   | <b>\$ 570,900</b>   | <b>\$ 6,510,160</b>  |

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**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2007 Forecast Period (01/01/07 through 12/31/07)**  
**WMA Commodity Charges (Base Rates)**

| Firm Sales                                                           | Jan-07      | Feb         | Mar         | Apr         | May         | Jun         | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         | 2007 Total  |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| R-1 Residential                                                      | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0        |
| R-4 Residential                                                      | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| C-1 Commercial & Industrial                                          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| C-2 Large Commercial & Industrial (Proposed)                         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| M Large Volume Steady Sales Service                                  |             |             |             |             |             |             |             |             |             |             |             |             |             |
| L-1/2 - T1 Partial Steady Service                                    |             |             |             |             |             |             |             |             |             |             |             |             |             |
| sub-Total L1 Large Volume Steady Sales Service                       |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Intermittible Sales                                                  |             |             |             |             |             |             |             |             |             |             |             |             |             |
| L-1 Intermittible Service                                            |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| sub-Total Intermittible Sales                                        |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| Transportation                                                       |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Volume Firm Sales with Steady Sales Service                          |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| L-1/2 - T1 Large Volume Firm Sales with Partial Steady Sales Service |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| L-1 Intermittible Transportation Service                             |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| T-3 Low Volume Transportation Service                                |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| SS-1 Special Service                                                 |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| sub-Total Transportation                                             |             |             |             |             |             |             |             |             |             |             |             |             | \$ 0        |
| <b>Total Sales and Transportation</b>                                | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> |

**Gas Costs**

| Firm Sales                                                           | Jan-07               | Feb                  | Mar                 | Apr                 | May                 | Jun                 | Jul                 | Aug                 | Sep                 | Oct                 | Nov                 | Dec                  | 2007 Total           |
|----------------------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| R-1 Residential                                                      | \$ 7,295,100         | \$ 6,603,300         | \$ 4,663,500        | \$ 2,939,300        | \$ 1,402,100        | \$ 815,100          | \$ 652,600          | \$ 665,000          | \$ 663,700          | \$ 1,183,300        | \$ 3,154,200        | \$ 6,527,100         | \$ 36,397,300        |
| R-4 Residential                                                      | 11,800               | 11,000               | 10,500              | 5,200               | 4,400               | 4,000               | 3,200               | 3,200               | 3,300               | 2,800               | 11,300              | 11,800               | \$ 82,800            |
| C-1 Commercial & Industrial                                          | 1,201,800            | 1,202,900            | 711,700             | 317,500             | 138,000             | 125,610             | 65,010              | 56,840              | 54,300              | 50,930              | 200,920             | 822,500              | 5,165,080            |
| C-2 Large Commercial & Industrial (Proposed)                         | 4,892,900            | 4,893,000            | 3,474,370           | 2,662,740           | 1,766,300           | 1,271,300           | 1,447,270           | 1,318,000           | 1,506,400           | 1,743,210           | 2,321,360           | 4,750,000            | 32,161,500           |
| M Large Volume Steady Sales Service                                  |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| L-1/2 - T1 Partial Steady Service                                    |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| sub-Total L1 Large Volume Steady Sales Service                       |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Intermittible Sales                                                  |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| L-1 Intermittible Service                                            |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| sub-Total Intermittible Sales                                        |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| Transportation                                                       |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Volume Firm Sales with Steady Sales Service                          |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| L-1/2 - T1 Large Volume Firm Sales with Partial Steady Sales Service |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| L-1 Intermittible Transportation Service                             |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| T-3 Low Volume Transportation Service                                |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| SS-1 Special Service                                                 |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| sub-Total Transportation                                             |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      | \$ 0                 |
| <b>Total Sales and Transportation</b>                                | <b>\$ 13,111,440</b> | <b>\$ 12,699,200</b> | <b>\$ 9,058,270</b> | <b>\$ 6,725,840</b> | <b>\$ 3,202,800</b> | <b>\$ 2,116,010</b> | <b>\$ 2,125,080</b> | <b>\$ 2,547,040</b> | <b>\$ 3,133,400</b> | <b>\$ 4,926,810</b> | <b>\$ 5,777,820</b> | <b>\$ 12,079,410</b> | <b>\$ 64,509,710</b> |

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2007 Forecast Period (01/01/07 through 12/31/07)**  
**POA Demand Charges**

| Firm Sales                                                           | Jan 07    | Feb       | Mar       | Apr       | May       | Jun       | Jul       | Aug       | Sep       | Oct       | Nov       | Dec       | 2007 Total |
|----------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| R-1 Residential                                                      |           |           |           |           |           |           |           |           |           |           |           |           |            |
| R-4 Residential                                                      |           |           |           |           |           |           |           |           |           |           |           |           |            |
| C-1 Commercial & Industrial                                          |           |           |           |           |           |           |           |           |           |           |           |           |            |
| C-2 Large Commercial & Industrial (Proposed)                         |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1 Large Volume Standby Sales Service                               |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1/I-2 Full Standby Service                                         |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1/I-2 Large Volume Standby Sales Service                           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Sub-Total Firm Sales                                                 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 740,364 |
| I-1/I-2 Full Standby Service                                         |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1/I-2 Large Volume Standby Sales Service                           |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Sub-Total Firm Sales                                                 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 740,364 |
| Intermittible Sales                                                  |           |           |           |           |           |           |           |           |           |           |           |           |            |
| L-1 Intermittible Service                                            |           |           |           |           |           |           |           |           |           |           |           |           |            |
| SS-1 Special Service                                                 |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Sub-Total Intermittible Sales                                        |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Sub-Total Firm Sales                                                 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 740,364 |
| Transportation                                                       |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1/I-2 Large Volume Firm Service with Standby Sales Service         |           |           |           |           |           |           |           |           |           |           |           |           |            |
| I-1/I-2 Large Volume Firm Service with Partial Standby Sales Service |           |           |           |           |           |           |           |           |           |           |           |           |            |
| T-1 Intermittible Transportation Service                             |           |           |           |           |           |           |           |           |           |           |           |           |            |
| T-2 Intermittible Transportation Service                             |           |           |           |           |           |           |           |           |           |           |           |           |            |
| SS-1 Special Service                                                 |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Sub-Total Transportation                                             |           |           |           |           |           |           |           |           |           |           |           |           |            |
| Total Sales and Transportation                                       | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 61,697 | \$ 740,364 |

**POA Commodity Recoveries**

| Firm Sales                                                           | Jan 07       | Feb          | Mar          | Apr          | May          | Jun        | Jul        | Aug        | Sep        | Oct          | Nov          | Dec          | 2007 Total    |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|--------------|--------------|--------------|---------------|
| R-1 Residential                                                      |              |              |              |              |              |            |            |            |            |              |              |              |               |
| R-4 Residential                                                      |              |              |              |              |              |            |            |            |            |              |              |              |               |
| C-1 Commercial & Industrial                                          |              |              |              |              |              |            |            |            |            |              |              |              |               |
| C-2 Large Commercial & Industrial (Proposed)                         |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1 Large Volume Standby Sales Service                               |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1/I-2 Full Standby Service                                         |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1/I-2 Large Volume Standby Sales Service                           |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Sub-Total Firm Sales                                                 | \$ 7,255,100 | \$ 8,093,300 | \$ 4,893,500 | \$ 2,200,300 | \$ 1,402,100 | \$ 815,100 | \$ 695,000 | \$ 695,000 | \$ 695,000 | \$ 1,103,300 | \$ 3,154,200 | \$ 6,527,100 | \$ 36,507,300 |
| I-1/I-2 Full Standby Service                                         |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1/I-2 Large Volume Standby Sales Service                           |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Sub-Total Firm Sales                                                 | \$ 7,255,100 | \$ 8,093,300 | \$ 4,893,500 | \$ 2,200,300 | \$ 1,402,100 | \$ 815,100 | \$ 695,000 | \$ 695,000 | \$ 695,000 | \$ 1,103,300 | \$ 3,154,200 | \$ 6,527,100 | \$ 36,507,300 |
| Intermittible Sales                                                  |              |              |              |              |              |            |            |            |            |              |              |              |               |
| L-1 Intermittible Service                                            |              |              |              |              |              |            |            |            |            |              |              |              |               |
| SS-1 Special Service                                                 |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Sub-Total Intermittible Sales                                        |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Sub-Total Firm Sales                                                 | \$ 7,255,100 | \$ 8,093,300 | \$ 4,893,500 | \$ 2,200,300 | \$ 1,402,100 | \$ 815,100 | \$ 695,000 | \$ 695,000 | \$ 695,000 | \$ 1,103,300 | \$ 3,154,200 | \$ 6,527,100 | \$ 36,507,300 |
| Transportation                                                       |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1/I-2 Large Volume Firm Service with Standby Sales Service         |              |              |              |              |              |            |            |            |            |              |              |              |               |
| I-1/I-2 Large Volume Firm Service with Partial Standby Sales Service |              |              |              |              |              |            |            |            |            |              |              |              |               |
| T-1 Intermittible Transportation Service                             |              |              |              |              |              |            |            |            |            |              |              |              |               |
| T-2 Intermittible Transportation Service                             |              |              |              |              |              |            |            |            |            |              |              |              |               |
| SS-1 Special Service                                                 |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Sub-Total Transportation                                             |              |              |              |              |              |            |            |            |            |              |              |              |               |
| Total Sales and Transportation                                       | \$ 7,255,100 | \$ 8,093,300 | \$ 4,893,500 | \$ 2,200,300 | \$ 1,402,100 | \$ 815,100 | \$ 695,000 | \$ 695,000 | \$ 695,000 | \$ 1,103,300 | \$ 3,154,200 | \$ 6,527,100 | \$ 36,507,300 |

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2007 Forecast Period (01/01/07 through 12/31/07)**  
**PGA Commodity Recoveries**

| Firm Sales                                      | Jan 07        | Feb           | Mar           | Apr          | May          | Jun          | Jul          | Aug          | Sep          | Oct          | Nov          | Dec           | 2007 Total    |
|-------------------------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| R-1 Residential                                 | \$ 2,285,100  | \$ 6,603,300  | \$ 4,933,500  | \$ 4,933,500 | \$ 1,402,100 | \$ 815,100   | \$ 855,000   | \$ 855,000   | \$ 855,000   | \$ 1,193,300 | \$ 3,194,200 | \$ 6,237,100  | \$ 38,587,300 |
| R-4 Residential                                 | 1,301,900     | 1,203,840     | 711,760       | 317,800      | 130,620      | 125,610      | 98,210       | 59,840       | 35,300       | 90,530       | 230,820      | 882,800       | \$ 5,165,980  |
| C-2 Large Commercial & Industrial (Proposed)    | 4,892,800     | 4,483,200     | 3,474,370     | 2,652,740    | 1,765,390    | 1,370,390    | 1,487,270    | 1,519,830    | 1,506,400    | 1,743,210    | 2,321,900    | 4,750,900     | \$ 32,761,500 |
| M-1 Large Volume Standby Sales Service          | 317,550       | 305,520       | 1,174,771     | 968,972      | 1,075,003    | 940,691      | 911,544      | 1,057,593    | 1,065,924    | 1,234,912    | 193,805      | 458,191       | \$ 9,706,972  |
| L-1/T-2 + T1 Partial Standby Service            | 89,748        | 46,075        | 38,224        | 124,471      | 65,117       | 29,351       | 27,614       | 1,065,957    | 27,514       | 27,614       | 21,518       | 487,108       | \$ 1,037,440  |
| sub-Total L1 Large Volume Standby Sales Service | \$ 398,402    | \$ 245,595    | \$ 1,213,995  | \$ 1,093,443 | \$ 1,140,120 | \$ 970,042   | \$ 939,158   | \$ 1,067,550 | \$ 1,093,438 | \$ 1,262,526 | \$ 215,323   | \$ 545,309    | \$ 10,379,440 |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        | \$ 31,297     | \$ 27,300     | \$ 40,790     | \$ 38,193    | \$ 48,100    | \$ 30,691    | \$ 34,711    | \$ 42,170    | \$ 20,511    | \$ 35,100    | \$ 32,904    | \$ 26,637     | \$ 418,630    |
| S-1 Special Service                             | 0             | 0             | 0             | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| sub-Total Intermittible Sales                   | \$ 31,297     | \$ 27,300     | \$ 40,790     | \$ 38,193    | \$ 48,100    | \$ 30,691    | \$ 34,711    | \$ 42,170    | \$ 20,511    | \$ 35,100    | \$ 32,904    | \$ 26,637     | \$ 418,630    |
| sub-Total Firm Sales                            | \$ 13,931,450 | \$ 12,664,290 | \$ 10,114,817 | \$ 7,053,845 | \$ 4,923,130 | \$ 3,932,803 | \$ 3,106,248 | \$ 3,372,853 | \$ 3,351,640 | \$ 4,317,810 | \$ 6,532,833 | \$ 12,008,762 | \$ 85,268,720 |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| C-2 Large Commercial & Industrial (Proposed)    |               |               |               |              |              |              |              |              |              |              |              |               |               |
| M-1 Large Volume Standby Sales Service          |               |               |               |              |              |              |              |              |              |              |              |               |               |
| L-1/T-2 + T1 Partial Standby Service            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total L1 Large Volume Standby Sales Service |               |               |               |              |              |              |              |              |              |              |              |               |               |
| Intermittible Sales                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| T-1 Intermittible Transportation Service        |               |               |               |              |              |              |              |              |              |              |              |               |               |
| S-1 Special Service                             |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Intermittible Sales                   |               |               |               |              |              |              |              |              |              |              |              |               |               |
| sub-Total Firm Sales                            |               |               |               |              |              |              |              |              |              |              |              |               |               |
| PGA Demand Surcharges                           |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-1 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |
| R-4 Residential                                 |               |               |               |              |              |              |              |              |              |              |              |               |               |

**Chattanooga Gas Company**  
**Chattanooga Gas 2006 Rate Case**  
**for the 2007 Forecast Period (01/01/07 through 12/31/07)**  
**PGA Connectivity Surcharge**

| Firm Sales                                                               | Jan 07             | Feb                | Mar                | Apr                | May                | Jun                | Jul                | Aug                | Sep                | Oct                | Nov                | Dec                | 2007 Total          |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| R-1 Residential                                                          | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                |
| R-4 Residential                                                          | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                |
| C-1 Commercial & Industrial (Proposed)                                   | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                |
| C-2 Large Commercial & Industrial (Proposed)                             | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                |
| L-1 Large Volume Standby Sales Service                                   | (4,691)            | (5,973)            | (25,443)           | (26,414)           | (20,813)           | (19,623)           | (18,746)           | (21,615)           | (21,633)           | (25,245)           | (24,492)           | (7,519)            | (197,652)           |
| L-1/2 L-1 Firm Standby Service                                           | (1,837)            | (2,387)            | (10,000)           | (10,425)           | (7,228)            | (6,855)            | (13,748)           | (21,715)           | (21,633)           | (25,245)           | (24,492)           | (7,519)            | (197,652)           |
| sub-Total L-1 Large Volume Standby Sales Service                         | (6,528)            | (8,360)            | (35,443)           | (36,839)           | (28,041)           | (26,478)           | (32,494)           | (43,330)           | (43,266)           | (50,490)           | (48,984)           | (15,038)           | (395,304)           |
| Intermittible Sales                                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| L-1 Intermittible Service                                                | \$ (727)           | \$ (637)           | \$ (849)           | \$ (929)           | \$ (1,059)         | \$ (879)           | \$ (779)           | \$ (840)           | \$ (597)           | \$ (769)           | \$ (674)           | \$ (515)           | \$ (8,343)          |
| SS-1 Special Service                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| sub-Total Intermittible Sales                                            | \$ (727)           | \$ (637)           | \$ (849)           | \$ (929)           | \$ (1,059)         | \$ (879)           | \$ (779)           | \$ (840)           | \$ (597)           | \$ (769)           | \$ (674)           | \$ (515)           | \$ (8,343)          |
| Transportation                                                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| L-1/2 Large Volume Firm Service with Standby Sales Service               | (7,785)            | (6,488)            | (26,651)           | (23,418)           | (19,215)           | (20,739)           | (19,529)           | (22,715)           | (22,421)           | (28,014)           | (19,141)           | (16,034)           | (137,251)           |
| L-1/2 + T-1 Large Volume Firm Service with Partial Standby Sales Service |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| T-1 Intermittible Transportation Service                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| T-3 Low Volume Intermittible Service                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| SS-1 Special Service                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |
| sub-Total Transportation                                                 | \$ (7,785)         | \$ (6,488)         | \$ (26,651)        | \$ (23,418)        | \$ (19,215)        | \$ (20,739)        | \$ (19,529)        | \$ (22,715)        | \$ (22,421)        | \$ (28,014)        | \$ (19,141)        | \$ (16,034)        | \$ (137,251)        |
| <b>Total Sales and Transportation</b>                                    | <b>\$ (13,310)</b> | <b>\$ (15,485)</b> | <b>\$ (62,944)</b> | <b>\$ (60,287)</b> | <b>\$ (47,275)</b> | <b>\$ (47,217)</b> | <b>\$ (52,223)</b> | <b>\$ (66,845)</b> | <b>\$ (65,783)</b> | <b>\$ (78,504)</b> | <b>\$ (68,655)</b> | <b>\$ (31,553)</b> | <b>\$ (532,555)</b> |

**Total PGA Surcharge**

| Firm Sales                                                               | Jan 07             | Feb                | Mar                | Apr                | May                | Jun                | Jul                | Aug                | Sep                | Oct                 | Nov                | Dec                | 2007 Total          |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|
| R-1 Residential                                                          | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                | \$ 0               | \$ 0               | \$ 0                |
| R-4 Residential                                                          | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                | \$ 0               | \$ 0               | \$ 0                |
| C-1 Commercial & Industrial                                              | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                | \$ 0               | \$ 0               | \$ 0                |
| C-2 Large Commercial & Industrial (Proposed)                             | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0                | \$ 0               | \$ 0               | \$ 0                |
| L-1 Large Volume Standby Sales Service                                   | (14,272)           | (13,695)           | (33,655)           | (28,655)           | (31,355)           | (24,465)           | (27,165)           | (30,277)           | (30,256)           | (33,867)            | (10,873)           | (15,640)           | (258,710)           |
| L-1/2 L-1 Firm Standby Service                                           | (5,812)            | (6,033)            | (27,344)           | (24,818)           | (19,437)           | (18,067)           | (30,978)           | (34,047)           | (34,065)           | (37,477)            | (14,833)           | (19,761)           | (265,673)           |
| sub-Total L-1 Large Volume Standby Sales Service                         | (19,084)           | (19,728)           | (61,000)           | (53,473)           | (50,792)           | (42,532)           | (58,143)           | (64,324)           | (64,321)           | (71,344)            | (25,706)           | (35,401)           | (524,383)           |
| Intermittible Sales                                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| L-1 Intermittible Service                                                | \$ (727)           | \$ (637)           | \$ (849)           | \$ (929)           | \$ (1,059)         | \$ (879)           | \$ (779)           | \$ (840)           | \$ (597)           | \$ (769)            | \$ (674)           | \$ (515)           | \$ (8,343)          |
| SS-1 Special Service                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| sub-Total Intermittible Sales                                            | \$ (727)           | \$ (637)           | \$ (849)           | \$ (929)           | \$ (1,059)         | \$ (879)           | \$ (779)           | \$ (840)           | \$ (597)           | \$ (769)            | \$ (674)           | \$ (515)           | \$ (8,343)          |
| Transportation                                                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| L-1/2 Large Volume Firm Service with Standby Sales Service               | (7,785)            | (6,488)            | (26,651)           | (23,418)           | (19,215)           | (20,739)           | (19,529)           | (22,715)           | (22,421)           | (28,014)            | (19,141)           | (16,034)           | (137,251)           |
| L-1/2 + T-1 Large Volume Firm Service with Partial Standby Sales Service |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| T-1 Intermittible Transportation Service                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| T-3 Low Volume Intermittible Service                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| SS-1 Special Service                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                     |                    |                    |                     |
| sub-Total Transportation                                                 | \$ (7,785)         | \$ (6,488)         | \$ (26,651)        | \$ (23,418)        | \$ (19,215)        | \$ (20,739)        | \$ (19,529)        | \$ (22,715)        | \$ (22,421)        | \$ (28,014)         | \$ (19,141)        | \$ (16,034)        | \$ (137,251)        |
| <b>Total Sales and Transportation</b>                                    | <b>\$ (27,596)</b> | <b>\$ (26,853)</b> | <b>\$ (87,499)</b> | <b>\$ (83,319)</b> | <b>\$ (70,066)</b> | <b>\$ (63,150)</b> | <b>\$ (77,641)</b> | <b>\$ (87,859)</b> | <b>\$ (86,742)</b> | <b>\$ (106,358)</b> | <b>\$ (45,421)</b> | <b>\$ (51,945)</b> | <b>\$ (770,039)</b> |

## Chattanooga Gas Company

Chattanooga Gas 2006 Rate Case

for the 2007 Forecast Period (01/01/07 through 12/31/07)

| Firm Sales                                   |  | Jan 07       | Feb          | Mar          | Apr          | May          | Jun          | Jul          | Aug          | Sep          | Oct          | Nov          | Dec           | 2007 Total |
|----------------------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| R1 Residential                               |  | \$ 2,364,700 | \$ 8,430,549 | \$ 6,114,100 | \$ 4,002,970 | \$ 2,032,100 | \$ 1,588,910 | \$ 1,189,280 | \$ 1,174,339 | \$ 1,784,180 | \$ 4,249,400 | \$ 8,116,600 | \$ 48,872,690 |            |
| R2 Commercial & Industrial                   |  | 1,821,520    | 1,695,510    | 1,528,020    | 509,240      | 261,850      | 249,310      | 174,160      | 163,540      | 203,140      | 3,854,490    | 1,236,170    | 10,852,270    |            |
| C-2 Large Commercial & Industrial (Proposed) |  | 6,238,550    | 5,668,480    | 4,437,770    | 3,370,380    | 2,147,300    | 1,894,260    | 1,824,560    | 1,824,560    | 2,100,050    | 3,054,440    | 3,824,990    | 40,756,620    |            |
| L1 Large Volume Standby Sales Service        |  | 329,747      | 317,889      | 1,167,270    | 866,011      | 1,073,610    | 917,700      | 910,740      | 1,054,121    | 1,061,732    | 1,227,609    | 189,295      | 9,724,620     |            |
| L1-T-2 Full Standby Service                  |  | 87,656       | 87,656       | 47,083       | 130,415      | 91,944       | 37,457       | 36,032       | 36,032       | 36,032       | 36,032       | 36,032       | 656,611       |            |
| L1-T-2 + L1 Part Standby Service             |  | 417,624      | 385,694      | 1,314,354    | 1,096,016    | 1,184,654    | 985,137      | 946,771      | 1,050,156    | 1,097,784    | 1,263,940    | 236,137      | 10,383,271    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 + L1 Part Standby Service             |  | 1,117,615    | 1,071,615    | 3,628,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 2,832,615    | 3,330,615    | 2,832,615    | 2,832,615    | 33,306,615    |            |
| L1-T-2 +                                     |  |              |              |              |              |              |              |              |              |              |              |              |               |            |

**DISCOVERY REQUEST NO. 134:**

Please provide all empirical studies that estimate, calculate, or otherwise demonstrate that the promotion of energy efficiency and conservation programs will compromise a regulated utility's (including the Company's) ability to earn a just and reasonable rate of return or compromise the ability to provide reliable service.

**Response:**

Reductions in throughput lead to lower base revenue recoveries under a usage-based rate design such as that currently in effect for the Company. As explained by Mr. Yardley in his direct testimony in this proceeding, the Company's existing rate design links the recovery of fixed costs to customer usage. Therefore, the promotion of energy efficiency and conservation leads to an under-recovery of fixed distribution costs in between rate cases. In turn, under-recovery of fixed costs contributes to downward pressure on earnings and limits the ability of the Company to earn the authorized rate of return.

The issue of the potential for utility-promotion of energy efficiency and conservation programs to lead to revenue erosion is at the core of many policy initiatives and studies that advocate for separating the link between customer usage and base revenues. A number of these initiatives and studies were described in Mr. Yardley's testimony.

**DISCOVERY REQUEST NO. 143:**

For purposes of this request, please refer to page 17, lines 7 through 8 of Mr. Lindsey's Direct Testimony. Please identify, on an annual basis on a pipeline miles basis, the Company bare steel replacement activities. Please explain how these annual replacement efforts differ, if at all, from the Department of Transportation Form RSPA F7100.1-1.

**Response:**

Please see attachment 178-1 for the replacement activities by capital project over the last 10 years. Also please see attachment 143-1 included with the Company's response to discovery request 143, which is a summary of the figures from the Department of Transportation Form RSPA F7100.1-1 (Annual DOT Report). Attachment 143-1 shows the balances per the DOT reports and the differences between the annual balances. The differences between the annual balances for bare steel and cast iron generally reflect replacement of bare steel and cast iron. The total mileage of replacement activities for bare steel and cast iron on attachment 178-1 and on attachment 143-1 is approximately 41 miles (through 2008) after removing changes in the DOT balances that occurred due to the implementation of the Company's geographic information system (GIS) in 2002. As a result of the implementation of GIS, the Company had a more accurate accounting of its pipe inventory and reflected the changes in balances in 2002 and 2003.

Additionally, a timing difference occurs between replacement activities and the DOT report. The replacement activities shown on attachment 178-1 are presented in years in which the replacement projects began. The Company did not have the data to readily present each project mileage replaced by year over the extended period requested. Therefore, the Company presented the total mileage for each project in the year it began. Most projects are complete in a year but in some cases projects lasted beyond the year in which they are presented in attachment 178-1. The DOT report reflects the balance of the various types of pipe in the distribution system and is updated after the completion reports for projects are processed. Therefore there are two time lags from the projects as reported on attachment 178-1 and attachment 143-1. First, there is a lag from the time from the inception of the project until completion and second there is a lag from completion of the project until the time the project is closed out in the financial systems and processed into GIS.

## Annual DOT Reports Data

| Year | BS Main | Cast Iron | Stl | Pls | Total | Decrease/(Increase) in mileage over year |     |     |     |       |
|------|---------|-----------|-----|-----|-------|------------------------------------------|-----|-----|-----|-------|
|      |         |           |     |     |       | BS                                       | CI  | Stl | Pls | Total |
| 1999 | 94      | 22        | 605 | 701 | 1422  |                                          |     |     |     |       |
| 2000 | 94      | 22        | 605 | 711 | 1432  | 0                                        | 0   | 0   | -10 | -10   |
| 2001 | 92      | 20        | 602 | 736 | 1450  | 2                                        | 2   | 3   | -25 | -18   |
| 2002 | 90      | 41        | 576 | 760 | 1467  | 2                                        | -21 | 26  | -24 | -17   |
| 2003 | 57      | 38        | 605 | 782 | 1482  | 33                                       | 3   | -29 | -22 | -15   |
| 2004 | 56      | 34        | 601 | 808 | 1499  | 1                                        | 4   | 4   | -26 | -17   |
| 2005 | 54      | 32        | 601 | 827 | 1514  | 2                                        | 2   | 0   | -19 | -15   |
| 2006 | 49      | 31        | 601 | 861 | 1542  | 5                                        | 1   | 0   | -34 | -28   |
| 2007 | 42      | 30        | 600 | 885 | 1557  | 7                                        | 1   | 1   | -24 | -15   |
| 2008 | 39      | 28        | 600 | 915 | 1582  | 3                                        | 2   | 0   | -30 | -25   |

|                                             |    |     |     |                                             |  |
|---------------------------------------------|----|-----|-----|---------------------------------------------|--|
| Total Replacement                           | 55 | -6  |     |                                             |  |
| Less: Corrections recorded in 2002 and 2003 | 29 | -21 | (1) |                                             |  |
| Revised Replacement Data                    | 26 | 15  | 41  | Total Bare Steel/Cast Iron Mileage Replaced |  |

*Note: In 2002, Chattanooga Gas Company started using their new GIS to count mileage instead of using manual methodology. This change in reporting resulted in adjustments due to system reconciliation being reflected in 2002 and 2003.*

- (1) Assumption during reconciliation process is that 21 miles of steel were reclassified from steel to cast iron during 2003.  
Assumption during reconciliation process is that 29 miles of main were reclassified from bare steel to steel during 2002.

**DISCOVERY REQUEST NO. 144:**

Please provide, on an annual basis from 2000 to current, the Company's Department of Transportation Form RSPA F7100.1-1 reports filed with the U.S. Department of Transportation, Office of Pipeline Safety. Please explain any and all differences between actual replacement and reported inventory levels and those filed with the U.S. DOT.

**Response:**

Please see attachments 144-1 for the annual Department of Transportation reports from 1999 through 2008. 1999 is provided to assist in the reconciliation provided in Discovery Request 143. Please see response to Discovery Request Number 143 for explanation of difference between actual replacement activities and the DOT reports.

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed \$1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed \$200,000 as provided in 49 USC 1678. Form Approved OMB No. 2137-0522

**U.S. Department of Transportation  
Research and Special Programs  
Administration**

**ANNUAL REPORT FOR CALENDAR YEAR 1999  
GAS DISTRIBUTION SYSTEM**

INITIAL REPORT ☒ SUPPLEMENTAL REPORT ☐

1. NAME OF COMPANY OR ESTABLISHMENT  
Chattanooga Gas Company

2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED  
6125 Preservation Drive  
Number and Street  
Chattanooga, Hamilton  
City and County  
Tennessee, 37416  
State and Zip Code

3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER  
(When Known) 01218181

4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT  
Same  
Number and Street  
City and County  
State and Zip Code

5. STATES IN WHICH SYSTEM OPERATES : Tennessee

Report miles of main and number of services in system at end of year.

| 1. GENERAL      |             |        |                           |        |         |                          |                 |        |       |       |
|-----------------|-------------|--------|---------------------------|--------|---------|--------------------------|-----------------|--------|-------|-------|
|                 | STEEL       |        |                           |        | PLASTIC | CAST/<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER |
|                 | UNPROTECTED |        | CATHODICALLY<br>PROTECTED |        |         |                          |                 |        |       |       |
|                 | BARE        | COATED | BARE                      | COATED |         |                          |                 |        |       |       |
| MILES OF MAIN   | 94          |        |                           | 805    | 701     | 22                       |                 |        |       |       |
| NO. OF SERVICES | 1,308       |        |                           | 16,172 | 43,917  |                          |                 |        |       |       |

2. MILES OF MAINS IN SYSTEM AT END OF YEAR 1,422

| MATERIAL             | UNKNOWN | 2" OR LESS | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8"<br>THRU 12" | OVER 12" |
|----------------------|---------|------------|--------------------|--------------------|---------------------|----------|
| STEEL                |         | 219        | 240                | 192                | 37                  | 11       |
| DUCTILE IRON         |         |            |                    |                    |                     |          |
| COPPER               |         |            |                    |                    |                     |          |
| CAST WROUGHT<br>IRON |         |            | 5                  | 16                 |                     | 1        |
| PLASTIC              |         |            |                    |                    |                     |          |
| 1. PVC               |         |            |                    |                    |                     |          |
| 2. PE                |         | 578        | 108                | 15                 |                     |          |
| 3. ABS               |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| SYSTEM TOTALS        |         | 797        | 353                | 223                | 37                  | 12       |

3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 61,457 AVERAGE SERVICES LENGTH 104 FEET

| MATERIAL             | UNKNOWN | 1" OR LESS | OVER 1"<br>THRU 2" | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8" |
|----------------------|---------|------------|--------------------|--------------------|--------------------|---------|
| STEEL                |         | 13,027     | 4,307              | 125                | 21                 |         |
| DUCTILE IRON         |         |            |                    |                    |                    |         |
| COPPER               |         |            |                    |                    |                    |         |
| CAST WROUGHT<br>IRON |         |            |                    |                    |                    |         |
| PLASTIC              |         |            |                    |                    |                    |         |
| 1. PVC               |         |            |                    |                    |                    |         |
| 2. PE                |         | 39,779     | 4,119              | 18                 | 1                  |         |
| 3. ABS               |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| SYSTEM TOTALS        |         | 52,808     | 8,426              | 143                | 22                 |         |

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

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~~Attachment 144.1~~

U.S. Department  
of Transportation  
Research and  
Special Programs  
Administration  
400 Seventh St. SW  
Washington, D.C. 20590  
Official Business  
Penalty for Private Use \$300

Information Resources Manager  
Office of Pipeline Safety, DPS-3.3  
Research and Special Programs Administration  
400 7th Street, S.W.  
Washington, D.C. 20590

MAY-12-2004 10:54

CHATTANOOGA GAS CO

Chattanooga Gas Company  
Docket No. 09-00083  
CAED Question 1-144  
Attachment 144-1

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed \$1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed \$200,000 as provided in 49 USC 1878. Form Approved OMB No. 2137-0522



U.S. Department of Transportation  
Research and Special Programs  
Administration

ANNUAL REPORT FOR CALENDAR YEAR 2000  
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒SUPPLEMENTAL REPORT ☐

1. NAME OF COMPANY OR ESTABLISHMENT

Chattanooga Gas Company

3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

(When Known) 1012218181

2. LOCATION OF OFFICE WHERE ADDITIONAL  
INFORMATION MAY BE OBTAINED

6125 Preservation Drive

Number and Street

Chattanooga, Hamilton

City and County

Tennessee, 37415

State and Zip Code

4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT

Same

Number and Street

City and County

State and Zip Code

5. STATES IN WHICH SYSTEM OPERATES: Tennessee

1. GENERAL

Report miles of main and number of services in system at end of year.

|                 | STEEL       |        |                           |        | PLASTIC | CAST<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER |
|-----------------|-------------|--------|---------------------------|--------|---------|-------------------------|-----------------|--------|-------|-------|
|                 | UNPROTECTED |        | CATHODICALLY<br>PROTECTED |        |         |                         |                 |        |       |       |
|                 | BARE        | COATED | BARE                      | COATED |         |                         |                 |        |       |       |
| MILES OF MAIN   | 94          |        |                           | 605    | 711     | 22                      |                 |        |       |       |
| NO. OF SERVICES | 1,289       |        |                           | 16,059 | 44,854  |                         |                 |        |       |       |

2. MILES OF MAINS IN SYSTEM AT END OF YEAR 1,432.

| MATERIAL             | UNKNOWN | 2" OR LESS | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 6" | OVER 6"<br>THRU 12" | OVER 12" |
|----------------------|---------|------------|--------------------|--------------------|---------------------|----------|
| STEEL                |         | 218        | 241                | 182                | 37                  | 11       |
| DUCTILE IRON         |         |            |                    |                    |                     |          |
| COPPER               |         |            |                    |                    |                     |          |
| CAST WROUGHT<br>IRON |         |            | 5                  | 16                 |                     | 1        |
| PLASTIC<br>1. PVC    |         |            |                    |                    |                     |          |
| 2. PE                |         | 588        | 108                | 15                 |                     |          |
| 3. ABS               |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| SYSTEM TOTALS        |         | 808        | 354                | 223                | 37                  | 12       |

3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 62,182 AVERAGE SERVICES LENGTH 109 FEET

| MATERIAL             | UNKNOWN | 1" OR LESS | OVER 1"<br>THRU 2" | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 6" | OVER 6" |
|----------------------|---------|------------|--------------------|--------------------|--------------------|---------|
| STEEL                |         | 12,960     | 4,203              | 124                | 21                 |         |
| DUCTILE IRON         |         |            |                    |                    |                    |         |
| COPPER               |         |            |                    |                    |                    |         |
| CAST WROUGHT<br>IRON |         |            |                    |                    |                    |         |
| PLASTIC<br>1. PVC    |         |            |                    |                    |                    |         |
| 2. PE                |         | 40,822     | 4,212              | 18                 | 1                  |         |
| 3. ABS               |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| SYSTEM TOTALS        |         | 53,802     | 8,415              | 143                | 22                 |         |

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

MAY-12-2004 10:54

CHATTANOOGA GAS CO

Chattanooga Gas Company  
Docket No. 09-00083  
CAPS Question 1-144  
Attachment 144-1

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| CAUSE               |  | ELIMINATED/REPAIRED DURING YEAR |          |
|---------------------|--|---------------------------------|----------|
|                     |  | Mains                           | Services |
| CORROSION           |  | 26                              | 14       |
| THIRD PARTY         |  | 31                              | 195      |
| OUTSIDE FORCE       |  | 2                               | 1        |
| CONSTRUCTION DEFECT |  | 2                               | 4        |
| MATERIAL DEFECT     |  | 0                               | 0        |
| OTHER               |  | 115                             | 112      |

NUMBER OF KNOWN SYSTEM LEAKS AT  
END OF YEAR SCHEDULED FOR REPAIR \_\_\_\_\_

Unaccounted for gas as a percent of total  
input for year ending 8/30 5.96 %.

**PART 2 - ADDITIONAL INFORMATION**

\_\_\_\_\_  
Isaac Blythers  
Prepared by (type/print)  
Isaac Blythers - Executive Vice President/  
General Manager

\_\_\_\_\_  
Name and Title of Person Signing

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
(404) 584-3550  
Area Code/Telephone Number

\_\_\_\_\_  
(404) 584-3550  
Area Code/Telephone Number

U.S. Department  
of Transportation  
Research and  
Special Programs  
Administration  
400 Seventh St. SW  
Washington, D.C. 20590  
Official Business  
Penalty for Private Use \$300

Information Resources Manager  
Office of Pipeline Safety, DPS-3.3  
Research and Special Programs Administration  
400 7th Street, S.W.  
Washington, D.C. 20590

MAY-12-2004 10:54  
00-33

CHATTANOOGA GAS CO  
UNIT NUMBER 1001

Chattanooga Gas Company  
Docket No. 09-00083  
CA#20 Question 1-#422  
Attachment 14451

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed \$25,000 for each violation. Form Approved for use and that such violation permits subject to the maximum civil penalty shall not exceed \$500,000 or 3 years in 49 USC 83122. OMB No. 3187-0060

| U.S. Department of Transportation<br>Pipeline and Hazardous Materials Administration                                                                                                                                           |  | ANNUAL REPORT FOR CALENDAR YEAR 20 <u>01</u><br>GAS DISTRIBUTION SYSTEM                                                               |  | INITIAL REPORT =<br>SUPPLEMENTAL REPORT = |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------|--|
| 1. NAME OF COMPANY OR ESTABLISHMENT<br><u>CHATTANOOGA GAS COMPANY</u>                                                                                                                                                          |  | 2. OPERATOR'S IDENTIFICATION NUMBER<br>(When Known) <u>111111</u>                                                                     |  |                                           |  |
| 2. LOCATION OF OFFICE WHERE ADDITIONAL<br>INFORMATION MAY BE OBTAINED<br><u>6125 PRESERVATION DRIVE</u><br>Number and Street<br><u>CHATTANOOGA HAMILTON</u><br>City and County<br><u>TENNESSEE 37416</u><br>State and Zip Code |  | 4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT<br>_____<br>Number and Street<br>_____<br>City and County<br>_____<br>State and Zip Code |  |                                           |  |
| 3. STATES IN WHICH SYSTEM OPERATES: <u>TENNESSEE</u>                                                                                                                                                                           |  |                                                                                                                                       |  |                                           |  |

| 1. GENERAL                                                     |             | Report miles of each and number of services in system at end of year. |                    |                         |                     |          |       |       |  |
|----------------------------------------------------------------|-------------|-----------------------------------------------------------------------|--------------------|-------------------------|---------------------|----------|-------|-------|--|
|                                                                | STEEL       |                                                                       | PLASTIC            | CAST<br>WROUGHT<br>IRON | DUCTILE<br>IRON     | COPPER   | OTHER | OTHER |  |
|                                                                | UNPROTECTED | CATHODICALLY<br>PROTECTED                                             |                    |                         |                     |          |       |       |  |
|                                                                | BALE        | COATED                                                                | BALE               | COATED                  |                     |          |       |       |  |
| MILES OF MAIN                                                  | 72          | 0                                                                     | 0                  | 602                     | 736                 | 20       |       |       |  |
| NO. OF SERVICES                                                | 1183        | 0                                                                     | 0                  | 1555                    | 15772               |          |       |       |  |
| 2. MILES OF MAINS IN SYSTEM AT END OF YEAR <u>1450</u>         |             |                                                                       |                    |                         |                     |          |       |       |  |
| MATERIAL                                                       | UNKNOWN     | 2" OR LESS                                                            | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 6"      | OVER 6"<br>THRU 12" | OVER 12" |       |       |  |
| STEEL                                                          | 0           | 217                                                                   | 337                | 192                     | 37                  | 11       |       |       |  |
| DUCTILE IRON                                                   |             |                                                                       |                    |                         |                     |          |       |       |  |
| COPPER                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| CAST WROUGHT<br>IRON                                           | 0           | 0                                                                     | 4                  | 15                      | 0                   | 1        |       |       |  |
| PLASTIC                                                        |             |                                                                       |                    |                         |                     |          |       |       |  |
| 1. PVC                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| 2. PE                                                          | 0           | 607                                                                   | 113                | 16                      | 0                   | 0        |       |       |  |
| 3. ABE                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| OTHER                                                          |             |                                                                       |                    |                         |                     |          |       |       |  |
| OTHER                                                          |             |                                                                       |                    |                         |                     |          |       |       |  |
| SYSTEM TOTALS                                                  | 0           | 824                                                                   | 357                | 223                     | 37                  | 12       |       |       |  |
| 3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR<br><u>62830</u> |             | AVERAGE SERVICES LENGTH <u>109</u> FEET                               |                    |                         |                     |          |       |       |  |
| MATERIAL                                                       | UNKNOWN     | 1" OR LESS                                                            | OVER 1"<br>THRU 2" | OVER 2"<br>THRU 4"      | OVER 4"<br>THRU 6"  | OVER 6"  |       |       |  |
| STEEL                                                          | 0           | 12938                                                                 | 3960               | 120                     | 20                  | 0        |       |       |  |
| DUCTILE IRON                                                   |             |                                                                       |                    |                         |                     |          |       |       |  |
| COPPER                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| CAST WROUGHT<br>IRON                                           |             |                                                                       |                    |                         |                     |          |       |       |  |
| PLASTIC                                                        |             |                                                                       |                    |                         |                     |          |       |       |  |
| 1. PVC                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| 2. PE                                                          | 0           | 41464                                                                 | 4305               | 22                      | 1                   | 0        |       |       |  |
| 3. ABE                                                         |             |                                                                       |                    |                         |                     |          |       |       |  |
| OTHER                                                          |             |                                                                       |                    |                         |                     |          |       |       |  |
| OTHER                                                          |             |                                                                       |                    |                         |                     |          |       |       |  |
| SYSTEM TOTALS                                                  | 0           | 54402                                                                 | 8265               | 142                     | 21                  | 0        |       |       |  |

Form PBPA F 7100.1-1 (11-02)  
(Supersedes DOT F 7100.1-1)

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MAY-12-2004 10:55

08:36

CHATTANOOGA GAS CO

CHATTANOOGA GAS CO

Chattanooga Gas Company

Docket No. 09-00083

CAED Case 09-1144

423 49826111 144-1

| CALLING                                                                      | ELIMINATED/REPAIRED DURING YEAR |         |                                                                                          |
|------------------------------------------------------------------------------|---------------------------------|---------|------------------------------------------------------------------------------------------|
|                                                                              | Major                           | Service |                                                                                          |
| COMMON                                                                       | 26                              | 34      | <u>0</u>                                                                                 |
| THIRD PARTY                                                                  | 77                              | 152     |                                                                                          |
| OUTSIDE FORCE                                                                | 0                               | 3       |                                                                                          |
| CONSTRUCTION DEFECT                                                          | 0                               | 1       |                                                                                          |
| NATURAL DEFECT                                                               | 0                               | 0       | Unaccounted for gas as a percent of total -<br>Input for year ending 6/30 <u>3.528</u> % |
| OTHER                                                                        | 42                              | 70      |                                                                                          |
| NUMBER OF KNOWN SYSTEM LEAKS AT<br>END OF YEAR SCHEDULED FOR REPAIR <u>0</u> |                                 |         |                                                                                          |

|                                  |                            |
|----------------------------------|----------------------------|
| Prepared by (Type/print)         | Area Code/Telephone Number |
| Name and Title of Person Signing | Area Code/Telephone Number |
| Authorized Signature             |                            |

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

MAY-12-2004 10:55

CHATTANOOGA GAS CO

Chattanooga Gas Company  
Docket No. 09-00083  
Case Question 1-4-4  
Attachment 144-1

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed \$1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed \$200,000 as provided in 49 USC 1678. Form Approved OMB No. 2137-0522

|                                                                                                                                                                                                              |  |                                                                                                                               |  |                                                                                                    |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------|--|
|  <b>U.S. Department of Transportation</b><br>Research and Special Programs Administration                                   |  | <b>ANNUAL REPORT FOR CALENDAR YEAR 2002</b><br><b>GAS DISTRIBUTION SYSTEM</b>                                                 |  | INITIAL REPORT <input checked="" type="checkbox"/><br>SUPPLEMENTAL REPORT <input type="checkbox"/> |  |
| <b>1. NAME OF COMPANY OR ESTABLISHMENT</b><br>Chattanooga Gas Company                                                                                                                                        |  | <b>3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER</b><br>(When Known) 10121215191                                                |  |                                                                                                    |  |
| <b>2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED</b><br>2207 Olan Mills Drive<br>Number and Street<br>Chattanooga, Hamilton<br>City and County<br>Tennessee 37421<br>State and Zip Code |  | <b>4. HEADQUARTERS NAME &amp; ADDRESS, IF DIFFERENT</b><br>SAME<br>Number and Street<br>City and County<br>State and Zip Code |  |                                                                                                    |  |
| <b>5. STATES IN WHICH SYSTEM OPERATES:</b> Tennessee                                                                                                                                                         |  |                                                                                                                               |  |                                                                                                    |  |

|                                                                                               |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
|-----------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------|---------------------------|--------------------|---------------------|--------------------------|-----------------|--------|-------|-------|
| <b>1. GENERAL</b>                                                                             |             | Report miles of main and number of services in system at end of year. |                           |                    |                     |                          |                 |        |       |       |
|                                                                                               | STEEL       |                                                                       |                           |                    | PLASTIC             | CAST/<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER |
|                                                                                               | UNPROTECTED |                                                                       | CATHODICALLY<br>PROTECTED |                    |                     |                          |                 |        |       |       |
|                                                                                               | BARE        | COATED                                                                | BARE                      | COATED             |                     |                          |                 |        |       |       |
| MILES OF MAIN                                                                                 | 90          |                                                                       | 578                       |                    | 760                 | 41                       |                 |        |       |       |
| NO. OF SERVICES                                                                               | 1,085       |                                                                       | 15,875                    |                    | 48,772              |                          |                 |        |       |       |
| <b>2. MILES OF MAINS IN SYSTEM AT END OF YEAR 1,467</b>                                       |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| MATERIAL                                                                                      | UNKNOWN     | 2" OR LESS                                                            | OVER 2"<br>THRU 4"        | OVER 4"<br>THRU 6" | OVER 6"<br>THRU 12" | OVER 12"                 |                 |        |       |       |
| STEEL                                                                                         |             | 200                                                                   | 232                       | 169                | 34                  | 11                       |                 |        |       |       |
| DUCTILE IRON                                                                                  |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| COPPER                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| CAST WROUGHT<br>IRON                                                                          |             | 2                                                                     |                           | 16                 | 22                  | 1                        |                 |        |       |       |
| PLASTIC                                                                                       |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| 1. PVC                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| 2. PE                                                                                         |             | 832                                                                   | 113                       | 15                 |                     |                          |                 |        |       |       |
| 3. ABS                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| OTHER                                                                                         |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| OTHER                                                                                         |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| SYSTEM TOTALS                                                                                 |             | 834                                                                   | 345                       | 220                | 58                  | 12                       |                 |        |       |       |
| <b>3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 63,542 AVERAGE SERVICES LENGTH 108 FEET</b> |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| MATERIAL                                                                                      | UNKNOWN     | 1" OR LESS                                                            | OVER 1"<br>THRU 2"        | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 6"  | OVER 6"                  |                 |        |       |       |
| STEEL                                                                                         |             | 12,910                                                                | 3,719                     | 121                | 20                  |                          |                 |        |       |       |
| DUCTILE IRON                                                                                  |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| COPPER                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| CAST WROUGHT<br>IRON                                                                          |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| PLASTIC                                                                                       |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| 1. PVC                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| 2. PE                                                                                         |             | 42,311                                                                | 4,438                     | 22                 | 1                   |                          |                 |        |       |       |
| 3. ABS                                                                                        |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| OTHER                                                                                         |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| OTHER                                                                                         |             |                                                                       |                           |                    |                     |                          |                 |        |       |       |
| SYSTEM TOTALS                                                                                 |             | 55,221                                                                | 8,157                     | 143                | 21                  |                          |                 |        |       |       |

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

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MAY-12-2004 10:56

CHATTANOOGA GAS CO

Chattanooga Gas Company  
Docket No. 09-00083  
CAP Question 1-1.44  
Attachment 14-1

| CAUSE                                                                         | ELIMINATED/REPAIRED DURING YEAR |                                                                                       |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------|
|                                                                               | Mains                           | Services                                                                              |
| CORROSION                                                                     | 45                              | 12                                                                                    |
| THIRD PARTY                                                                   | 81                              | 138                                                                                   |
| OUTSIDE FORCE                                                                 |                                 |                                                                                       |
| CONSTRUCTION DEFECT                                                           |                                 | 1                                                                                     |
| MATERIAL DEFECT                                                               |                                 | 1                                                                                     |
| OTHER                                                                         | 191                             | 111                                                                                   |
| NUMBER OF KNOWN SYSTEM LEAKS AT<br>END OF YEAR SCHEDULED FOR REPAIR <u>16</u> |                                 | Unaccounted for gas as a percent of total<br>input for year ending 6/30 <u>2.94</u> % |

MAINS MILEAGES REPORTED REFLECT MORE ACCURATE FIGURES OUT OF THE COMPANY'S NEW MAPPING SYSTEM.

Isaac Blythers  
Prepared by (type/print) 404-594-3550  
Area Code/Telephone Number

Isaac Blythers, President  
Name and Title of Person Signing 404-594-3550  
Area Code/Telephone Number

  
Authorized Signature

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed \$1,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed \$200,000 as provided in 49 USC 1678. Form Approved OMB No. 2137-0522

|                                                                                                                                                                                                              |  |                                                                                                                               |  |                                                                                                    |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------|--|
|  U.S. Department of Transportation<br>Research and Special Programs<br>Administration                                       |  | <b>ANNUAL REPORT FOR CALENDAR YEAR 2003</b><br><b>GAS DISTRIBUTION SYSTEM</b>                                                 |  | INITIAL REPORT <input checked="" type="checkbox"/><br>SUPPLEMENTAL REPORT <input type="checkbox"/> |  |
| <b>1. NAME OF COMPANY OR ESTABLISHMENT</b><br>Chattanooga Gas Company                                                                                                                                        |  | <b>3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER</b><br>(When Known) 10121218191                                                |  |                                                                                                    |  |
| <b>2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED</b><br>2207 Olan Mills Drive<br>Number and Street<br>Chattanooga, Hamilton<br>City and County<br>Tennessee 37421<br>State and Zip Code |  | <b>4. HEADQUARTERS NAME &amp; ADDRESS, IF DIFFERENT</b><br>SAME<br>Number and Street<br>City and County<br>State and Zip Code |  |                                                                                                    |  |
| <b>5. STATES IN WHICH SYSTEM OPERATES :</b> Tennessee                                                                                                                                                        |  |                                                                                                                               |  |                                                                                                    |  |

|                                                                                                        |                                                                               |            |                 |                 |                  |                    |              |        |       |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------|-----------------|-----------------|------------------|--------------------|--------------|--------|-------|
| <b>REPORT SYSTEM DESCRIPTION</b> Report miles of main and number of services in system at end of year. |                                                                               |            |                 |                 |                  |                    |              |        |       |
| <b>1. GENERAL</b>                                                                                      |                                                                               |            |                 |                 |                  |                    |              |        |       |
|                                                                                                        | <b>STEEL</b><br>UNPROTECTED CATHODICALLY PROTECTED<br>BARE COATED BARE COATED |            |                 |                 | PLASTIC          | CAST/ WROUGHT IRON | DUCTILE IRON | COPPER | OTHER |
| MILES OF MAIN                                                                                          | 57                                                                            |            |                 | 605             | 782              | 38                 |              |        |       |
| NO. OF SERVICES                                                                                        | 1,028                                                                         |            |                 | 15,553          | 47,977           |                    |              |        |       |
| <b>2. MILES OF MAINS IN SYSTEM AT END OF YEAR 1,482</b>                                                |                                                                               |            |                 |                 |                  |                    |              |        |       |
| MATERIAL                                                                                               | UNKNOWN                                                                       | 2" OR LESS | OVER 2" THRU 4" | OVER 4" THRU 8" | OVER 8" THRU 12" | OVER 12"           |              |        |       |
| STEEL                                                                                                  |                                                                               | 200        | 229             | 188             | 34               | 11                 |              |        |       |
| DUCTILE IRON                                                                                           |                                                                               |            |                 |                 |                  |                    |              |        |       |
| COPPER                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| CAST WROUGHT IRON                                                                                      |                                                                               | 2          | 13              | 21              | 1                | 1                  |              |        |       |
| PLASTIC                                                                                                |                                                                               |            |                 |                 |                  |                    |              |        |       |
| 1. PVC                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| 2. PE                                                                                                  |                                                                               | 651        | 116             | 15              |                  |                    |              |        |       |
| 3. ABS                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| OTHER                                                                                                  |                                                                               |            |                 |                 |                  |                    |              |        |       |
| OTHER                                                                                                  |                                                                               |            |                 |                 |                  |                    |              |        |       |
| SYSTEM TOTALS                                                                                          |                                                                               | 853        | 358             | 224             | 35               | 12                 |              |        |       |
| <b>3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 64,558 AVERAGE SERVICES LENGTH 109 FEET</b>          |                                                                               |            |                 |                 |                  |                    |              |        |       |
| MATERIAL                                                                                               | UNKNOWN                                                                       | 1" OR LESS | OVER 1" THRU 2" | OVER 2" THRU 4" | OVER 4" THRU 8"  | OVER 8"            |              |        |       |
| STEEL                                                                                                  |                                                                               | 12,909     | 3,532           | 120             | 20               |                    |              |        |       |
| DUCTILE IRON                                                                                           |                                                                               |            |                 |                 |                  |                    |              |        |       |
| COPPER                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| CAST WROUGHT IRON                                                                                      |                                                                               |            |                 |                 |                  |                    |              |        |       |
| PLASTIC                                                                                                |                                                                               |            |                 |                 |                  |                    |              |        |       |
| 1. PVC                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| 2. PE                                                                                                  |                                                                               | 43,334     | 4,617           | 25              | 1                |                    |              |        |       |
| 3. ABS                                                                                                 |                                                                               |            |                 |                 |                  |                    |              |        |       |
| OTHER                                                                                                  |                                                                               |            |                 |                 |                  |                    |              |        |       |
| OTHER                                                                                                  |                                                                               |            |                 |                 |                  |                    |              |        |       |
| SYSTEM TOTALS                                                                                          |                                                                               | 56,243     | 8,149           | 145             | 21               |                    |              |        |       |

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

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Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

| CAUSE                                                              |       | ELIMINATED/REPAIRED DURING YEAR |  | PERCENT OF TOTAL                          |
|--------------------------------------------------------------------|-------|---------------------------------|--|-------------------------------------------|
|                                                                    | Mains | Services                        |  |                                           |
| CORROSION                                                          | 20    | 14                              |  | 0                                         |
| THIRD PARTY                                                        | 66    | 131                             |  |                                           |
| OUTSIDE FORCE                                                      |       |                                 |  | PERCENT OF GAS ACCOUNTED FOR AS           |
| CONSTRUCTION DEFECT                                                |       |                                 |  |                                           |
| MATERIAL DEFECT                                                    | 1     |                                 |  | Unaccounted for gas as a percent of total |
| OTHER                                                              | 238   | 184                             |  |                                           |
| NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR 6 |       |                                 |  | Input for year ending 8/30 4.27 %.        |

**REMARKS:**

MAINS MILEAGES REPORTED REFLECT A MORE ACCURATE COUNT AND BREAKDOWN DUE TO THE ADDITION OF CORROSION INFORMATION TO THE COMPANY NEW MAPPING SYSTEM.

**PART C: PREPARER AND AUTHORIZED SIGNATURE**

Isaac Blythers  
Prepared by (type/print)

404-584-3550  
Area Code/Telephone Number

Isaac Blythers, President  
Name and Title of Person Signing

404-584-3550  
Area Code/Telephone Number

Authorized Signature

Form RSPA F 7100.1-1 (11-85)  
(Supersedes DOT F 7100.1-1)

## Chattanooga Gas Company

Docket No. 09-00083

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation. Form approved for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Attachment 144-1  
CAP Question 144-1



U.S. Department of Transportation  
Research and Special Programs  
Administration

# ANNUAL REPORT FOR CALENDAR YEAR 2004 GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒SUPPLEMENTAL REPORT ☐

## PART A - OPERATOR INFORMATION

DO NOT USE ONLY

## 1. NAME OF OPERATOR

Chattanooga Gas Company

## 3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

(When Known) 1 0 / 2 / 2 / 8 / 8 /

AGL Resources

## 2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED

2207 Olan Mills Drive

Number and Street

Chattanooga, Hamilton

City and County

Tennessee 37421

State and Zip Code

## 4. HEADQUARTERS NAME &amp; ADDRESS, IF DIFFERENT

10 Peachtree Place, N.E.

Number and Street

Atlanta, Fulton

City and County

Georgia, 30309

State and Zip Code

## 5. STATE IN WHICH SYSTEM OPERATES / T / N / (provide a separate report for each state in which system operates)

## PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year.

## 1. GENERAL

|                 | STEEL       |        |                           |        | PLASTIC | CAST/<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER |
|-----------------|-------------|--------|---------------------------|--------|---------|--------------------------|-----------------|--------|-------|-------|
|                 | UNPROTECTED |        | CATHODICALLY<br>PROTECTED |        |         |                          |                 |        |       |       |
|                 | BARE        | COATED | BARE                      | COATED |         |                          |                 |        |       |       |
| MILES OF MAIN   | 58          |        |                           | 601    | 808     | 34                       |                 |        |       |       |
| NO. OF SERVICES | 1013        |        |                           | 15684  | 49429   |                          |                 |        |       |       |

## 2. MILES OF MAINS IN SYSTEM AT END OF YEAR : 1498

| MATERIAL             | UNKNOWN | 2" OR LESS | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8"<br>THRU 12" | OVER 12" |
|----------------------|---------|------------|--------------------|--------------------|---------------------|----------|
| STEEL                |         | 200        | 228                | 184                | 34                  | 11       |
| DUCTILE IRON         |         |            |                    |                    |                     |          |
| COPPER               |         |            |                    |                    |                     |          |
| CAST/WROUGHT<br>IRON |         | 2          | 9                  | 21                 |                     |          |
| PLASTIC              |         |            |                    |                    |                     |          |
| 1. PVC               |         |            |                    |                    |                     |          |
| 2. PE                |         | 66         | 121                | 25                 |                     |          |
| 3. ABS               |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| OTHER                |         |            |                    |                    |                     |          |
| SYSTEM TOTALS        |         | 866        | 358                | 228                | 35                  | 12       |

## 3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR 66126 AVERAGE SERVICE LENGTH 109 FEET

| MATERIAL             | UNKNOWN | 1" OR LESS | OVER 1"<br>THRU 2" | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8" |
|----------------------|---------|------------|--------------------|--------------------|--------------------|---------|
| STEEL                |         | 12987      | 3570               | 120                | 20                 |         |
| DUCTILE IRON         |         |            |                    |                    |                    |         |
| COPPER               |         |            |                    |                    |                    |         |
| CAST/WROUGHT<br>IRON |         |            |                    |                    |                    |         |
| PLASTIC              |         |            |                    |                    |                    |         |
| 1. PVC               |         |            |                    |                    |                    |         |
| 2. PE                |         | 44622      | 4781               | 25                 | 1                  |         |
| 3. ABS               |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| OTHER                |         |            |                    |                    |                    |         |
| SYSTEM TOTALS        |         | 57609      | 8351               | 145                | 21                 |         |

Form RSPA F 7100.1-1 (03-05)

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Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144

| 4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION |              |              |               |               |               |               |               |               |               | Attachment 144-1 |
|-------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
|                                                                   | UN-<br>KNOWN | PRE-<br>1940 | 1940-<br>1949 | 1950-<br>1959 | 1960-<br>1969 | 1970-<br>1979 | 1980-<br>1989 | 1990-<br>1999 | 2000-<br>2009 | TOTAL            |
| MILES OF MAIN                                                     | 46           | 23           | 17            | 107           | 246           | 182           | 274           | 515           | 89            | 1499             |
| NUMBER OF SERVICES                                                | 2024         | 1012         | 748           | 4708          | 10824         | 8008          | 12056         | 22660         | 4086          | 66126            |

| PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR                                                     |       |          | PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND<br>REPAIRED OR SCHEDULED FOR REPAIR                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------|-------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAUSE OF LEAK                                                                                            | Mains | Services | <div style="border: 1px solid black; padding: 10px; margin: 0 auto; width: 150px;">0</div>                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| CORROSION                                                                                                | 46    | 17       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NATURAL FORCES                                                                                           |       |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| EXCAVATION                                                                                               | 68    | 123      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| OTHER OUTSIDE FORCE DAMAGE                                                                               | 1     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| MATERIAL OR WELDS                                                                                        | 7     | 2        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| EQUIPMENT                                                                                                |       |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| OPERATIONS                                                                                               |       |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| OTHER                                                                                                    | 157   | 146      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NUMBER OF KNOWN SYSTEM LEAKS AT<br>END OF YEAR SCHEDULED FOR REPAIR <span style="float: right;">6</span> |       |          | <b>PART E - PERCENT OF UNACCOUNTED FOR GAS</b><br><br>Unaccounted for gas as a percent of total input for the 12 months ending June 30 of the reporting year.<br><br><div style="border: 1px solid black; padding: 5px; margin: 5px 0;">             ((Purchased gas + produced gas)<br/>minus (customer use + company use + appropriate adjustments))<br/>divided by (purchased gas + produced gas) equals percent unaccounted for.           </div><br>Input for year ending 6/30 <span style="float: right;">1.57</span> %. |

**PART F - ADDITIONAL INFORMATION**

**PART G - PREPARER AND AUTHORIZED SIGNATURE**

|                                                                                            |                                                         |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <u>Keith D. McDonald, Compliance Engineer</u><br>(type or print) Preparer's Name and Title | <u>(404) 584-3736</u><br>Area Code and Telephone Number |
| <u>Kmcdonal@Aqiresources.com</u><br>Preparer's email address                               | <u>(404) 584-3736</u><br>Area Code and Facsimile Number |
| <u>Suzanne Siltherwood, SVP Southern Operations</u><br>Name and Title of Person Signing    | <u>404-584-3847</u><br>Area Code and Telephone Number   |
| _____<br>Authorized Signature                                                              |                                                         |

## Chattanooga Gas Company

Docket No. 09-00083

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Form Approved  
OMB No. 2137-0522

Attachment 144-1



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

# ANNUAL REPORT FOR CALENDAR YEAR 2005 GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒SUPPLEMENTAL REPORT ☐

## PART A - OPERATOR INFORMATION

DOT USE ONLY

## 1. NAME OF OPERATOR

Chattanooga Gas Company

## 3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

101218181

2. LOCATION OF OFFICE WHERE ADDITIONAL  
INFORMATION MAY BE OBTAINED

2207 Olan Mills Drive

Number and Street

Chattanooga, Hamilton

City and County

Tennessee 37421

State and Zip Code

## 4. HEADQUARTERS NAME &amp; ADDRESS, IF DIFFERENT

AGL Resources, 10 Peachtree PI NE

Number and Street

Atlanta, Fulton

City and County

Georgia, 30309

State and Zip Code

## 5. STATE IN WHICH SYSTEM OPERATES: T / N / (provide a separate report for each state in which system operates)

## PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year.

## 1. GENERAL

|                    | STEEL       |        |                           |        | PLASTIC | CAST/<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER | TOTAL |
|--------------------|-------------|--------|---------------------------|--------|---------|--------------------------|-----------------|--------|-------|-------|-------|
|                    | UNPROTECTED |        | CATHODICALLY<br>PROTECTED |        |         |                          |                 |        |       |       |       |
|                    | BARE        | COATED | BARE                      | COATED |         |                          |                 |        |       |       |       |
| MILES OF MAIN      | 54          |        |                           | 801    | 827     | 32                       |                 |        |       |       | 1514  |
| NO. OF<br>SERVICES | 930         |        |                           | 15794  | 51020   |                          |                 |        |       |       | 67744 |

## 2. MILES OF MAINS IN SYSTEM AT END OF YEAR

| MATERIAL             | UNKNOWN | 2" OR LESS | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8"<br>THRU 12" | OVER 12" | TOTAL |
|----------------------|---------|------------|--------------------|--------------------|---------------------|----------|-------|
| STEEL                |         | 199        | 228                | 184                | 34                  | 11       | 656   |
| DUCTILE IRON         |         |            |                    |                    |                     |          |       |
| COPPER               |         |            |                    |                    |                     |          |       |
| CAST/WROUGHT<br>IRON |         | 1          | 8                  | 21                 | 1                   | 1        | 32    |
| PLASTIC              |         |            |                    |                    |                     |          |       |
| 1. PVC               |         |            |                    |                    |                     |          |       |
| 2. PE                |         | 680        | 123                | 23                 |                     |          | 826   |
| 3. ABS               |         |            |                    |                    |                     |          |       |
| OTHER                |         |            |                    |                    |                     |          |       |
| SYSTEM TOTALS        |         | 880        | 359                | 228                | 35                  | 12       | 1514  |

## 3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICE LENGTH 109 FEET

| MATERIAL             | UNKNOWN | 1" OR LESS | OVER 1"<br>THRU 2" | OVER 2"<br>THRU 4" | OVER 4"<br>THRU 8" | OVER 8" | TOTAL |
|----------------------|---------|------------|--------------------|--------------------|--------------------|---------|-------|
| STEEL                |         | 12977      | 3607               | 120                | 20                 |         | 16724 |
| DUCTILE IRON         |         |            |                    |                    |                    |         |       |
| COPPER               |         |            |                    |                    |                    |         |       |
| CAST/WROUGHT<br>IRON |         |            |                    |                    |                    |         |       |
| PLASTIC              |         |            |                    |                    |                    |         |       |
| 1. PVC               |         |            |                    |                    |                    |         |       |
| 2. PE                |         | 46048      | 4046               | 25                 | 1                  |         | 51020 |
| 3. ABS               |         |            |                    |                    |                    |         |       |
| OTHER                |         |            |                    |                    |                    |         |       |
| SYSTEM TOTALS        |         | 59025      | 8553               | 145                | 21                 |         | 67744 |

Form PHMSA F 7100.1-1 (12-05)

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Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144

#### 4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION

Attachment 144-1

|                    | UN-<br>KNOWN | PRE-<br>1940 | 1940-<br>1949 | 1950-<br>1959 | 1960-<br>1969 | 1970-<br>1979 | 1980-<br>1989 | 1990-<br>1999 | 2000-<br>2009 | TOTAL |
|--------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
| MILES OF MAIN      | 45           | 21           | 17            | 108           | 246           | 182           | 274           | 515           | 108           | 1514  |
| NUMBER OF SERVICES | 2024         | 1012         | 748           | 4613          | 10824         | 8008          | 12056         | 22660         | 5799          | 67744 |

## PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR:

### CAUSE OF LEAK

|                            | Mains | Services |
|----------------------------|-------|----------|
| CORROSION                  | 48    | 15       |
| NATURAL FORCES             | 0     | 1        |
| EXCAVATION                 | 66    | 203      |
| OTHER OUTSIDE FORCE DAMAGE | 2     | 6        |
| MATERIAL OR WELDS          | 7     | 7        |
| EQUIPMENT                  | 2     | 1        |
| OPERATIONS                 | 1     | 0        |
| OTHER                      | 118   | 74       |

| PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND |                 |
|------------------------------------------------|-----------------|
| LEAK STATUS                                    | NUMBER OF LEAKS |
| REPAIRED                                       | 1               |
| SCHEDULED FOR REPAIR                           | 0               |

1

## PART E PERCENT OF UNACCOUNTED FOR GAS

Unaccounted for gas as a percent of total input for the 12 months ending June 30 of the reporting year.

**[(Purchased gas + produced gas)**

minus (customer use + company use + appropriate adjustments)]

divided by (purchased gas + produced gas) equals percent unaccounted for.

Input for year ending 6/30 3.13 %.

**PART F - ADDITIONAL INFORMATION:**

PART G - PREPARER AND AUTHORIZED SIGNATURE

Scott Crider, Engineer

(type or print) Preparer's Name and Title

(404) 584-4697

Area Code and Telephone Number

scrider@agresources.com

Preparer's email address

(404) 584-4807

Area Code and Facsimile Number

Suzanne Sitherwood, SVP Southern Operations

Name and Title of Person Signing

(404) 584-3847

Area Code and Telephone Number

**Authorized Signature**

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000. Attachment 1-144 Approved for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122. OMB No. 2137-0522

|                                                                                                                                                                                                                    |                                                                                                                                                                                                      |                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <br>U.S. Department of Transportation<br>Pipeline and Hazardous Materials<br>Safety Administration                                | <b>ANNUAL REPORT FOR CALENDAR YEAR 2006</b><br><b>GAS DISTRIBUTION SYSTEM</b>                                                                                                                        | INITIAL REPORT <input checked="" type="checkbox"/><br>SUPPLEMENTAL REPORT <input type="checkbox"/> |
| <b>PART A - OPERATOR INFORMATION</b>                                                                                                                                                                               |                                                                                                                                                                                                      |                                                                                                    |
| 1. NAME OF OPERATOR<br><b>CHATTANOOGA GAS</b>                                                                                                                                                                      | 3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER<br><b>20060922 5434</b>                                                                                                                                  |                                                                                                    |
| 2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED<br><b>2207 OLAN MILLS DRIVE</b><br>Number and Street<br><b>CHATTANOOGA HAMILTON</b><br>City and County<br><b>TN 37421</b><br>State and Zip Code | 4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT<br><b>AGL RESOURCES 10 PEACHTREE PLACE NE</b><br>Number and Street<br><b>ATLANTA FULTON</b><br>City and County<br><b>GA 30309</b><br>State and Zip Code |                                                                                                    |
| 5. STATE IN WHICH SYSTEM OPERATES: <b>TN</b> / (provide a separate report for each state in which system operates)                                                                                                 |                                                                                                                                                                                                      |                                                                                                    |

| <b>PART B - SYSTEM DESCRIPTION</b> Report miles of main and number of services in system at end of year. |             |            |                        |                 |                  |                    |               |        |       |       |       |
|----------------------------------------------------------------------------------------------------------|-------------|------------|------------------------|-----------------|------------------|--------------------|---------------|--------|-------|-------|-------|
| <b>1. GENERAL</b>                                                                                        |             |            |                        |                 |                  |                    |               |        |       |       |       |
|                                                                                                          | STEEL       |            |                        |                 | PLASTIC          | CAST/ WROUGHT IRON | DUCTIL E IRON | COPPER | OTHER | OTHER | TOTAL |
|                                                                                                          | UNPROTECTED |            | CATHODICALLY PROTECTED |                 |                  |                    |               |        |       |       |       |
|                                                                                                          | BARE        | COATED     | BARE                   | COATED          |                  |                    |               |        |       |       |       |
| MILES OF MAIN                                                                                            | 49          | 0          | 0                      | 601             | 861              | 31                 | 0             | 0      | 0     | 0     | 1542  |
| NO. OF SERVICES                                                                                          | 848         | 0          | 0                      | 15817           | 52496            | 0                  | 0             | 0      | 0     | 0     | 69161 |
| <b>2. MILES OF MAINS IN SYSTEM AT END OF YEAR</b>                                                        |             |            |                        |                 |                  |                    |               |        |       |       |       |
| MATERIAL                                                                                                 | UNKNOWN     | 2" OR LESS | OVER 2" THRU 4"        | OVER 4" THRU 8" | OVER 8" THRU 12" | OVER 12"           | TOTAL         |        |       |       |       |
| STEEL                                                                                                    | 0           | 198        | 224                    | 183             | 34               | 11                 | 650           |        |       |       |       |
| DUCTILE IRON                                                                                             | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| COPPER                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| CAST/WROUGHT IRON                                                                                        | 0           | 0          | 8                      | 20              | 1                | 0                  | 31            |        |       |       |       |
| PLASTIC                                                                                                  | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| 1. PVC                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| 2. PE                                                                                                    | 0           | 706        | 131                    | 24              | 0                | 0                  | 861           |        |       |       |       |
| 3. ABS                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| OTHER                                                                                                    | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| OTHER                                                                                                    | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| SYSTEM TOTALS                                                                                            | 0           | 905        | 363                    | 227             | 35               | 12                 | 1542          |        |       |       |       |
| <b>3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR</b> AVERAGE SERVICE LENGTH <b>109</b> FEET             |             |            |                        |                 |                  |                    |               |        |       |       |       |
| MATERIAL                                                                                                 | UNKNOWN     | 1" OR LESS | OVER 1" THRU 2"        | OVER 2" THRU 4" | OVER 4" THRU 8"  | OVER 8"            | TOTAL         |        |       |       |       |
| STEEL                                                                                                    | 0           | 12915      | 3610                   | 120             | 20               | 0                  | 16655         |        |       |       |       |
| DUCTILE IRON                                                                                             | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| COPPER                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| CAST/WROUGHT IRON                                                                                        | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| PLASTIC                                                                                                  | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| 1. PVC                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| 2. PE                                                                                                    | 0           | 47302      | 5168                   | 25              | 1                | 0                  | 52496         |        |       |       |       |
| 3. ABS                                                                                                   | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| OTHER                                                                                                    | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| OTHER                                                                                                    | 0           | 0          | 0                      | 0               | 0                | 0                  | 0             |        |       |       |       |
| SYSTEM TOTALS                                                                                            | 0           | 60217      | 8778                   | 145             | 21               | 0                  | 69161         |        |       |       |       |

Form PHMSA F 7100.1-1 (12-05)

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Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

| 4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION |              |              |               |               |               |               |               |               |               |       |
|-------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
|                                                                   | UN-<br>KNOWN | PRE-<br>1940 | 1940-<br>1949 | 1950-<br>1959 | 1960-<br>1969 | 1970-<br>1979 | 1980-<br>1989 | 1990-<br>1999 | 2000-<br>2009 | TOTAL |
| MILES OF MAIN                                                     | 45           | 19           | 17            | 102           | 245           | 182           | 274           | 515           | 143           | 1542  |
| NUMBER OF SERVICES                                                | 1983         | 971          | 748           | 4613          | 10824         | 8008          | 12056         | 22660         | 7298          | 69161 |

| PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR                      |       |          | PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND<br>REPAIRED OR SCHEDULED FOR REPAIR                                                                                                                                                                                                                                                                                                     |  |
|---------------------------------------------------------------------------|-------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| CAUSE OF LEAK                                                             | Mains | Services |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| CORROSION                                                                 | 36    | 20       | 0                                                                                                                                                                                                                                                                                                                                                                                      |  |
| NATURAL FORCES                                                            | 1     | 2        |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| EXCAVATION                                                                | 51    | 210      |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| OTHER OUTSIDE FORCE DAMAGE                                                | 5     | 1        |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| MATERIAL OR WELDS                                                         | 7     | 9        |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| EQUIPMENT                                                                 | 79    | 159      | PART E - PERCENT OF UNACCOUNTED FOR GAS<br><br>Unaccounted for gas as a percent of total input for the 12 months ending June 30 of the reporting year.<br><br>[(Purchased gas + produced gas) minus (customer use + company use + appropriate adjustments)] divided by (purchased gas + produced gas) equals percent unaccounted for.<br><br>Input for year ending 6/30 <u>2.31</u> %. |  |
| OPERATIONS                                                                | 0     | 1        |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| OTHER                                                                     | 2     | 3        |                                                                                                                                                                                                                                                                                                                                                                                        |  |
| NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR <u>3</u> |       |          |                                                                                                                                                                                                                                                                                                                                                                                        |  |

| PART F - ADDITIONAL INFORMATION |  |
|---------------------------------|--|
|                                 |  |

| PART G - PREPARER AND AUTHORIZED SIGNATURE                                                |                                                     |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <u>SCOTT CRIDER</u><br>(type or print) Preparer's Name and Title                          | <u>4045844697</u><br>Area Code and Telephone Number |
| <u>SCRIDER@AGLRESOURCES.COM</u><br>Preparer's email address                               | <u>4045844807</u><br>Area Code and Facsimile Number |
| <u>RICHARD LONN, DIRECTOR - REGULATORY COMPLIANCE</u><br>Name and Title of Person Signing | <u>4045843552</u><br>Area Code and Telephone Number |
| _____<br>Authorized Signature                                                             |                                                     |

Form PHMSA F 7100.1-1 (12-05)

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122. Attachment 1-144-1  
OMB No. 2137-0522

| U.S. Department of Transportation<br>Pipeline and Hazardous Materials<br>Safety Administration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             | ANNUAL REPORT FOR CALENDAR YEAR 2007<br>GAS DISTRIBUTION SYSTEM                                                                                                                                                                                                                                                                                      |                           | INITIAL REPORT <input checked="" type="checkbox"/><br>SUPPLEMENTAL REPORT <input type="checkbox"/> |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------|------------------|-------------------------|------------------|-------------------------|-----------------|--------|-------|-------|-------|-----------------|--------|---------------------------|-------|--------------|--------|------|--------|---------------|----|---|---|--------|-----|----|---|---|---|---|------|--------------------|-----|---|---|-------|-------|---|---|---------|---|---|-------|---|---|---|---|--------|---|---|---|---|---|---|---|-------|---|-------|------|----|---|---|-------|--------|---|---|---|---|---|---|---|-------|---|---|---|---|---|---|---|-------|---|---|---|---|---|---|---|---------------|---|-------|------|-----|----|----|-------|----------------------------------------|--|--|--|
| <b>PART I - OPERATOR INFORMATION</b><br>1. NAME OF OPERATOR<br><b>CHATTANOOGA GAS CO</b><br>2. LOCATION OF OFFICE WHERE ADDITIONAL<br>INFORMATION MAY BE OBTAINED<br><b>2207 OLAN MILLS DRIVE</b><br><small>Number and Street</small><br><b>CHATTANOOGA HAMILTON</b><br><small>City and County</small><br><b>TN 37421</b><br><small>State and Zip Code</small>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             | <b>DOT USE ONLY</b> 2007 086 7958<br>3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER<br><b>2288</b><br>4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT<br><b>AGL RESOURCES 10 PEACHTREE PLACE NE</b><br><small>Number and Street</small><br><b>ATLANTA FULTON</b><br><small>City and County</small><br><b>GA 30309</b><br><small>State and Zip Code</small> |                           |                                                                                                    |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 5. STATE IN WHICH SYSTEM OPERATES: <u>TN</u> / (provide a separate report for each state in which system operates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |                                                                                                                                                                                                                                                                                                                                                      |                           |                                                                                                    |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| <b>PART II - SYSTEM DESCRIPTION</b><br>1. GENERAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             | <small>Report miles of main and number of services in system at end of year.</small>                                                                                                                                                                                                                                                                 |                           |                                                                                                    |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th colspan="4">STEEL</th> <th rowspan="3">PLASTIC</th> <th rowspan="3">CAST<br/>WROUGHT<br/>IRON</th> <th rowspan="3">DUCTILE<br/>IRON</th> <th rowspan="3">COPPER</th> <th rowspan="3">OTHER</th> <th rowspan="3">OTHER</th> <th rowspan="3">TOTAL</th> </tr> <tr> <th colspan="2">UNPROTECTED</th> <th colspan="2">CATHODICALLY<br/>PROTECTED</th> </tr> <tr> <th>BARE</th> <th>COATED</th> <th>BARE</th> <th>COATED</th> </tr> </thead> <tbody> <tr> <td>MILES OF MAIN</td> <td>42</td> <td>0</td> <td>0</td> <td>600</td> <td>895</td> <td>30</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>1557</td> </tr> <tr> <td>NO. OF<br/>SERVICES</td> <td>658</td> <td>0</td> <td>0</td> <td>15836</td> <td>53677</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>70171</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                                                                                                                                                                                                                                                      | STEEL                     |                                                                                                    |                  |                         | PLASTIC          | CAST<br>WROUGHT<br>IRON | DUCTILE<br>IRON | COPPER | OTHER | OTHER | TOTAL | UNPROTECTED     |        | CATHODICALLY<br>PROTECTED |       | BARE         | COATED | BARE | COATED | MILES OF MAIN | 42 | 0 | 0 | 600    | 895 | 30 | 0 | 0 | 0 | 0 | 1557 | NO. OF<br>SERVICES | 658 | 0 | 0 | 15836 | 53677 | 0 | 0 | 0       | 0 | 0 | 70171 |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | STEEL       |                                                                                                                                                                                                                                                                                                                                                      |                           |                                                                                                    | PLASTIC          | CAST<br>WROUGHT<br>IRON |                  |                         |                 |        |       |       |       | DUCTILE<br>IRON | COPPER | OTHER                     | OTHER | TOTAL        |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | UNPROTECTED |                                                                                                                                                                                                                                                                                                                                                      | CATHODICALLY<br>PROTECTED |                                                                                                    |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | BARE        | COATED                                                                                                                                                                                                                                                                                                                                               | BARE                      | COATED                                                                                             |                  |                         |                  |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| MILES OF MAIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 42          | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 600                                                                                                | 895              | 30                      | 0                | 0                       | 0               | 0      | 1557  |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| NO. OF<br>SERVICES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 658         | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 15836                                                                                              | 53677            | 0                       | 0                | 0                       | 0               | 0      | 70171 |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 2. MILES OF MAINS IN SYSTEM AT END OF YEAR <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>MATERIAL</th> <th>UNKNOWN</th> <th>2" OR LESS</th> <th>OVER 2" THRU 4"</th> <th>OVER 4" THRU 8"</th> <th>OVER 8" THRU 12"</th> <th>OVER 12"</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>STEEL</td> <td>0</td> <td>192</td> <td>224</td> <td>181</td> <td>34</td> <td>11</td> <td>642</td> </tr> <tr> <td>DUCTILE IRON</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>COPPER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>CAST/WROUGHT IRON</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>PLASTIC</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>1. PVC</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2. PE</td> <td>0</td> <td>725</td> <td>135</td> <td>25</td> <td>0</td> <td>0</td> <td>885</td> </tr> <tr> <td>3. ABS</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>OTHER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>OTHER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>SYSTEM TOTALS</td> <td>0</td> <td>918</td> <td>366</td> <td>226</td> <td>35</td> <td>12</td> <td>1557</td> </tr> </tbody> </table>               |             | MATERIAL                                                                                                                                                                                                                                                                                                                                             | UNKNOWN                   | 2" OR LESS                                                                                         | OVER 2" THRU 4"  | OVER 4" THRU 8"         | OVER 8" THRU 12" | OVER 12"                | TOTAL           | STEEL  | 0     | 192   | 224   | 181             | 34     | 11                        | 642   | DUCTILE IRON | 0      | 0    | 0      | 0             | 0  | 0 | 0 | COPPER | 0   | 0  | 0 | 0 | 0 | 0 | 0    | CAST/WROUGHT IRON  | 0   | 0 | 0 | 0     | 0     | 0 | 0 | PLASTIC | 0 | 0 | 0     | 0 | 0 | 0 | 0 | 1. PVC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2. PE | 0 | 725   | 135  | 25 | 0 | 0 | 885   | 3. ABS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | SYSTEM TOTALS | 0 | 918   | 366  | 226 | 35 | 12 | 1557  |                                        |  |  |  |
| MATERIAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | UNKNOWN     | 2" OR LESS                                                                                                                                                                                                                                                                                                                                           | OVER 2" THRU 4"           | OVER 4" THRU 8"                                                                                    | OVER 8" THRU 12" | OVER 12"                | TOTAL            |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| STEEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 192                                                                                                                                                                                                                                                                                                                                                  | 224                       | 181                                                                                                | 34               | 11                      | 642              |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| DUCTILE IRON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| COPPER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| CAST/WROUGHT IRON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| PLASTIC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 1. PVC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 2. PE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 725                                                                                                                                                                                                                                                                                                                                                  | 135                       | 25                                                                                                 | 0                | 0                       | 885              |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 3. ABS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| SYSTEM TOTALS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0           | 918                                                                                                                                                                                                                                                                                                                                                  | 366                       | 226                                                                                                | 35               | 12                      | 1557             |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>MATERIAL</th> <th>UNKNOWN</th> <th>1" OR LESS</th> <th>OVER 1" THRU 2"</th> <th>OVER 2" THRU 4"</th> <th>OVER 4" THRU 8"</th> <th>OVER 8"</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>STEEL</td> <td>0</td> <td>12837</td> <td>3516</td> <td>121</td> <td>20</td> <td>0</td> <td>16494</td> </tr> <tr> <td>DUCTILE IRON</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>COPPER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>CAST/WROUGHT IRON</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>PLASTIC</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>1. PVC</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2. PE</td> <td>0</td> <td>48327</td> <td>5324</td> <td>25</td> <td>1</td> <td>0</td> <td>53677</td> </tr> <tr> <td>3. ABS</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>OTHER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>OTHER</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>SYSTEM TOTALS</td> <td>0</td> <td>61164</td> <td>8840</td> <td>146</td> <td>21</td> <td>0</td> <td>70171</td> </tr> </tbody> </table> |             | MATERIAL                                                                                                                                                                                                                                                                                                                                             | UNKNOWN                   | 1" OR LESS                                                                                         | OVER 1" THRU 2"  | OVER 2" THRU 4"         | OVER 4" THRU 8"  | OVER 8"                 | TOTAL           | STEEL  | 0     | 12837 | 3516  | 121             | 20     | 0                         | 16494 | DUCTILE IRON | 0      | 0    | 0      | 0             | 0  | 0 | 0 | COPPER | 0   | 0  | 0 | 0 | 0 | 0 | 0    | CAST/WROUGHT IRON  | 0   | 0 | 0 | 0     | 0     | 0 | 0 | PLASTIC | 0 | 0 | 0     | 0 | 0 | 0 | 0 | 1. PVC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2. PE | 0 | 48327 | 5324 | 25 | 1 | 0 | 53677 | 3. ABS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | SYSTEM TOTALS | 0 | 61164 | 8840 | 146 | 21 | 0  | 70171 | AVERAGE SERVICE LENGTH <u>109</u> FEET |  |  |  |
| MATERIAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | UNKNOWN     | 1" OR LESS                                                                                                                                                                                                                                                                                                                                           | OVER 1" THRU 2"           | OVER 2" THRU 4"                                                                                    | OVER 4" THRU 8"  | OVER 8"                 | TOTAL            |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| STEEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 12837                                                                                                                                                                                                                                                                                                                                                | 3516                      | 121                                                                                                | 20               | 0                       | 16494            |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| DUCTILE IRON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| COPPER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| CAST/WROUGHT IRON                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| PLASTIC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 1. PVC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 2. PE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 48327                                                                                                                                                                                                                                                                                                                                                | 5324                      | 25                                                                                                 | 1                | 0                       | 53677            |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| 3. ABS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 0                                                                                                                                                                                                                                                                                                                                                    | 0                         | 0                                                                                                  | 0                | 0                       | 0                |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |
| SYSTEM TOTALS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0           | 61164                                                                                                                                                                                                                                                                                                                                                | 8840                      | 146                                                                                                | 21               | 0                       | 70171            |                         |                 |        |       |       |       |                 |        |                           |       |              |        |      |        |               |    |   |   |        |     |    |   |   |   |   |      |                    |     |   |   |       |       |   |   |         |   |   |       |   |   |   |   |        |   |   |   |   |   |   |   |       |   |       |      |    |   |   |       |        |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |               |   |       |      |     |    |    |       |                                        |  |  |  |

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Docket No. 09-00083  
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| 4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION |              |              |               |               |               |               |               |               |               |       |
|-------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
|                                                                   | UN-<br>KNOWN | PRE-<br>1940 | 1940-<br>1949 | 1950-<br>1959 | 1960-<br>1969 | 1970-<br>1979 | 1980-<br>1989 | 1990-<br>1999 | 2000-<br>2009 | TOTAL |
| MILES OF MAIN                                                     | 41           | 18           | 17            | 100           | 243           | 182           | 273           | 513           | 170           | 1557  |
| NUMBER OF SERVICES                                                | 1921         | 909          | 686           | 4552          | 10824         | 8008          | 12056         | 22660         | 8555          | 70171 |

| PART C: TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR                   |       |          | PART D: TOTAL NUMBER OF LEAKS ON FEDERAL LAND<br>REPAIRED OR SCHEDULED FOR REPAIR                                                                                                                                                                                                                                                         |  |
|-----------------------------------------------------------------------|-------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| CAUSE OF LEAK                                                         | Mains | Services |                                                                                                                                                                                                                                                                                                                                           |  |
| CORROSION                                                             | 21    | 26       | 0                                                                                                                                                                                                                                                                                                                                         |  |
| NATURAL FORCES                                                        | 1     | 6        |                                                                                                                                                                                                                                                                                                                                           |  |
| EXCAVATION                                                            | 43    | 199      |                                                                                                                                                                                                                                                                                                                                           |  |
| OTHER OUTSIDE FORCE<br>DAMAGE                                         | 0     | 4        |                                                                                                                                                                                                                                                                                                                                           |  |
| MATERIAL OR WELDS                                                     | 8     | 9        | Unaccounted for gas as a percent of total input for the 12 months<br>ending June 30 of the reporting year.<br><br>((Purchased gas + produced gas)<br>minus (customer use + company use + appropriate adjustments))<br>divided by (purchased gas + produced gas) equals percent unaccounted<br>for.<br><br>Input for year ending 6/30 0 %. |  |
| EQUIPMENT                                                             | 73    | 124      |                                                                                                                                                                                                                                                                                                                                           |  |
| OPERATIONS                                                            | 0     | 1        |                                                                                                                                                                                                                                                                                                                                           |  |
| OTHER                                                                 | 13    | 0        |                                                                                                                                                                                                                                                                                                                                           |  |
| NUMBER OF KNOWN SYSTEM LEAKS AT<br>END OF YEAR SCHEDULED FOR REPAIR 2 |       |          |                                                                                                                                                                                                                                                                                                                                           |  |

PART E: ADDITIONAL INFORMATION

PART G: PREPARER AND AUTHORIZED SIGNATURE

|                                                                                     |                                              |
|-------------------------------------------------------------------------------------|----------------------------------------------|
| SCOTT CRIDER<br>(type or print) Preparer's Name and Title                           | 4045844697<br>Area Code and Telephone Number |
| SCRIDER@AGLRESOURCES.COM<br>Preparer's email address                                | 4045844807<br>Area Code and Facsimile Number |
| STEVE LINDSEY, VICE PRESIDENT & GENERAL MANAGER<br>Name and Title of Person Signing | 4045843276<br>Area Code and Telephone Number |
| _____<br>Authorized Signature                                                       |                                              |

Form PHMSA F 7100.1-1 (12-05)

Chattanooga Gas Company  
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CAPD Question 1-144  
Attachment 144-1

OPS Data Facsimile

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

**U.S. Department of Transportation**  
Pipeline and Hazardous Materials  
Safety Administration

**ANNUAL REPORT FOR CALENDAR YEAR 2008**  
**GAS DISTRIBUTION SYSTEM**

INITIAL REPORT ☒ SUPPLEMENTAL REPORT ☐

**PART A - OPERATOR INFORMATION**

1. NAME OF OPERATOR  
**CHATTANOOGA GAS CO**

2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED  
**2207 OLAN MILLS DRIVE**  
Number and Street  
**CHATTANOOGA HAMILTON**  
City and County  
**TN 37421**  
State and Zip Code

3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER  
**20081013**

4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT  
**AGL RESOURCES 10 PEACHTREE PLACE NE**  
Number and Street  
**ATLANTA FULTON**  
City and County  
**GA 30309**  
State and Zip Code

5. STATE IN WHICH SYSTEM OPERATES: **TN** / (provide a separate report for each state in which system operates)

**PART B - SYSTEM DESCRIPTION** Report miles of main and number of services in system at end of year.

1. GENERAL

|                 | STEEL       |                        | PLASTIC | CAST/ WROUGHT IRON | DUCTILE IRON | COPPER | OTHER | OTHER | TOTAL |
|-----------------|-------------|------------------------|---------|--------------------|--------------|--------|-------|-------|-------|
|                 | UNPROTECTED | CATHODICALLY PROTECTED |         |                    |              |        |       |       |       |
|                 | BARE        | COATED                 |         |                    |              |        |       |       |       |
| MILES OF MAIN   | 39          | 0                      | 600     | 915                | 28           | 0      | 0     | 0     | 1582  |
| NO. OF SERVICES | 642         | 0                      | 15853   | 54320              | 0            | 0      | 0     | 0     | 70815 |

2. MILES OF MAINS IN SYSTEM AT END OF YEAR

| MATERIAL          | UNKNOWN | 2" OR LESS | OVER 2" THRU 4" | OVER 4" THRU 8" | OVER 8" THRU 12" | OVER 12" | TOTAL |
|-------------------|---------|------------|-----------------|-----------------|------------------|----------|-------|
| STEEL             | 0       | 192        | 224             | 178             | 34               | 11       | 639   |
| DUCTILE IRON      | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| COPPER            | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| CAST/WROUGHT IRON | 0       | 0          | 0               | 18              | 0                | 0        | 18    |
| PLASTIC           | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| 1. PVC            | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| 2. PE             | 0       | 741        | 144             | 30              | 0                | 0        | 915   |
| 3. ABS            | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| OTHER             | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| OTHER             | 0       | 0          | 0               | 0               | 0                | 0        | 0     |
| SYSTEM TOTALS     | 0       | 934        | 375             | 226             | 35               | 12       | 1582  |

3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR AVERAGE SERVICE LENGTH **109** FEET

| MATERIAL          | UNKNOWN | 1" OR LESS | OVER 1" THRU 2" | OVER 2" THRU 4" | OVER 4" THRU 8" | OVER 8" | TOTAL |
|-------------------|---------|------------|-----------------|-----------------|-----------------|---------|-------|
| STEEL             | 0       | 12835      | 3519            | 121             | 20              | 0       | 16495 |
| DUCTILE IRON      | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| COPPER            | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| CAST/WROUGHT IRON | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| PLASTIC           | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| 1. PVC            | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| 2. PE             | 0       | 48793      | 5499            | 27              | 1               | 0       | 54320 |
| 3. ABS            | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| OTHER             | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| OTHER             | 0       | 0          | 0               | 0               | 0               | 0       | 0     |
| SYSTEM TOTALS     | 0       | 61628      | 9018            | 148             | 21              | 0       | 70815 |

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Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

| 4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION |              |              |               |               |               |               |               |               |               |       |
|-------------------------------------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
|                                                                   | UN-<br>KNOWN | PRE-<br>1940 | 1940-<br>1949 | 1950-<br>1959 | 1960-<br>1969 | 1970-<br>1979 | 1980-<br>1989 | 1990-<br>1999 | 2000-<br>2009 | TOTAL |
| MILES OF MAIN                                                     | 38           | 16           | 15            | 97            | 242           | 182           | 273           | 512           | 205           | 1582  |
| NUMBER OF SERVICES                                                | 1921         | 909          | 678           | 4544          | 10824         | 7994          | 12054         | 22660         | 9231          | 70815 |

| PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR                |       |          | PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND<br>REPAIRED OR SCHEDULED FOR REPAIR |  |
|---------------------------------------------------------------------|-------|----------|------------------------------------------------------------------------------------|--|
| CAUSE OF LEAK                                                       | Mains | Services |                                                                                    |  |
| CORROSION                                                           | 36    | 19       | 0                                                                                  |  |
| NATURAL FORCES                                                      | 2     | 8        |                                                                                    |  |
| EXCAVATION                                                          | 34    | 178      |                                                                                    |  |
| OTHER OUTSIDE FORCE<br>DAMAGE                                       | 0     | 1        |                                                                                    |  |
| MATERIAL OR WELDS                                                   | 16    | 6        |                                                                                    |  |
| EQUIPMENT                                                           | 83    | 164      |                                                                                    |  |
| OPERATIONS                                                          | 0     | 1        |                                                                                    |  |
| OTHER                                                               | 10    | 0        |                                                                                    |  |
| NUMBER OF KNOWN SYSTEM LEAKS AT<br>END OF YEAR SCHEDULED FOR REPAIR |       |          | Input for year ending 6/30 1.6 %                                                   |  |

| PART E - PERCENT OF UNACCOUNTED FOR GAS                                                                                                                                                                                                                                                                                                               |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Unaccounted for gas as a percent of total input for the 12 months ending June 30 of the reporting year.<br><br>$\frac{((\text{Purchased gas} + \text{produced gas}) - \text{minus (customer use} + \text{company use} + \text{appropriate adjustments)})}{\text{divided by (purchased gas} + \text{produced gas)}} = \text{percent unaccounted for.}$ |  |

| PART F - ADDITIONAL INFORMATION                                                                                                                                                                                                                                                         |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p><u>RALPH MCCOLLUM</u><br/>(type or print) Preparer's Name and Title</p> <p><u>RMCCOLLU@AGLRESOURCES.COM</u><br/>Preparer's email address</p> <p><u>RICHARD R LONN, DIRECTOR REGULATORY COMPLIANCE</u><br/>Name and Title of Person Signing</p> <p>_____<br/>Authorized Signature</p> |  |

| PART G - PREPARER AND AUTHORIZED SIGNATURE          |  |
|-----------------------------------------------------|--|
| <u>4045843733</u><br>Area Code and Telephone Number |  |
| <u>4045844807</u><br>Area Code and Facsimile Number |  |
| <u>4045843552</u><br>Area Code and Telephone Number |  |

Form PHMSA F 7100.1-1 (12-05)

Chattanooga Gas Company  
Docket No. 09-00083  
CAPD Question 1-144  
Attachment 144-1

OPS Data Facsimile

Chattanooga Gas Company  
Docket Number 09-00183  
CAPD  
Question 146  
2/11/2010  
1 of 1

**DISCOVERY REQUEST NO. 146:**

Provide all studies, analyses, investigations, reviews, examinations, or assessments performed by or for the Company in connection with the proposed Alignment and Usage Adjustment mechanism. Provide any associated documentation for the information provided in response to this request and explain all assumptions used. Provide workpapers in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data does not exist in the exact format requested, please provide it in the format in which it is available and explain why it is not available in the format requested.

**Response:**

The requested information is set forth in Mr. Yardley's direct testimony and exhibits in this proceeding as well as in the response to Discovery Request No. 1-2.

**DISCOVERY REQUEST NO. 160:**

For each residential and commercial energySMART program, please explain in detail how the proposed incentive amounts were determined. Identify all alternative incentive amounts considered and explain why they were not selected. Provide workpapers and supporting documentation for each assumption, in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. Please provide any associated documentation for the information provided in response to this request. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

**Response:**

Please see attachment 160-1 for a detailed list of programs considered for this rate case, as well as working assumptions on appliance costs.

Original versions of the energySMART proposal broke programs into four groups: replacement appliances, appliances for new construction, appliances for conversions from other fuels and new technology and also included costs associated with additional personnel and outreach and education.

Since CGC's intention is to promote energy efficiency in all natural gas appliances, residential programs originally included lower efficiency furnaces, high efficiency air conditioners, ranges/ovens, and dryers. For high efficiency appliances like 90%+ efficient furnaces and 80%+ efficient water heaters, program rates were established at approximately 25% of the incremental cost of purchasing a high efficiency appliance compared to a lower efficiency appliance of the same fuel. For other appliances, comparanda from other utility affiliates was used. Also included was a free thermostat to all CGC customers with natural gas heat. This program, included in other utility affiliates and described in Request Response 142, encourages customers to use a programmable thermostat to assist in the efficient management of their household HVAC system.

**Chattanooga Gas Company  
Docket Number 09-00183**

**CAPD**

**Question 160**

**2/11/2010**

**2 of 3**

Commercial programs included a heating and water heating appliance mix similar to that proposed for residential. Commercial energySMART also outlined programs for various foodservice appliances, both new and used, since foodservice is a significant component of critical healthcare and educational segments in addition to traditional restaurants.

Newer high efficiency applications for natural gas were also included to address our larger commercial and industrial segments with the intention of providing programs to offset the higher cost of high efficiency appliances that currently lack widespread distribution.

The unit and value of program for these programs varied according to the cost drivers for the application. If appliances costs varied by size of unit, programs were scaled by MBH unit input so that as size increased so did programs. Installation cost was also considered, and programs originally were increased to account for increasing installation costs, with replacement of an existing natural gas appliance being least expensive, and conversion from another fuel being most expensive.

Personnel were also included to assist in education and outreach in segments of key influencers who have a voice in construction design.

Subsequent changes were made to remove lower efficiency appliances, to simplify the program, and to insure equitable treatment for all classes.

Although the installation of a lower efficiency furnace would still improve the energy efficiency of a household through the removal of an old and inefficient appliance, these were removed in version two since most conservation programs in other utilities disallowed them from consideration. High efficiency air conditioners were removed to avoid a cross-subsidization of another fuel. New technologies were removed since programs for such appliances may be perceived as non-conservation related. The same conclusion was reached for the additional personnel originally proposed.

In version three, programs based on install cost were removed in order to insure equitable treatment for all applications. This resulted in the elimination of differing programs for replacements, new construction, and conversions. This consolidation had the added benefit of simplifying the program structure.

A low income weatherization program was added in version four in order to increase programs for those customers truly in need of assistance.

In version five, programs based on unit size were removed, and the same program was offered to all customer classes for each appliance. programs on foodservice appliances

**Chattanooga Gas Company  
Docket Number 09-00183**

**CAPD**

**Question 160**

**2/11/2010**

**3 of 3**

were also consolidated. Due to the wide variety of appliances currently in use, exact appliance type was removed, and a flat per/appliance program was offered at a level designed to be not more than approximately 10% of the total cost of appliance installation. Additionally, customer outreach and education was increased to \$300,000 after a more detailed assessment of the costs required for first year activities.

The final version, as presented as exhibits in the testimony of Dan Nikolich in the filing, further removed ranges/ovens and dryers from programs since those appliances were not included in ENERGYSTAR ratings for households by the U.S. Department of Energy.

7/30/2009

**CGC Rate Case ECP/Economic Development**  
**Rebate Total = Quantity x Unit x Rebate/Unit**

**ECP Programs**

| Replacements                                               | Redemptions | Average Size | Rebate Amount | Unit  | Total Cost     | Notes                                                             |
|------------------------------------------------------------|-------------|--------------|---------------|-------|----------------|-------------------------------------------------------------------|
| Residential                                                |             |              |               |       |                |                                                                   |
| Free Thermostat                                            | 1000        |              | \$            | 20    | 20,000         | c. 2% of residential base                                         |
| Furnace 90%+                                               | 300         |              | \$            | 500   | 150,000        | Estimates based on 2009 program.                                  |
| Furnace 80-89%                                             | 200         |              | \$            | 200   | 40,000         | Capped at 200 redemptions.                                        |
| Air Conditioner 14+ SEER (in conjunction with furn)        | 500         |              | \$            | 50    | 25,000         |                                                                   |
| Waterheaters 0.62 EF+                                      |             |              | \$            |       |                |                                                                   |
| Tankless                                                   | 100         |              | \$            | 300   | 30,000         | Estimates based on 2009 program.                                  |
| Tank                                                       | 30          |              | \$            | 200   | 6,000          | Estimates based on 2009 program.                                  |
| Water heaters up to 0.61 EF                                | 200         |              | \$            | 100   | 20,000         | Capped at 200 redemptions.                                        |
| Range/Oven                                                 | 50          |              | \$            | 50    | 2,500          |                                                                   |
| Dryer                                                      | 50          |              | \$            | 50    | 2,500          |                                                                   |
| Low Income Weatherization                                  |             |              | \$            |       |                |                                                                   |
| Commercial                                                 |             |              |               |       |                |                                                                   |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |       |                |                                                                   |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 15          | 100          | \$            | 20.00 | 30,000         |                                                                   |
| New                                                        | 5           | 100          | \$            | 20.00 | 10,000         |                                                                   |
| Used                                                       |             |              |               |       |                |                                                                   |
| HE Commercial Steamer                                      | 15          | 100          | \$            | 7.50  | 11,250         |                                                                   |
| New                                                        | 5           | 100          | \$            | 3.75  | 1,875          |                                                                   |
| Used                                                       |             |              |               |       |                |                                                                   |
| HE Fryers                                                  | 15          | 110          | \$            | 5.00  | 8,250          |                                                                   |
| New                                                        | 5           | 110          | \$            | 5.00  | 2,750          |                                                                   |
| Used                                                       |             |              |               |       |                |                                                                   |
| Vent Hood                                                  | 20          |              | \$            | 500   | 10,000         |                                                                   |
| HE Commercial Griddle                                      |             |              |               |       |                |                                                                   |
| New                                                        | 15          | 90           | \$            | 2.00  | 2,700          |                                                                   |
| Used                                                       | 5           | 90           | \$            | 2.00  | 900            |                                                                   |
| Small Commercial Applications                              |             |              |               |       |                |                                                                   |
| High-Efficiency Washer (CEE 2)                             | 10          |              | \$            | 35    | 350            |                                                                   |
| High-Efficiency Washer (CEE 3)                             | 10          |              | \$            | 75    | 750            |                                                                   |
| Commercial/Space Heating Boiler 85%+                       | 25          | 250          | \$            | 3.00  | 18,750         |                                                                   |
| Furnace 90%+                                               | 50          | 350          | \$            | 3.00  | 52,500         |                                                                   |
| Furnace 80-89%                                             | 125         | 350          | \$            | 2.00  | 87,500         |                                                                   |
| Air Conditioner 14+ SEER (in conjunction with fu           | 200         |              | \$            | 50    | 10,000         |                                                                   |
| Waterheaters 0.62 EF+                                      |             |              |               |       |                |                                                                   |
| Tankless                                                   | 50          |              | \$            | 300   | 15,000         |                                                                   |
| Tank                                                       | 25          |              | \$            | 200   | 5,000          |                                                                   |
| Water heaters up to 0.61 EF                                | 125         |              | \$            | 100   | 12,500         |                                                                   |
| Booster Water Heater                                       | 10          |              | \$            | 200   | 2,000          |                                                                   |
| Weatherization Replacement (Residential Only)              |             |              |               |       |                |                                                                   |
| Insulation                                                 | 50          | 2000         | \$            | 1     | 100,000        | Fiberglass or loose fill                                          |
| Windows                                                    | 50          | 20           | \$            | 15    | 15,000         | EnergySTAR only, U-factor .4 or less, average price \$150/window  |
| Doors                                                      | 50          | 3            | \$            | 50    | 7,500          | EnergySTAR only, U-factor .4 or less, average price of \$500/door |
| Energy Audit                                               |             |              |               |       |                |                                                                   |
| Residential                                                | 100         |              | \$            | 100   | 10,000         |                                                                   |
| Commercial                                                 | 100         |              | \$            | 100   | 10,000         | 0.2% of entire residential base?                                  |
| <b>TOTAL COST REPLACEMENT PROGRAMS</b>                     |             |              |               |       | <b>720,575</b> |                                                                   |

| New Construction                                           | Redemptions | Average Size | Rebate Amount | Unit      | Total Cost        | Notes                                             |
|------------------------------------------------------------|-------------|--------------|---------------|-----------|-------------------|---------------------------------------------------|
| Residential                                                |             |              |               |           |                   |                                                   |
| Furnace 90%                                                | 200         |              | \$ 750        | Appliance | \$ 150,000        |                                                   |
| Furnace 80-89%                                             | 200         |              | \$ 300        | Appliance | \$ 60,000         |                                                   |
| Air Conditioner 14+ SEER (in conjunction with furnace)     | 400         |              | \$ 75         | Appliance | \$ 30,000         |                                                   |
| Water heaters 0.62 EF+ Tankless                            | 200         |              | \$ 450        | Appliance | \$ 90,000         |                                                   |
| Tank                                                       | 50          |              | \$ 300        | Appliance | \$ 15,000         |                                                   |
| Water heaters up to 0.61 EF                                | 150         |              | \$ 150        | Appliance | \$ 22,500         |                                                   |
| Range/Oven                                                 | 300         |              | \$ 75         | Appliance | \$ 22,500         |                                                   |
| Dryer                                                      | 100         |              | \$ 75         | Appliance | \$ 7,500          |                                                   |
| Commercial                                                 |             |              |               |           |                   |                                                   |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |           |                   |                                                   |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 28          | 100          | \$ 30.00      | MBH       | \$ 84,000         |                                                   |
| New                                                        | 2           | 100          | \$ 30.00      | MBH       | \$ 6,000          |                                                   |
| Used                                                       |             |              |               |           |                   |                                                   |
| HE Commercial Steamer                                      | 28          | 100          | \$ 11.25      | MBH       | \$ 31,500         |                                                   |
| New                                                        | 2           | 100          | \$ 5.63       | MBH       | \$ 1,125          |                                                   |
| Used                                                       |             |              |               |           |                   |                                                   |
| HE Fryers                                                  | 28          | 110          | \$ 7.50       | MBH       | \$ 23,100         |                                                   |
| New                                                        | 2           | 110          | \$ 7.50       | MBH       | \$ 1,650          |                                                   |
| Used                                                       |             |              |               |           |                   |                                                   |
| HE Commercial Griddle                                      | 28          | 90           | \$ 3.00       | MBH       | \$ 7,560          |                                                   |
| New                                                        | 2           | 90           | \$ 3.00       | MBH       | \$ 540            |                                                   |
| Used                                                       |             |              |               |           |                   |                                                   |
| Small Commercial Applications                              |             |              |               |           |                   |                                                   |
| High-Efficiency Washer (CEE 2)                             | 10          |              | \$ 53         | Appliance | \$ 525            |                                                   |
| High-Efficiency Washer (CEE 3)                             | 10          |              | \$ 113        | Appliance | \$ 1,125          |                                                   |
| Commercial/Space Heating Boiler 85%+                       | 10          | 250          | \$ 4.50       | MBH       | \$ 11,250         |                                                   |
| Furnace 90%+                                               | 15          | 350          | \$ 4.50       | MBH       | \$ 23,625         |                                                   |
| Furnace 80-89%                                             | 75          | 350          | \$ 3.00       | MBH       | \$ 78,750         |                                                   |
| Air Conditioner 14+ SEER (in conjunction with furnace)     | 75          |              | \$ 75         | Appliance | \$ 5,625          |                                                   |
| Water heaters 0.62 EF+ Tankless                            | 10          |              | \$ 450        | Appliance | \$ 4,500          |                                                   |
| Tank                                                       | 20          |              | \$ 300        | Appliance | \$ 6,000          |                                                   |
| Water heaters up to 0.61 EF                                | 20          |              | \$ 150        | Appliance | \$ 3,000          |                                                   |
| Booster Water Heater                                       | 15          |              | \$ 300        | Appliance | \$ 4,500          |                                                   |
| Piping (R & C)                                             |             |              |               |           |                   |                                                   |
| Per drop (all)                                             | 1520        |              | \$ 100        | Drop      | \$ 152,000        | Residential = 400*3, Commercial = 30*4, plus 25*2 |
| <b>TOTAL COST NEW CONSTRUCTION PROGRAMS</b>                |             |              |               |           | <b>\$ 843,875</b> |                                                   |

| Conversions (Appliance level, for new or existing)         | Redemptions | Average Size | Rebate Amount | Unit      | Total Cost | Notes                                                                                                                                                                                                 |
|------------------------------------------------------------|-------------|--------------|---------------|-----------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Residential</b>                                         |             |              |               |           |            |                                                                                                                                                                                                       |
| Furnace 90%                                                | 18          |              | \$ 1,500      | Appliance | \$ 27,000  |                                                                                                                                                                                                       |
| Furnace 80-89%                                             | 24          |              | \$ 600        | Appliance | \$ 14,400  |                                                                                                                                                                                                       |
| Air Conditioner 14+ SEER (in conjunction with furnace)     | 42          |              | \$ 150        | Appliance | \$ 6,300   |                                                                                                                                                                                                       |
| Water heaters 0.62 EF+                                     |             |              |               |           |            |                                                                                                                                                                                                       |
| Tankless                                                   | 12          |              | \$ 900        | Appliance | \$ 10,800  |                                                                                                                                                                                                       |
| Tank                                                       | 6           |              | \$ 600        | Appliance | \$ 3,600   |                                                                                                                                                                                                       |
| Water heaters up to 0.61 EF                                | 24          |              | \$ 300        | Appliance | \$ 7,200   |                                                                                                                                                                                                       |
| Range/Oven                                                 | 0           |              | \$ 150        | Appliance | \$ -       |                                                                                                                                                                                                       |
| Dryer                                                      | 0           |              | \$ 150        | Appliance | \$ -       |                                                                                                                                                                                                       |
| <b>Commercial</b>                                          |             |              |               |           |            |                                                                                                                                                                                                       |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |           |            |                                                                                                                                                                                                       |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 5           | 100          | \$ 60         | MBH       | \$ 30,000  |                                                                                                                                                                                                       |
| New                                                        | 5           | 100          | \$ 60         | MBH       | \$ 30,000  |                                                                                                                                                                                                       |
| Used                                                       |             |              |               |           |            |                                                                                                                                                                                                       |
| HE Commercial Steamer                                      | 5           | 100          | \$ 23         | MBH       | \$ 11,250  |                                                                                                                                                                                                       |
| New                                                        | 5           | 100          | \$ 11         | MBH       | \$ 5,625   |                                                                                                                                                                                                       |
| Used                                                       |             |              |               |           |            |                                                                                                                                                                                                       |
| HE Fryers                                                  | 5           | 110          | \$ 15         | MBH       | \$ 8,250   |                                                                                                                                                                                                       |
| New                                                        | 5           | 110          | \$ 15         | MBH       | \$ 8,250   |                                                                                                                                                                                                       |
| Used                                                       | 10          |              | \$ 1,000      | Unit      | \$ 10,000  |                                                                                                                                                                                                       |
| Vent Hood                                                  |             |              |               |           |            |                                                                                                                                                                                                       |
| HE Commercial Griddle                                      | 5           | 90           | \$ 6          | MBH       | \$ 2,700   |                                                                                                                                                                                                       |
| New                                                        | 5           | 90           | \$ 6          | MBH       | \$ 2,700   |                                                                                                                                                                                                       |
| Used                                                       |             |              |               |           |            |                                                                                                                                                                                                       |
| <b>Small Commercial Applications</b>                       |             |              |               |           |            |                                                                                                                                                                                                       |
| High-Efficiency Washer (CEE 2)                             | 10          |              | \$ 105        | Appliance | \$ 1,050   |                                                                                                                                                                                                       |
| High-Efficiency Washer (CEE 3)                             | 10          |              | \$ 225        | Appliance | \$ 2,250   |                                                                                                                                                                                                       |
| Commercial/Space Heating Boiler 85%+                       | 5           | 250          | \$ 9          | MBH       | \$ 11,250  |                                                                                                                                                                                                       |
| Furnace 90%+                                               | 10          | 350          | \$ 9          | MBH       | \$ 31,500  |                                                                                                                                                                                                       |
| Furnace 80-89%                                             | 25          | 350          | \$ 6          | MBH       | \$ 52,500  |                                                                                                                                                                                                       |
| Air Conditioner 14+ SEER (in conjunction with furnace)     | 25          |              | \$ 150        | Appliance | \$ 3,750   |                                                                                                                                                                                                       |
| Water heaters 0.62 EF+                                     |             |              |               |           |            |                                                                                                                                                                                                       |
| Tankless                                                   | 10          |              | \$ 900        | Appliance | \$ 9,000   |                                                                                                                                                                                                       |
| Tank                                                       | 5           |              | \$ 600        | Appliance | \$ 3,000   |                                                                                                                                                                                                       |
| Water heaters up to 0.61 EF                                | 10          |              | \$ 300        | Appliance | \$ 3,000   |                                                                                                                                                                                                       |
| Booster Water Heater                                       | 2           |              | \$ 600        | Appliance | \$ 1,200   |                                                                                                                                                                                                       |
| Piping (R & C)                                             |             |              |               |           |            |                                                                                                                                                                                                       |
| Per drop (Furnace or Water heater)                         | 221         |              | \$ 300        | Drop      | \$ 66,300  |                                                                                                                                                                                                       |
| <b>TOTAL COST CONVERSION PROGRAMS</b>                      |             |              |               |           | \$ 362,875 |                                                                                                                                                                                                       |
| <b>New Technologies</b>                                    |             |              |               |           |            |                                                                                                                                                                                                       |
| Gas Cooling                                                | 1           | 20           | \$ 200        | Ton       | \$ 4,000   |                                                                                                                                                                                                       |
| Gas AC                                                     | 1           | 20           | \$ 200        | Ton       | \$ 4,000   |                                                                                                                                                                                                       |
| Chillers/Coolers                                           |             |              |               |           |            |                                                                                                                                                                                                       |
| Dessicants                                                 | 2           | 10000        | \$ 1.00       | CFM       | \$ 20,000  | Or \$100/ton. Average install is 100 tons, at a total cost of \$50,000. Rebate provides 20% of cost. Estimated Firm Industrial revenue for project would be \$8-10K/year. Payback 1.25 years or less. |
| Other                                                      |             |              |               |           |            |                                                                                                                                                                                                       |
| Standby Generator (R or C)                                 | 15          | 25           | \$ 10         | KW        | \$ 3,750   |                                                                                                                                                                                                       |
| Natural Gas Vehicles                                       |             |              |               |           |            |                                                                                                                                                                                                       |
| Vehicle                                                    | 1           | 100          | \$ 500        | Vehicle   | \$ 50,000  |                                                                                                                                                                                                       |
| Fueling station                                            | 1           | 5            | \$ 500        | Station   | \$ 2,500   |                                                                                                                                                                                                       |
| Combined Heat & Power (Commercial)                         |             |              |               |           |            |                                                                                                                                                                                                       |

Cost is \$2,000/KW Packaged CHP at 200KW-1MW size. What is our annualized margin on such a project?  
Average unit is 3-10KW, at a cost of \$12-15,000/KW. One project a year. What is our annualized margin? Does this make sense?

New & existing

Fuel Cells

**TOTAL COST NEW TECHNOLOGY PROGRAMS**

**Architects, Engineers, Plumbers, Dealers**

Supply Chain Outreach & Education

Position 1 - Architects & Engineers

Position 2 - Plumbers & Dealers

LEED Certification Heat plus 2+ burner tips

**Customer Outreach & Education**

CGC Scorecard

Outreach & Education

**TOTAL COST OUTREACH & EDUCATION PROGRAMS**

**TOTAL COST ALL PROGRAMS**

|   |     |    |       |    |    |         |                                                                                                                               |
|---|-----|----|-------|----|----|---------|-------------------------------------------------------------------------------------------------------------------------------|
| 1 | 750 | \$ | 500   | KW | \$ | 375,000 | Cost is \$2,000/KW Packaged CHP at 200KW-1MW size. What is our annualized margin on such a project?                           |
| 1 | 7   | \$ | 2,000 | KW | \$ | 14,000  | Average unit is 3-10KW, at a cost of \$12-15,000/KW. One project a year. What is our annualized margin? Does this make sense? |
|   |     | \$ |       |    | \$ | 473,250 |                                                                                                                               |

| Redemptions | Average Size | Rebate Amount | Unit | Total Cost   | Notes |
|-------------|--------------|---------------|------|--------------|-------|
|             |              |               |      | \$ 50,000    |       |
|             |              |               |      | \$ 65,000    |       |
|             |              |               |      | \$ 65,000    |       |
|             |              |               |      | \$ 10,000    |       |
| Redemptions | Average Size | Rebate Amount | Unit | Total Cost   | Notes |
|             |              |               |      | \$ 200,000   |       |
|             |              |               |      | \$ 250,000   |       |
|             |              |               |      | \$ 640,000   |       |
|             |              |               |      | \$ 3,040,575 |       |

**CGC Rate Case ECP/Economic Development  
Rebate Total = Quantity x Unit x Rebate/Unit**

| ECP Programs                                               | Redemptions | Average Size | Rebate Amount | Unit      | Total Cost | Notes                                                                              |
|------------------------------------------------------------|-------------|--------------|---------------|-----------|------------|------------------------------------------------------------------------------------|
| <b>Replacements Residential</b>                            |             |              |               |           |            |                                                                                    |
| Free Thermostat                                            | 1000        |              | \$ 20         | Premise   | \$ 20,000  | c. 2% of residential base                                                          |
| Furnace 90%+                                               | 300         |              | \$ 500        | Appliance | \$ 150,000 | Estimates based on 2009 program.                                                   |
| Furnace 80-89%                                             |             |              | \$ -          | Appliance | \$ -       |                                                                                    |
| Air Conditioner 14+ SEER (in conjunction with furnace)     |             |              | \$ -          | Appliance | \$ -       |                                                                                    |
| Water heaters 0.62 EF+                                     |             |              | \$ -          | Appliance | \$ -       |                                                                                    |
| Tankless                                                   | 100         |              | \$ 300        | Appliance | \$ 30,000  | Estimates based on 2009 program.                                                   |
| Tank                                                       | 30          |              | \$ 200        | Appliance | \$ 6,000   | Estimates based on 2009 program.                                                   |
| Water heaters up to 0.61 EF                                | 200         |              | \$ 100        | Appliance | \$ 20,000  | Capped at 200 redemptions.                                                         |
| Range/Oven                                                 | 50          |              | \$ 50         | Appliance | \$ 2,500   |                                                                                    |
| Dryer                                                      | 50          |              | \$ 50         | Appliance | \$ 2,500   |                                                                                    |
| <b>Low Income Weatherization Commercial</b>                |             |              |               |           |            |                                                                                    |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |           |            |                                                                                    |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 15          | 100          | \$ 100        | MBH       | \$ 30,000  |                                                                                    |
| New                                                        | 5           | 100          | \$ 20.00      | MBH       | \$ 10,000  |                                                                                    |
| Used                                                       |             |              |               |           |            |                                                                                    |
| HE Commercial Steamer                                      | 15          | 100          | \$ 7.50       | MBH       | \$ 11,250  |                                                                                    |
| New                                                        | 5           | 100          | \$ 3.75       | MBH       | \$ 1,875   |                                                                                    |
| Used                                                       |             |              |               |           |            |                                                                                    |
| HE Fryers                                                  | 15          | 110          | \$ 5.00       | MBH       | \$ 8,250   |                                                                                    |
| New                                                        | 5           | 110          | \$ 5.00       | MBH       | \$ 2,750   |                                                                                    |
| Used                                                       |             |              |               | Unit      | \$ -       |                                                                                    |
| Vent Hood                                                  |             |              |               |           |            |                                                                                    |
| HE Commercial Griddle                                      | 15          | 90           | \$ 2.00       | MBH       | \$ 2,700   |                                                                                    |
| New                                                        | 5           | 90           | \$ 2.00       | MBH       | \$ 900     |                                                                                    |
| Used                                                       |             |              |               |           |            |                                                                                    |
| <b>Small Commercial Applications</b>                       |             |              |               |           |            |                                                                                    |
| High-Efficiency Washer (CEE 2)                             | 10          |              | \$ 35         | Appliance | \$ 350     |                                                                                    |
| High-Efficiency Washer (CEE 3)                             | 10          |              | \$ 75         | Appliance | \$ 750     |                                                                                    |
| Commercial/Space Heating Boiler 85%+                       | 25          | 250          | \$ 3.00       | MBH       | \$ 18,750  |                                                                                    |
| Furnace 90%+                                               | 50          | 350          | \$ 3.00       | MBH       | \$ 52,500  |                                                                                    |
| Furnace 80-89%                                             |             |              | \$ -          | MBH       | \$ -       |                                                                                    |
| Air Conditioner 14+ SEER (in conjunction with furnace)     |             |              | \$ -          | Appliance | \$ -       |                                                                                    |
| Water heaters 0.62 EF+                                     |             |              |               |           |            |                                                                                    |
| Tankless                                                   | 50          |              | \$ 300        | Appliance | \$ 15,000  |                                                                                    |
| Tank                                                       | 25          |              | \$ 200        | Appliance | \$ 5,000   |                                                                                    |
| Water heaters up to 0.61 EF                                | 125         |              | \$ 100        | Appliance | \$ 12,500  |                                                                                    |
| Booster Water Heater                                       | 10          |              | \$ 200        | Appliance | \$ 2,000   |                                                                                    |
| <b>Weatherization Replacement (Residential Only)</b>       |             |              |               |           |            |                                                                                    |
| Insulation                                                 |             |              |               | Sqft      |            | Fiberglass or loose fill                                                           |
| Windows                                                    |             |              | \$ -          | Window    | \$ -       | EnergySTAR only, U-factor .4 or less, SHGC .4 or less, average price \$150/window  |
| Doors                                                      |             |              | \$ -          | Door      | \$ -       | EnergySTAR only, U-factor .4 or less, SHGC .4 or less, average price of \$500/door |
| <b>Energy Audit Residential Commercial</b>                 |             |              |               |           |            |                                                                                    |
|                                                            |             |              |               | Audit     |            |                                                                                    |
|                                                            |             |              | \$ -          | Audit     | \$ -       | 0.2% of entire residential base?                                                   |
| <b>TOTAL COST REPLACEMENT PROGRAMS</b>                     |             |              |               |           | \$ 405,575 |                                                                                    |

| New Construction/Conversion                                | Redemptions | Average Size | Rebate Amount | Unit      | Total Cost        | Notes                                                        |
|------------------------------------------------------------|-------------|--------------|---------------|-----------|-------------------|--------------------------------------------------------------|
| Residential                                                |             |              |               |           |                   |                                                              |
| Furnace 80-89%                                             | 200         |              | \$ 500        | Appliance | \$ 100,000        |                                                              |
| Air Conditioner 14+ SEER (in conjunction with furnace)     |             |              | \$ -          | Appliance | \$ -              |                                                              |
| Water heaters 0.62 EF+                                     |             |              | \$ -          | Appliance | \$ -              |                                                              |
| Tankless                                                   | 200         |              | \$ 300        | Appliance | \$ 60,000         |                                                              |
| Tank                                                       | 50          |              | \$ 200        | Appliance | \$ 10,000         |                                                              |
| Water heaters up to 0.61 EF                                | 150         |              | \$ 100        | Appliance | \$ 15,000         |                                                              |
| Range/Oven                                                 | 300         |              | \$ 50         | Appliance | \$ 15,000         |                                                              |
| Dryer                                                      | 100         |              | \$ 50         | Appliance | \$ 5,000          |                                                              |
| Commercial                                                 |             |              |               |           |                   |                                                              |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |           |                   |                                                              |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 28          | 100          | \$ 20.00      | MBH       | \$ 56,000         |                                                              |
| New                                                        | 2           | 100          | \$ 20.00      | MBH       | \$ 4,000          |                                                              |
| Used                                                       |             |              |               |           |                   |                                                              |
| HE Commercial Steamer                                      | 28          | 100          | \$ 7.50       | MBH       | \$ 21,000         |                                                              |
| New                                                        | 2           | 100          | \$ 3.75       | MBH       | \$ 750            |                                                              |
| Used                                                       |             |              |               |           |                   |                                                              |
| HE Fryers                                                  | 28          | 110          | \$ 5.00       | MBH       | \$ 15,400         |                                                              |
| New                                                        | 2           | 110          | \$ 5.00       | MBH       | \$ 1,100          |                                                              |
| Used                                                       |             |              |               |           |                   |                                                              |
| HE Commercial Griddle                                      | 28          | 90           | \$ 2.00       | MBH       | \$ 5,040          |                                                              |
| New                                                        | 2           | 90           | \$ 2.00       | MBH       | \$ 360            |                                                              |
| Used                                                       |             |              |               |           |                   |                                                              |
| Small Commercial Applications                              |             |              |               |           |                   |                                                              |
| High-Efficiency Washer (CEE 2)                             | 10          |              | \$ 35         | Appliance | \$ 350            |                                                              |
| High-Efficiency Washer (CEE 3)                             | 10          |              | \$ 75         | Appliance | \$ 750            |                                                              |
| Commercial/Space Heating Boiler 85%+                       | 20          | 250          | \$ 3          | MBH       | \$ 15,000         |                                                              |
| Furnace 90%+                                               | 40          | 350          | \$ -          | MBH       | \$ 42,000         |                                                              |
| Furnace 80-89%                                             |             |              | \$ -          | MBH       | \$ -              |                                                              |
| Air Conditioner 14+ SEER (in conjunction with furnace)     |             |              | \$ -          | Appliance | \$ -              |                                                              |
| Water heaters 0.62 EF+                                     |             |              | \$ -          |           | \$ -              |                                                              |
| Tankless                                                   | 10          |              | \$ 300        | Appliance | \$ 3,000          |                                                              |
| Tank                                                       | 30          |              | \$ 200        | Appliance | \$ 6,000          |                                                              |
| Water heaters up to 0.61 EF                                | 30          |              | \$ 100        | Appliance | \$ 3,000          |                                                              |
| Booster Water Heater                                       | 15          |              | \$ 200        | Appliance | \$ 3,000          |                                                              |
| Piping (R & C)                                             |             |              |               |           |                   |                                                              |
| Per drop (all)                                             |             |              | \$ -          | Drop      | \$ -              | Residential = 400*3, Commercial = 30*4, plus 50*3, plus 25*2 |
| <b>TOTAL COST NEW CONSTRUCTION/CONVERSION PROGRAMS</b>     |             |              |               |           | <b>\$ 381,750</b> |                                                              |

| New Technologies                            | Redemptions | Average Size | Rebate Amount | Unit    | Total Cost | Notes                                                                                                                                                                                                 |
|---------------------------------------------|-------------|--------------|---------------|---------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gas Cooling                                 |             |              |               | Ton     | \$ -       |                                                                                                                                                                                                       |
| Gas AC                                      |             |              |               | Ton     | \$ -       |                                                                                                                                                                                                       |
| Chillers/Coolers                            |             |              |               |         |            | Or \$100/ton. Average install is 100 tons, at a total cost of \$50,000. Rebate provides 20% of cost. Estimated Firm Industrial revenue for project would be \$8-10K/year. Payback 1.25 years or less. |
| Dessicants                                  |             |              |               | CFM     | \$ -       |                                                                                                                                                                                                       |
| Other                                       |             |              |               | KW      | \$ -       |                                                                                                                                                                                                       |
| Standby Generator (R or C)                  |             |              |               | Vehicle | \$ -       |                                                                                                                                                                                                       |
| Natural Gas Vehicles                        |             |              |               | Station | \$ -       |                                                                                                                                                                                                       |
| Vehicle                                     |             |              |               |         |            |                                                                                                                                                                                                       |
| Fueling station                             |             |              |               |         |            |                                                                                                                                                                                                       |
| Combined Heat & Power (Commercial)          |             |              |               |         |            | Cost is \$2,000/KW Packaged CHP at 200KW-1MW size. What is our annualized margin on such a project?                                                                                                   |
| New & existing                              |             |              |               | KW      | \$ -       | Average unit is 3-10KW, at a cost of \$12-15,000/KW. One project a year. What is our annualized margin? Does this make sense?                                                                         |
| Fuel Cells                                  |             |              |               | KW      | \$ -       |                                                                                                                                                                                                       |
| TOTAL COST NEW TECHNOLOGY PROGRAMS          |             |              |               |         |            |                                                                                                                                                                                                       |
| Architects, Engineers, Plumbers, Dealers    | Redemptions | Average Size | Rebate Amount | Unit    | Total Cost | Notes                                                                                                                                                                                                 |
| Supply Chain Outreach & Education           |             |              |               |         | \$ -       |                                                                                                                                                                                                       |
| Position 1 - Architects & Engineers         |             |              |               |         | \$ -       |                                                                                                                                                                                                       |
| Position 2 - Plumbers & Dealers             |             |              |               |         | \$ -       |                                                                                                                                                                                                       |
| LEED Certification Heat plus 2+ burner tips |             |              |               | Sqft    | \$ -       |                                                                                                                                                                                                       |
| Customer Outreach & Education               | Redemptions | Average Size | Rebate Amount | Unit    | Total Cost | Notes                                                                                                                                                                                                 |
| CGC Scorecard                               |             |              |               |         | \$ -       |                                                                                                                                                                                                       |
| Outreach & Education                        |             |              |               |         | \$ 200,000 |                                                                                                                                                                                                       |
| TOTAL COST OUTREACH & EDUCATION PROGRAMS    |             |              |               |         |            |                                                                                                                                                                                                       |
| TOTAL COST ALL PROGRAMS                     |             |              |               |         |            |                                                                                                                                                                                                       |
|                                             |             |              |               |         | \$ 987,325 |                                                                                                                                                                                                       |

10/9/2009

**CGC Rate Case ECP/Economic Development  
Rebate Total = Quantity x Unit x Rebate/Unit**

**ECP Programs**

|                                                            | Redemptions | Average Size | Rebate Amount | Unit      | Total Cost | Notes                            |
|------------------------------------------------------------|-------------|--------------|---------------|-----------|------------|----------------------------------|
| <b>Residential</b>                                         |             |              |               |           |            |                                  |
| Free Thermostat                                            | 1000        |              | \$            | Premise   | \$ 20,000  | c. 2% of residential base        |
| Furnace 90%+                                               | 500         |              | \$            | Appliance | \$ 250,000 | Estimates based on 2009 program. |
| Water heaters 0.62 EF+                                     |             |              |               |           |            |                                  |
| Tankless                                                   | 300         |              | \$            | Appliance | \$ 90,000  | Estimates based on 2009 program. |
| Tank                                                       | 80          |              | \$            | Appliance | \$ 16,000  | Estimates based on 2009 program. |
| Water heaters up to 0.61 EF                                | 350         |              | \$            | Appliance | \$ 35,000  | Capped at 200 redemptions.       |
| Range/Oven                                                 | 350         |              | \$            | Appliance | \$ 17,500  |                                  |
| Dryer                                                      | 150         |              | \$            | Appliance | \$ 7,500   |                                  |
| Low Income Weatherization                                  |             |              |               | Premise   |            |                                  |
| <b>Commercial</b>                                          |             |              |               |           |            |                                  |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |           |            |                                  |
| HE Ovens (Double- or Single-Rack, Combination, Convection) | 43          | 100          | \$            | MBH       | \$ 86,000  |                                  |
| New                                                        | 7           | 100          | \$            | MBH       | \$ 14,000  |                                  |
| Used                                                       |             |              |               |           |            |                                  |
| HE Commercial Steamer                                      | 43          | 100          | \$            | MBH       | \$ 32,250  |                                  |
| New                                                        | 7           | 100          | \$            | MBH       | \$ 2,625   |                                  |
| Used                                                       |             |              |               |           |            |                                  |
| HE Fryers                                                  | 43          | 110          | \$            | MBH       | \$ 23,650  |                                  |
| New                                                        | 7           | 110          | \$            | MBH       | \$ 3,850   |                                  |
| Used                                                       |             |              |               |           |            |                                  |
| HE Commercial Griddle                                      | 43          | 90           | \$            | MBH       | \$ 7,740   |                                  |
| New                                                        | 7           | 90           | \$            | MBH       | \$ 1,260   |                                  |
| Used                                                       |             |              |               |           |            |                                  |
| Small Commercial Applications                              |             |              |               |           |            |                                  |
| High-Efficiency Washer (CEE 2)                             | 20          |              | \$            | Appliance | \$ 700     |                                  |
| High-Efficiency Washer (CEE 3)                             | 20          |              | \$            | Appliance | \$ 1,500   |                                  |
| Commercial/Space Heating Boiler 85%+                       | 45          | 250          | \$            | MBH       | \$ 33,750  |                                  |
| Furnace 90%+                                               | 90          | 350          | \$            | MBH       | \$ 94,500  |                                  |
| Water heaters 0.62 EF+                                     |             |              |               |           |            |                                  |
| Tankless                                                   | 60          |              | \$            | Appliance | \$ 18,000  |                                  |
| Tank                                                       | 55          |              | \$            | Appliance | \$ 11,000  |                                  |
| Water heaters up to 0.61 EF                                | 155         |              | \$            | Appliance | \$ 15,500  |                                  |
| Booster Water Heater                                       | 25          |              | \$            | Appliance | \$ 5,000   |                                  |
| <b>TOTAL</b>                                               |             |              |               |           | \$ 787,325 |                                  |
| <b>Customer Outreach &amp; Education</b>                   |             |              |               |           |            |                                  |
| Outreach & Education                                       |             |              |               |           | Total Cost | Notes                            |
|                                                            |             |              |               |           | \$ 200,000 |                                  |
| <b>TOTAL COST OUTREACH &amp; EDUCATION PROGRAMS</b>        |             |              |               |           | \$ 987,325 |                                  |
| <b>TOTAL COST ALL PROGRAMS</b>                             |             |              |               |           |            |                                  |

**CGC Rate Case ECP/Economic Development  
Rebate Total = Quantity x Unit x Rebate/Unit**

10/9/2009

Date

**ECP Programs**

|                                                            | Redemptions | Average Size | Rebate Amount | Unit  | Total Cost | Notes                               |
|------------------------------------------------------------|-------------|--------------|---------------|-------|------------|-------------------------------------|
| <b>Residential</b>                                         |             |              |               |       |            |                                     |
| Free Thermostat                                            | 1000        |              | \$            | 20    |            |                                     |
| Furnace 90%+                                               | 500         |              | \$            | 500   |            | c. 2% of residential base           |
| Waterheaters 0.62 EF+                                      |             |              |               |       |            | Estimates based on 2009 program.    |
| Tankless                                                   | 300         |              | \$            | 300   |            |                                     |
| Tank                                                       | 80          |              | \$            | 200   |            | Estimates based on 2009 program.    |
| Water heaters up to 0.61 EF                                | 350         |              | \$            | 100   |            | Estimates based on 2009 program.    |
| Range/Oven                                                 | 350         |              | \$            | 50    |            | Capped at 200 redemptions.          |
| Dryer                                                      | 150         |              | \$            | 50    |            |                                     |
| Low Income Weatherization                                  | 120         |              | \$            | 1,649 |            | 7,500                               |
| Commercial                                                 |             |              |               |       |            |                                     |
| Food Service (Restaurant, Educational, Healthcare)         |             |              |               |       |            | 197,880 - Proposed from AMA Sharing |
| HE Ovens (Double- or Single-Rack, Combination, Convection) |             |              |               |       |            |                                     |
| New                                                        | 43          | 100          | \$            | 20.00 |            | 86,000                              |
| Used                                                       | 7           | 100          | \$            | 20.00 |            | 14,000                              |
| HE Commercial Steamer                                      |             |              |               |       |            |                                     |
| New                                                        | 43          | 100          | \$            | 7.50  |            | 32,250                              |
| Used                                                       | 7           | 100          | \$            | 3.75  |            | 2,625                               |
| HE Fryers                                                  |             |              |               |       |            |                                     |
| New                                                        | 43          | 110          | \$            | 5.00  |            | 23,650                              |
| Used                                                       | 7           | 110          | \$            | 5.00  |            | 3,850                               |
| HE Commercial Griddle                                      |             |              |               |       |            |                                     |
| New                                                        | 43          | 90           | \$            | 2.00  |            | 7,740                               |
| Used                                                       | 7           | 90           | \$            | 2.00  |            | 1,260                               |
| Small Commercial Applications                              |             |              |               |       |            |                                     |
| High-Efficiency Washer (CEE 2)                             | 20          |              | \$            | 35    |            | 700                                 |
| High-Efficiency Washer (CEE 3)                             | 20          |              | \$            | 75    |            | 1,500                               |
| Commercial/Space Heating Boiler 85%+                       | 45          | 250          | \$            | 3.00  |            | 33,750                              |
| Furnace 90%+                                               | 90          | 350          | \$            | 3.00  |            | 94,500                              |
| Waterheaters 0.62 EF+                                      |             |              |               |       |            |                                     |
| Tankless                                                   | 60          |              | \$            | 300   |            | 18,000                              |
| Tank                                                       | 55          |              | \$            | 200   |            | 11,000                              |
| Water heaters up to 0.61 EF                                | 155         |              | \$            | 100   |            | 15,500                              |
| Booster Water Heater                                       | 25          |              | \$            | 200   |            | 5,000                               |
| <b>TOTAL</b>                                               |             |              |               |       |            | <b>\$ 985,205</b>                   |

TOTAL

| Customer Outreach & Education | Redemptions | Average Size | Rebate Amount | Unit | Total Cost | Notes   |
|-------------------------------|-------------|--------------|---------------|------|------------|---------|
| Outreach & Education          |             |              |               |      |            |         |
|                               |             |              |               |      | \$         | 200,000 |

**TOTAL COST OUTREACH & EDUCATION PROGRAMS**

**TOTAL COST ALL PROGRAMS less Weatherization \$ 987,325**

10/12/2009

**CGC Rate Case ECP/Economic Development  
Rebate Total = Quantity x Unit x Rebate/Unit**

**ECP Programs**

|                                                     | Redemptions | Average Size | Rebate Amount | Unit          | Total Cost   | Notes                            |
|-----------------------------------------------------|-------------|--------------|---------------|---------------|--------------|----------------------------------|
| <b>Residential</b>                                  |             |              |               |               |              |                                  |
| Free Thermostat                                     | 1500        |              | \$            | 20 Furnace    | \$ 30,000    | c. 2.5% of residential base      |
| Furnace 90%+                                        | 500         |              | \$            | 500 Appliance | \$ 250,000   | Estimates based on 2009 program. |
| Waterheaters 0.62 EF+                               |             |              |               | Appliance     |              |                                  |
| Tankless                                            | 300         |              | \$            | 500 Appliance | \$ 150,000   | Estimates based on 2009 program. |
| Tank                                                | 150         |              | \$            | 300 Appliance | \$ 45,000    | Estimates based on 2009 program. |
| Range/Oven                                          | 350         |              | \$            | 100 Appliance | \$ 35,000    |                                  |
| Dryer                                               | 150         |              | \$            | 100 Appliance | \$ 15,000    |                                  |
| Low Income Weatherization                           | 120         |              | \$            | 1,649 Premise | \$ 197,880   | Proposed from AMA Sharing        |
| <b>Commercial</b>                                   |             |              |               |               |              |                                  |
| Food Service (Restaurant, Educational, Healthcare)  | 200         |              | \$            | 200 Appliance | \$ 40,000    |                                  |
| Commercial/Space Heating Boiler 80%+                | 135         |              | \$            | 500 Appliance | \$ 67,500    |                                  |
| Waterheaters 0.62 EF+                               |             |              |               |               |              |                                  |
| Tankless                                            | 60          |              | \$            | 500 Appliance | \$ 30,000    |                                  |
| Tank                                                | 205         |              | \$            | 300 Appliance | \$ 61,500    |                                  |
| Booster Water Heater                                | 25          |              | \$            | 200 Appliance | \$ 5,000     |                                  |
| <b>TOTAL</b>                                        |             |              |               |               | \$ 926,880   |                                  |
| <b>Customer Outreach &amp; Education</b>            |             |              |               |               |              |                                  |
| Outreach & Education                                |             |              |               |               | \$ 300,000   |                                  |
| <b>TOTAL COST OUTREACH &amp; EDUCATION PROGRAMS</b> |             |              |               |               | \$ 1,226,880 |                                  |
| <b>TOTAL COST ALL PROGRAMS less Weatherization</b>  |             |              |               |               | \$ 1,029,000 |                                  |

**Appliance Back-up Expenses (Residential+Small Commercial)**

| Appliance       | High Efficiency Expenses |              |       | Low Efficiency Expenses |           |              | Electric Expenses |          |           | HE-LE Differential | HE-Electric Differential |              |            |            |
|-----------------|--------------------------|--------------|-------|-------------------------|-----------|--------------|-------------------|----------|-----------|--------------------|--------------------------|--------------|------------|------------|
|                 | Equipment                | Installation | Other | Total                   | Equipment | Installation | Other             | Total    | Equipment |                    |                          | Installation | Other      | Total      |
| Furnace         | \$ 4,350                 | \$ 780       | \$ -  | \$ 5,130                | \$ 2,200  | \$ 780       | \$ -              | \$ 2,980 | \$ 2,300  | \$ 780             | \$ -                     | \$ 3,080     | \$ (2,150) | \$ (2,050) |
| WH 0.80+ EF*    | \$ 1,200                 | \$ 1,600     | \$ -  | \$ 2,800                | \$ 478    | \$ 250       | \$ -              | \$ 728   | \$ 776    | \$ 1,200           | \$ -                     | \$ 1,976     | \$ (2,072) | \$ (824)   |
| WH 0.60-0.79 EF | \$ 547                   | \$ 250       | \$ -  | \$ 797                  | \$ 478    | \$ 250       | \$ -              | \$ 728   | \$ 428    | \$ 250             | \$ -                     | \$ 678       | \$ (69)    | \$ (119)   |

\* HE WH is a tankless, LE WH is tank style 0.55 EF

Chattanooga Gas Company  
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CAPD DR 160  
Attachment 180-1

| Food Service (Restaurant, Educational, Healthcare) | AFUE<br>(wherever applicable)      | BTU's/Hour | Cost of Equipment<br>(if applicable) | Other    | Total Cost  |
|----------------------------------------------------|------------------------------------|------------|--------------------------------------|----------|-------------|
| Doublerack ovens "Range"                           | N/A                                | 354000     | \$4,332.00                           | \$600.00 | \$4,932.00  |
| Singlerack ovens "Range"                           | Same as single just an extra rack. |            |                                      |          |             |
| Commercial Combination Oven                        | N/A                                | 396000     | \$3,660.00                           | \$600.00 | \$4,260.00  |
| Commercial Pressureless Steamer                    | N/A                                | 144000     | \$13,883.00                          | \$600.00 | \$14,483.00 |
| Commercial Convection Oven                         | N/A                                | 44000      | \$4,857                              | \$600.00 | \$5,457.00  |
| Commercial High Efficiency Fryer                   | N/A                                | 90000      | \$1,399.00                           | \$600.00 | \$1,999.00  |
| Large Vat Fryer                                    | N/A                                | 90000      | \$1,399.00                           | \$600.00 | \$1,999.00  |
| Commercial Griddle                                 | N/A                                | 60000      | \$1,109.00                           | \$600.00 | \$1,709.00  |

**Chattanooga Gas Company  
Docket Number 09-00183**

**CAPD**

**Question 168**

**2/11/2010**

**1 of 1**

**DISCOVERY REQUEST NO. 168:**

Provide examples of all instances where the Company will leverage “existing creative and relationships to achieve cost synergies – but not at the expense of successfully conveying this important information to CGC customers.” State the amount of cost synergies that will be achieved by year and explain how they will be achieved. Provide all documents supporting this response. Provide where applicable all documents in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

**Response:**

CGC has not analyzed cost synergies of existing creative and relationships. Creative is defined as graphics, pictures, videos, and associated text content available for use in media outlets. As a member of the Council for Responsible Energy, an organization CGC has been part of with since 2008, CGC has access to creative that the organization produces, which can be used for Outreach and Education outlets described in Discovery Request 171.

Chattanooga Gas Company  
Docket Number 09-00183  
CAPD  
Question 171  
2/11/2010  
1 of 1

**DISCOVERY REQUEST NO. 171:**

Please provide the estimated start-up and annual costs, including all assumptions, of the Community Outreach and Customer Education program. Provide supporting workpapers for the estimated start-up and annual costs. Provide the documents in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

**Response:**

Please see attachment 171-1, the requested annual plan for Community Outreach and Education for CGC.

**CHATTANOOGA GAS**  
energySMART 2010 Customer Outreach & Education Plan  
Assumes program approval April 2010  
Revised 1.25.10

|                                                     | Unit Size      | Total<br>Insertions | Cost      | 1Q10    |    |    |    |          |   |    |    |       |   |    |    | 2Q10  |   |    |    |     |   |   |    |      |    |   |    | 3Q10 |    |   |    |        |    |   |   |    |    |    |   |
|-----------------------------------------------------|----------------|---------------------|-----------|---------|----|----|----|----------|---|----|----|-------|---|----|----|-------|---|----|----|-----|---|---|----|------|----|---|----|------|----|---|----|--------|----|---|---|----|----|----|---|
|                                                     |                |                     |           | January |    |    |    | February |   |    |    | March |   |    |    | April |   |    |    | May |   |   |    | June |    |   |    | July |    |   |    | August |    |   |   |    |    |    |   |
|                                                     |                |                     |           | 3       | 10 | 17 | 24 | 31       | 7 | 14 | 21 | 28    | 7 | 14 | 21 | 28    | 4 | 11 | 18 | 25  | 2 | 9 | 16 | 23   | 30 | 6 | 13 | 20   | 27 | 4 | 11 | 18     | 25 | 1 | 8 | 15 | 22 | 29 | 5 |
| Radio Communication                                 | 30             |                     | \$50,000  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Print Communication                                 |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Chattanooga Times Free Press                        | Special Insert | 3                   | \$49,080  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Cleveland Daily Banner                              |                | 6                   | \$11,000  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Chattanooga Magazine                                |                | 3                   | \$11,500  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Online Communication                                |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| chattanoogae.com                                    |                |                     | N/A       |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| timespress.com                                      | Banner Ads     |                     | Value Add |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Google AdWords                                      | NA             |                     | \$2,500   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Out of Home Communication                           |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Rotary Billboard                                    |                | 1                   | \$15,000  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Trade Outreach and Communication                    |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| HVAC / Plumber Kickoff Breakfast                    |                | 1                   | \$750     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Plumbing News Ad                                    | Jr. Page FC    | 7                   | \$5,075   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| HVAC Insider Ad                                     | Jr. Page 4C    | 7                   | \$6,832   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Dealer Energy Efficiency Workshops (Bus & Comm)     |                | 2                   | \$3,200   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Dealer Literature (program overview, forms)         |                |                     | \$500     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| HBAST Luncheon Presentations                        |                | 2                   | \$500     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Direct Mail                                         |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| eDM: Program Announces to opt-in customers          |                | 12,000              | \$240     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Residential - Older/Inefficient Homes               |                | 40,000              | \$26,000  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Weatherization Program                              |                | 3,000               | \$1,950   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Commercial - Program Announcement                   |                | 8,000               | \$5,200   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| energySMART Program Bill Insert                     | 4C DS Buckleup | 5                   | \$9,000   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Community Outreach / Events / Sponsorships          |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Commercial Customer EE Workshops                    |                | 2                   | \$3,500   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Homeowner EE Workshop Series                        |                | 6                   | \$37,500  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Exhibit display                                     |                |                     | \$5,000   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Gift & community presentation/exhibit opportunities |                | TBD                 | \$10,500  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Collateral / Literature                             |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Literature - Residential Programs                   | 4C Handouts    |                     | \$3,125   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Literature - Commercial Programs                    | 4C             |                     | \$1,250   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Consumer Booklet - Energy Efficiency                |                |                     | \$3,500   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Energy Savvy Magazine                               | 8 Pg 4C        | 3 x 50k             | \$30,000  |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Wallet Cards                                        | 4C             | 5,000               | \$1,000   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Doorhangers                                         | 4C             | 2,500               | \$1,000   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Lapel Buttons                                       | 2C             | 250                 | \$500     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Other                                               |                |                     | \$500     |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Employee Program Kickoff                            |                |                     | \$4,000   |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| Program Manager travel to support EE events         |                |                     |           |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |
| TOTAL                                               |                |                     | \$298,702 |         |    |    |    |          |   |    |    |       |   |    |    |       |   |    |    |     |   |   |    |      |    |   |    |      |    |   |    |        |    |   |   |    |    |    |   |

PROGRAM APPROVAL ANTICIPATED

[illegible]

**Chattanooga Gas Company  
Docket Number 09-00183**

**CAPD**

**Question 175**

**2/11/2010**

**1 of 1**

**DISCOVERY REQUEST NO. 175:**

Provide all literature in the Company's possession, custody or control which examines the energy and demand savings associated with the energy efficiency programs proposed in the instant application.

**Response:**

CGC does not communicate energy and demand savings to its customers in any of its communication literature. CGC refers requests for information on the appliances in the proposed programs to the Council for Responsible Energy at <http://www.comfortableresponsible.com/index.php>, or the U.S. Energy Administration at <http://www.eia.doe.gov/>.

**Chattanooga Gas Company**

**Docket Number 09-00183**

**CAPD**

**Question 177**

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**DISCOVERY REQUEST NO. 177:**

Please identify all annual amounts of cast iron and bare steel replaced, by year, for each of the past 10 years and as projected for the next 5 years.

**Response:**

Please refer to response to Discovery Request No 178.

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**DISCOVERY REQUEST NO. 178:**

Please identify the type of pipe replaced, pipe replaced by diameter class, miles of pipe replaced, and cost of replacing pipe by year for the past 10 years and as projected for the next 5 years.

**Response:** Please see the attached two spreadsheets for the requested data. Attachment 178-1 provides the actual replaced bare steel and cast iron for the past 10 years. Attachment 178-2 provides the projected bare steel and cast iron replacement for the next 5 years.

## Chattanooga Gas Company Bare Steel and Cast Iron Removal 2001 to 2009 - Based on AFE data

| Year                       | Project Name               | Cost (2)     | Footage | 1" Bare Steel | 1 1/4" Bare Steel | 2" Bare Steel | 3" Bare Steel | 4" Bare Steel | 6" Bare Steel | 8" Bare Steel | 2" Cast Iron | 3" Cast Iron | 4" Cast Iron | 6" Cast Iron | 8" Cast Iron | 12" Cast Iron | Mileage | Mileage per year |
|----------------------------|----------------------------|--------------|---------|---------------|-------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|---------|------------------|
| 2001                       | MLK Abandonment (1)        | \$ -         | 986     |               |                   |               |               |               | 866           | 128           |              |              |              |              |              |               | 0.19    |                  |
|                            | Fareleigh and Daisy Street | \$ 18,090    | 3,328   |               |                   | 2             |               | 1,747         | 1,246         |               |              |              |              | 333          |              |               | 0.83    |                  |
|                            | Long Street Renewal        | \$ 164,817   | 8,463   |               |                   | 321           | 740           | 2,288         | 802           |               |              |              |              | 1,084        |              |               | 1.80    |                  |
|                            | East Street Renewal        | \$ 152,880   | 7,598   |               |                   | 1,934         | 2,374         | 3,280         |               |               |              |              |              |              |              |               | 1.44    |                  |
|                            | Credison Street Renewal    | \$ 90,918    | 4,002   |               |                   |               |               | 736           |               |               | 988          |              |              |              |              |               | 0.76    | 10.88            |
|                            | Duncan Avenue Renewal      | \$ 969,062   | 23,666  |               |                   | 619           | 283           | 2,352         | 110           |               |              | 1,214        | 18,147       | 860          |              |               | 4.46    |                  |
|                            | Forward Street Renewal     | \$ 218,749   | 8,644   |               |                   | 90            | 567           | 1,833         | 872           |               | 888          | 646          | 3,658        |              |              |               | 1.64    |                  |
| 2002                       | E 27th Street Renewal      | \$ 1,079     | 393     |               |                   |               |               | 383           |               |               |              |              |              |              |              |               | 0.07    |                  |
|                            | Cherry Street              | \$ 68,044    | 507     |               |                   |               |               |               |               |               |              |              |              | 272          | 235          |               | 0.10    |                  |
|                            | North Main Street Renewal  | \$ 1,151,671 | 22,249  |               |                   |               |               | 2,416         |               |               |              | 1,895        | 1,919        | 1,108        |              |               | 2.02    |                  |
|                            | South Main Street Renewal  | \$ 1,151,671 | 22,249  |               |                   |               |               | 2,416         |               |               |              | 1,895        | 1,919        | 1,108        |              |               | 2.02    |                  |
|                            | North Main Street Renewal  | \$ 1,151,671 | 22,249  |               |                   |               |               | 2,416         |               |               |              | 1,895        | 1,919        | 1,108        |              |               | 2.02    |                  |
|                            | South Main Street Renewal  | \$ 1,151,671 | 22,249  |               |                   |               |               | 2,416         |               |               |              | 1,895        | 1,919        | 1,108        |              |               | 2.02    |                  |
|                            | North Main Street Renewal  | \$ 1,151,671 | 22,249  |               |                   |               |               | 2,416         |               |               |              | 1,895        | 1,919        | 1,108        |              |               | 2.02    |                  |
| 2004                       | Signal Mountain Rd         | \$ 48,216    | 2,035   |               |                   |               |               | 141           |               | 2,035         | 1,636        |              |              |              |              |               | 0.38    | 6.14             |
|                            | Mobile Avenue              | \$ 53,358    | 1,777   |               |                   |               |               |               |               |               |              |              |              |              |              |               | 0.34    |                  |
|                            | Crest Drive                | \$ 30,447    | 1,836   |               |                   | 1,836         |               |               |               |               |              |              |              |              |              |               | 0.35    |                  |
|                            | Lookout Mtn                | \$ 1,635,194 | 26,762  |               |                   | 7,915         |               | 18,818        | 29            |               |              |              |              |              |              |               | 5.07    |                  |
| 2006                       | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
|                            | Weeks Dr BSC Area          | \$ 35,499    | 1,695   |               |                   | 1,695         |               |               |               |               |              |              |              |              |              |               | 0.32    |                  |
|                            | Manufacturers Rd           | \$ 50,803    | 439     |               |                   |               |               |               |               | 439           |              |              |              |              |              |               | 0.08    |                  |
|                            | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
| 2007                       | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
|                            | Weeks Dr BSC Area          | \$ 35,499    | 1,695   |               |                   | 1,695         |               |               |               |               |              |              |              |              |              |               | 0.32    |                  |
|                            | Manufacturers Rd           | \$ 50,803    | 439     |               |                   |               |               |               |               | 439           |              |              |              |              |              |               | 0.08    |                  |
|                            | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
| 2008                       | White Oak Dr               | \$ 688,981   | 6,763   |               |                   | 218           |               | 10            | 614           | 5,911         |              |              |              |              |              |               | 1.28    | 2.00             |
|                            | Rincon Rd                  | \$ 376,781   | 4,298   |               |                   | 349           |               |               | 20            | 3,929         |              |              |              |              |              |               | 0.81    |                  |
|                            | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
|                            | Weeks Dr BSC Area          | \$ 35,499    | 1,695   |               |                   | 1,695         |               |               |               |               |              |              |              |              |              |               | 0.32    |                  |
| 2009                       | Manufacturers Rd           | \$ 50,803    | 439     |               |                   |               |               |               |               | 439           |              |              |              |              |              |               | 0.08    |                  |
|                            | Elrod St. @ 14th St. Area  | \$ 104,553   | 4,730   | 40            | 568               | 4,122         |               |               |               |               |              |              |              |              |              |               | 0.90    | 1.29             |
|                            | Weeks Dr BSC Area          | \$ 35,499    | 1,695   |               |                   | 1,695         |               |               |               |               |              |              |              |              |              |               | 0.32    |                  |
|                            | Manufacturers Rd           | \$ 50,803    | 439     |               |                   |               |               |               |               | 439           |              |              |              |              |              |               | 0.08    |                  |
| Total Footage Through 2008 |                            |              |         |               |                   |               |               |               |               |               |              |              |              |              |              |               |         | 40.39            |

1 - Cost data not available.  
2 - Includes renewal and abandonment costs. This is the total cost for each project regardless of period incurred. Costs are actually incurred over multiple years for some projects.  
Note: There was no base steel/cast iron replacement initiated in 2000 or 2003.



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**DISCOVERY REQUEST NO. 203:**

Provide the December 2009 TRA 3.03 Surveillance Report.

**Response:**

The December 2009 TRA report was filed February 10, 2010 with the Tennessee Regulatory Authority and the CAPD.

**DISCOVERY REQUEST NO. 205:**

Identify any and all expert witnesses the Company intends to call in support of the petition in this docket, and for each expert witness:

- (a) Identify the field in which the witness is to be offered as an expert;

**Response:**

Each witness expected to present expert testimony in this matter on behalf of Chattanooga Gas Company, Inc. submitted pre-filed testimony with the Petition filed in this matter November 16, 2009. Since the intervenors' rebuttal testimony has not yet been provided, Chattanooga Gas Company is not aware of issues that may be raised and reserves the right to call additional witnesses as necessary. The response will be supplemented as necessary.

- (b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;

**Response:**

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009

- (c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;

**Response:**

The CAPD has agreed to modify this request so that it requires CGC to identify any published presentations given during the past ten (10) years to the extent that the presentations are directly related to the issues

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that the expert witness is providing opinion testimony in the current docket. CGC will then provide a reasonable number of published written materials and/or published written presentations if requested by the CAPD to the extent that the materials are in the expert witness' possession, custody, or control and are not otherwise publicly available. CGC has modified this request accordingly.

Dr. Roger A. Morin

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009

Ms. Rhonda Watts

Ms. Watts has prepared and presented several depreciation trainings. Those presentations were prepared under the employment of her previous employer and are not maintained by Ms. Watts personally.

Ms. Watts assisted in the annual updates to "Accounting for Public Utilities", Chapter 6 – *Public Utility Depreciation* by Hahne-Aliff during her employment with Deloitte & Touche LLP. This book is published by LexisNexis Bender. Ms. Watts was part of an Edison Electric Institute and American Gas Association team that updated their published textbook, "Introduction to Public Utility Accounting", 5<sup>th</sup> Edition, which she assisted in updating Chapter 12 – Utility Plant Accounting and Chapter 13 – Depreciation, Amortization, and Depletion.

Mr. Steve Lindsey

Mr. Lindsey has no publication or presentations that are responsive to this request.

Mrs. Donna Peoples

Mrs. Peoples has no publication or presentations that are responsive to this request.

Mr. Daniel Yardley

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Mr. Yardley has no publication or presentations that are responsive to this request.

Mr. Daniel J. Nikolich

Mr. Nikolich has no publication or presentations that are responsive to this request.

Mr. Ronald D. Hanson

Mr. Hanson has no publication or presentations that are responsive to this request.

- (d) Provide the grounds (including without limitation any factual bases) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;

**Response:**

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009

- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;

**Response:**

Mr. Steve Lindsey

**Petition of Chattanooga Gas Company for Approval of Adjustment of Its Rates and Charges and Revised Tariff:**

**Docket # 04-00034,**

**Forum: Tennessee Regulatory Authority**

**Date Filed: 2004/2005**

**Subject: General overview of CGC's operations and summary of rate relief requested.**

**Chattanooga Gas Company  
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Petition of Chattanooga Gas Company for Approval of a Franchise Agreement with Cleveland Tennessee:

Docket # 04-000231,  
Forum: Tennessee Regulatory Authority  
Date Filed: 1/4/2005  
Subject: Description of Franchise Agreement negotiated with the City of Cleveland Tennessee.

Petition of Chattanooga Gas Company for Approval of Adjustment of Its Rates and Charges and Revised Tariff:

Docket # 06-00175,  
Forum: Tennessee Regulatory Authority  
Date Filed: 6/30/2006  
Subject: General overview of CGC's operations and summary of rate relief requested.

Atlanta Gas Light Company's Pipe Replacement Program

Atlanta Gas Light Company's System Reinforcement Program

Dockets No. 8516-U and 29950-U

Forum: Georgia Public Service Commission

Date Filed: 6/12/2009

Subject: Support of Atlanta Gas Light Company's Proposed Integrated System Reinforcement Program

Mr. Daniel J. Nikolich

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009.

Mr. Ronald D. Hanson

Pivotal Utility Holding, Inc. d/b/a Elizabethtown Gas Company to  
(1) reconcile its basic gas supply service rate and (2) revise its commodity

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rates for commercial and industrial generation uses and seasonal delivery services.

Docket No: GR05060494  
Forum: New Jersey Board of Public Utilities  
Date: June 1, 2005  
Subject: Reconciliation of gas costs and recoveries for the period October 1, 2004 through September 30, 2005

Petition for approval of acquisition adjustment and recognition of regulatory asset to reflect purchase of Florida City Gas by AGL Resources Inc.

Docket No. 060657-GU  
Forum: Florida Public Service Commission  
Date: October 3, 2006  
Subject: Cost saving resulting from acquisition

Pivotal Utility Holdings, Inc. d/b/a Elkton Gas - an Application for authority to increase its natural gas rates.

Case No. 9126 Docket No. 060657-GU  
Forum: Maryland Public Service Commission  
Date: November 9, 2007  
Subject: Cost of Service

Earnings Review to Establish Just and Reasonable Rates for Atlanta gas Light Company

Docket 14311-U  
Forum: Georgia Public Service Commission  
Date: 2001  
Subject: Cost allocation (by deposition)

Ms. Marcie Shields

No previous testimony

Mrs. Donna Peoples

No previous testimony

Ms. Rhonda Watts

No previous testimony

Dr. Roger Morin

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009.

Mr. Daniel Yardley

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009.

- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;

**Response:**

See the attached agreements, which are being filed confidential pursuant to the protective order issued in this docket:

205.1 Yardley and Associates Engagement letter  
(Redacted)

205.2 Yardley and Associates Engagement letter  
(Confidential)

205.3 Master Service Agreement- Dr. Roger A. Morin

205.4 Master Service Agreement -Alliance Consulting  
Group

- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and

**Response:**

See pre-filed testimony and exhibits provided with the Petition in this matter filed November 16, 2009

To the best of its knowledge, the Company has already identified or will identify all such documents or things in its pre-filed testimony and exhibits filed November 16, 2009, its responses to the minimum filing guidelines, and its responses to CAPD's Staff's discovery requests. To the extent CGC identifies additional documents or things as additional issues arise, CGC will supplement the appropriate filing or response prior to the hearing on the merits and/or include such information in its pre-filed rebuttal testimony.

- (h) Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, and file notes produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter;

The CAPD has agreed to modify this request so that it requires CGC to provide any information that the expert witness has relied upon or plans to use at the hearing, including any information provided by the Company to the witness and reviewed by the witness but discarded as contrary to the expert witness' opinion in this case.

**Response:**

Please refer to the direct testimony, exhibits and filed workpapers of each witness.

- (i) Please produce copies of all pre-filed testimony produced or sponsored by the Company's expert witnesses in the last five years.

The CAPD has agreed to modify this request so that it requires CGC agrees to provide a reasonable number of pre-filed testimony that the expert witness has identified and that the CAPD requests, provided that the pre-filed testimony is not publicly available and that the expert witness has a copy of the requested pre-filed testimony in his possession, custody, or control.



Docket Number 09-00183  
CAPD  
Question 205  
2/5/2010  
Attachment 205-1  
Redacted  
2409 Providence Hills Drive  
Matthews, NC 28105  
704-443-0191

August 21, 2009

Archie Hickerson  
Director, Regulatory Affairs  
Chattanooga Gas Company  
150 West Main Street, Suite 1510  
Norfolk, VA 23510

Dear Mr. Hickerson:

Thank you for the opportunity to present a proposal for consulting services pertaining to a potential Chattanooga Gas Company (CGC) base rate case filing. Specifically, I am providing a proposal for the development of a revenue decoupling mechanism, allocated cost of service study and proposed rate design to be filed with the Tennessee Regulatory Authority (TRA). I have set forth the recommended approach to the project, which I believe meets your objectives and expectations, and takes into consideration the current filing schedule, which is expected to be during the fourth quarter of 2009. The following tasks are designed to achieve the project's objectives in an efficient and cost-effective manner.

#### TASK I: PROJECT KICKOFF

The primary efforts that comprise the beginning of the project are designed to ensure that the project is properly focused and directed toward achieving CGC's objectives. First, the team will meet to discuss the expected timing and coordination of preparation of deliverables including required studies and testimony. At this initial

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PHONE: (704) 443-0191 • EMAIL: DAN@YARDLEYASSOCIATES.COM

meeting, we will also discuss general rate design and revenue decoupling concepts and how these elements are expected to fit with other components of the filing. Further, in order to ensure that the project meets CGC' goals and the expected timetable for filing, overall rate and pricing objectives will be established at the outset. I will work with you to explore and document these objectives, which will provide the basis for the specific approach to other tasks that are undertaken as part of the overall effort.

**Task Deliverables:**

- Kickoff meeting agenda
- List of rate and pricing objectives and any associated implications for approach to remaining tasks.

**TASK II: DEVELOP REVENUE DECOUPLING MECHANISM**

LDC revenue decoupling represents an innovative approach to addressing declines in use per customer ("UPC") that is gaining an increasing level of interest by LDCs in recent years. Decoupling also offers important public policy benefits to regulators and other stakeholders that enhance its overall appeal. Decoupling typically employs a tariff rider or base rate adjustment mechanism that allows the LDC to true-up its base rate or margin revenue recoveries due to changes in the level of customer consumption. Within the basic framework of decoupling, there are numerous computational alternatives that can be combined to tailor a mechanism to the specific circumstances and policy objectives of a particular LDC and jurisdiction. Among these are the timing of the historical measurement period or benchmark, the use of actual or weather-normalized data, the use of monthly or annual measurements, the grouping of customers, the treatment of incremental or new customers added to the LDC's system, whether real-time or deferred adjustments are made, the establishment of any recovery limitations or circuit-breakers, and the relationship to any energy efficiency program.

Development of an effective overall regulatory strategy is an important step toward achieving the successful implementation of decoupling. In addition to assessing the implications of the individual attributes of the decoupling program, the regulatory strategy should assess the regulatory and political environment in New Jersey and how the interests of CGC can be aligned with State policies to achieve its revenue objectives. Effective positioning of decoupling through the identification of benefits for interested stakeholders as part of a proactive regulatory strategy improves the opportunity for success.

There are alternative ratemaking approaches to decoupling that address challenges created by declining UPC as well. These include non-traditional rate designs and

alternative ratemaking approaches. While these other approaches may enable a gas utility to address the financial implications of declining UPC, the intended outcomes vary. An important rate design alternative to consider is the implementation of a rate design that relies largely on fixed charges to recover the LDC's costs.

I will prepare an initial straw decoupling proposal based on expertise and knowledge of the different types of mechanisms that have been developed and approved elsewhere, as well as on CGC-specific objectives. The straw proposal will be summarized in matrix form and, if desired, compared to a pure rate design alternative.

Next, I will continue to work with you to arrive at the specific structure of a decoupling mechanism to be proposed in CGC's upcoming rate case. I will facilitate a discussion and modification of the straw proposal based on evaluation criteria consistent with CGC's pricing objectives and implementation considerations, such as availability and consistency of customer count and consumption data. This process will likely be somewhat iterative, and will require input from finance personnel that will be involved with any revenue mechanism on an ongoing basis.

Once a final decoupling mechanism is developed, I will work with CGC rate personnel to develop appropriate tariff language.

**Task Deliverables:**

- Decoupling straw proposal for discussion purposes
- Description of decoupling method including detail on data requirements, revenue decoupling calculations and recommended approach to booking decoupling revenues on a monthly basis
- Draft revenue decoupling tariff

**TASK III: DEVELOP ALLOCATED COST OF SERVICE STUDY**

Preparation of the allocated cost of service study ("ACOSS") analysis entails the establishment of criteria the overall framework for the ACOSS, development of special allocation studies and completing the ACOSS. Extensive analytical work underpins the ACOSS studies and documentation of all data relied upon and methodologies employed is critical to responding to discovery after the rate case is filed. The ACOSS is based on a common set of detailed information related to CGC's revenue requirements and projected billing determinants. The revenue requirement data needed includes detail of plant investment and other rate base items, depreciation, and operating expense items by account number. The billing determinant data needed includes projected number of customers, throughput and the basis for establishing design day consumption by customer class.

An integral component of a successful and defensible COSS is the completion of a limited number of supporting studies that form the basis for allocating key investment and expense items to customer classes. The special studies are likely to follow the same framework that was applied to the 2006 filing. The development of the studies requires some commitment of CGC resources and will involve assistance by accounting/finance, operations, and rate personnel. The level of effort will vary depending on the study, and not all areas will be involved with each study. I will provide ongoing direction and support to CGC personnel as the data are analyzed and compiled, assist with modifying study specification to accommodate data constraints, and review the reasonableness of the results.

The ACOSS model will be populated with the total company account and class allocation data. The study will be prepared to match the revenue requirements and billing determinants that will be reflected in CGC's rate filing, which requires that base period and all pro forma adjustments be incorporated into the model. Therefore, the final study will not be completed until the revenue requirements are finalized.

**Task Deliverables:**

- Draft ACOSS results
- Final package of COSS schedules and workpapers for filing with the TRA

**TASK VI: DEVELOP RATE DESIGN**

A rate design spreadsheet model will be constructed reflecting CGC' rate design objectives and the results of the COSS analysis. The model will incorporate the proposed billing determinants and total revenue requirements. Preliminary rate design scenarios will be prepared. The scenarios will reflect the results of the COSS scenarios and rate continuity and moderation considerations. The scenarios will be reviewed with you and subsequent scenarios will be performed until the proposed rates are determined.

**Task Deliverables**

- Proposed rate design reflecting CGC billing determinants
- Excel-based rate design model for future use by CGC

**TASK V: PREPARE PRE-FILED TESTIMONY**

Pre-filed testimony will be prepared to support CGC' COSS, decoupling and rate design proposals. An initial outline will be prepared for your consideration. The

testimony addressing revenue decoupling will address the public policy basis for implementing decoupling, a review of decoupling mechanisms in other jurisdictions and the specific revenue decoupling mechanism proposed for CGC.

In addition to the text of the testimony, formatted schedules will be prepared to be filed as exhibits.

**Task Deliverables**

- Detailed testimony outline
- Initial draft of pre-filed testimony and exhibits
- Final draft of pre-filed testimony and exhibits

**TASK VI: POST-FILING SUPPORT**

I will be available as necessary to discuss regulatory strategy pertaining to decoupling and rate design issues in the proceeding, to prepare discovery responses, to review and respond to intervenor testimony including the preparation of rebuttal evidence, to meet with TRA Staff, Consumer Advocate and other interested parties, and to participate in hearings.

**Task Deliverables**

- Agreed upon as needed

**COST ESTIMATE**

The cost estimate is based on the anticipated effort required for each of the proposed tasks necessary to complete the initial filing, and the anticipated consulting fees based on my currently effective hourly rate of \$[REDACTED].

| Task                                     | Projected Hours | Estimated Fees |
|------------------------------------------|-----------------|----------------|
| I. Project Kickoff                       | ■               | \$ ■           |
| II. Develop Revenue Decoupling Mechanism | ■               | \$ ■           |
| III. Develop ACOSS                       | ■               | \$ ■           |
| IV. Develop Rate Design                  | ■               | \$ ■           |
| V. Prepare Pre-filed Testimony           | ■               | \$ ■           |
| VI. Post-Filing Support                  | TBD             | \$ ■ / hour    |

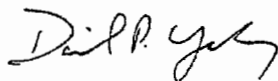
The total cost estimate for Tasks I-V is \$ ■.

The consulting services provided for Task VI will depend on the nature of activities performed and depends on the travel of the case, including the nature of discovery and positions taken by other parties. Therefore, a cost estimate is not provided for this task at this time. However, I would be willing to prepare an estimate of fees associated with elements of this task, if requested at a later point in time when the level of effort can be better predicted, such as prior to filing rebuttal testimony.

You will be billed only for hours actually spent on the project. In addition to the cost of services, you will be billed for travel-related expenses incurred in connection with the project at their direct cost.

Thank you for your interest in working with me on these important matters. If you have any questions or if I can provide further information concerning this proposal or my qualifications, please contact me. I look forward to hearing from you.

Very truly yours,



Daniel P. Yardley