

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 5, 2010

J.W. Luna, Esq.  
Luna Law Group, PLLC  
333 Union Street, Suite 300  
Nashville, TN 37201

RE: Docket No. 09-00183 - Petition of Chattanooga Gas for Approval of Adjustment of Its Rates and Charges, Modification of Its Rate Design, and Revised Tariff.

Dear Mr. Luna:

To further the Staff's investigation of the reasonableness of the proposed rates filed with this Authority on November 16, 2009, it is requested that you furnish additional information as requested on the attached Staff Data Request #2. Should you have questions regarding any item number in the attached request, please contact Pat Murphy (extension 178) or Paul Greene (extension 156) for clarification before responding.

It is requested that this information be provided no later than Monday, March 22, 2010 and that you reference Docket 09-00183 on the response. In accordance with TRA rules submit either (1) an original and thirteen written copies of your response or (2) four written copies and an electronic version. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Darlene Standley".

Darlene Standley, Chief  
Utilities Division

Enclosure

C: Steven L. Lindsey  
Archie Hickerson  
Elizabeth Wade

## **TRA STAFF DATA REQUEST NO. 2**

### **INSTRUCTIONS:**

**In responding to the following data requests, please repeat the question, followed by the Company's response in pdf format as required by the Docket Room. Additionally, all responses should be provided electronically in Word format or Excel format with working formulas on a CD properly labeled "Response to xx/xx/2010 Data Request – For Staff Use."**

### **FOLLOW-UP TO STAFF DATA REQUEST NO. 1**

#### **Request Item #:**

2. Staff understands the response provided and has pressed the F9 key as instructed by the Company in an attempt to get all formulas to work properly. There still are cells which will not calculate. Please call Paul Greene (615) 741-2904 ext. 156 if the Company has any problem identifying the formulas in question.

## **TRA STAFF DATA REQUEST NO. 2**

#### **Request Item #:**

9. Reference Exhibit DJN-3 and explain how the \$92,000 residential costs were determined.<sup>1</sup>
10. Reference Exhibit DJN-3 and explain how the \$59,535 commercial [labeled as residential] costs were determined.<sup>1</sup>
11. Reference Exhibit DJN-3 and state whether the lines under "Commercial Recovery Rate Calculations" are actually Residential.
12. Provide all documents referenced or utilized to arrive at all amounts shown on Exhibit DJN-3.
13. If responding to the above questions related to Exhibits DJN-1 and DJN-3 necessitates revised exhibits, please provide such revisions of all pages affected.
14. Does CGC sell and install appliances?
15. Who funds the rebates shown on Exhibit DJN-1?

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<sup>1</sup> It appears the number of therms reflected on DJN-1 is shown as dollars on DJN-3.

16. Will any of the rebates be recovered under any Federal Recovery Act program? If so, who will recover the rebates?
17. Reference Exhibit DJN-1 and explain the line "less Asset Management Funding for Low Income Weatherization" under Residential Measures. Provide a cite to direct testimony where this funding is explained in detail and the amounts per year are determined. If not explained in detail in direct testimony, provide a complete response to this question.
18. Provide detailed workpapers demonstrating how the Administration, Customer Outreach and Education costs per year shown on Exhibit DJN-1 were determined.
19. Provide the Company rationale for consumers portion of funding for the energySMART and Customer Outreach and Education.
20. Provide the amount of the purchased gas commodity costs and the capacity costs for each period used in the Company analysis as described in Nikolich Direct Testimony, p.5, lines 10-11.
21. Provide documentation of the commodity costs per therm which were assumed to be equal to the purchased gas portion of the Company's monthly billing rate as discussed in Nikolich Direct Testimony, p.5, lines 11-12 and provide the date the purchased gas rate became effective.
22. Provide a copy of the NYMEX strip documenting the October 22, 2009 Henry Hub settlement prices and supporting documentation demonstrating how that strip was used to determine the escalation rate used in the Company analysis as stated in Nikolich Direct Testimony, p.5, lines 12-14. Additionally, provide the resulting rate per therm for each period used in the Company analysis.
23. Provide supporting documentation for the commercial C-2 purchased gas demand rate charged to customers as of October 1, 2009 as referenced in Nikolich Direct Testimony, p.5, lines 14-15.
24. Please provide documentation supporting the Company's calculation of the estimated \$341,571 related to the painting of the LNG plant discussed in Hanson Direct Testimony, page 16.
25. Reference TRA FG Item No. 25, CGC Schedule 25-12. Please provide an explanation of the allocations used and calculations of the allocated costs reclassified to Taxes Other than Income Taxes of \$142,688 and allocated costs reclassified to Depreciation of \$347,009. If this is provided in another data response, please direct us to the numbered response.
26. Please reconcile the Test Period Payroll Expense total of \$2,048,739 found on Exhibit RDH-2, Schedule 2 to the Test Period Payroll Expense total that would result using the "Annual

Base Rate as of June 21, 2009 Payroll” column on TRA FG Item No. 44, CGC Schedule 44-2 (1 of 3) to calculate the test period amount. Show calculations.

27. Please provide detailed information in support of Attachment 1 to CAPD Question 1-73.
28. Please provide detailed information by month (total amounts of projects started and included in CWIP and amounts transferred out of CWIP) used to calculate the monthly balances.
29. Please explain CGC’s position regarding a straight-fixed variable rate design.
30. If the Authority adopted a straight-fixed variable rate design for CGC, which customer classes would CGC propose to exclude from straight-fixed variable rate design?
31. Please file a straight-fixed variable rate design for residential and commercial customers to recover costs of service in the test period and a straight fixed variable rate design to recover costs of service projected for the attrition period.