LUNA LAW GROUP
A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AT LAW

333 UNION STREET
SUITE 300
NASHVILLE, TENNESSEE 37201

TELEPHONE (615) 254-9146
TELECOPIER (615) 254-7123
WWW.LUNALAWNASHVILLE.COM

Jennifer L. Brundige
jbrundige@LunaLawNashville.com

March 22, 2010

VIA HAND DELIVERY

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

filed electronically in docket office on 03/22/10

Re: Docket No. 09-00183

Dear Chairman Kyle:

Enclosed please find the original and four (4) copies of Chattanooga Gas Company's ("Company") electronic filing of its responses to the TRA Staff's Data Request #2 in the above referenced docket. The attachment for TRA data request no. 24 is confidential and is being filed under seal pursuant to the Agreed Protective Order entered on February 19, 2010 in this docket.

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

Sincerely,

Jennifer L Brundige

Jennifer L. Brundige

Enclosures

cc: Counsel of Record
Gary Hotvedt, Esq.
Pat Murphy
Elizabeth Wade, Esq.
Archie Hickerson

Follow up to Data Request No. 1

Question 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 are still 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

Response:

The Company emailed to the Staff another copy of the file. The source of the emailed file was the original filing made by the Company. The Staff has responded that this copy is operating properly.

Data Request No. 2

Question 9: Reference Exhibit DJN-3 and explain how the $92,000 residential costs were determined.[1]

Response:

The original filed schedule DJN-3 contains a cell reference error where therms from schedule DJN-1are being reflected as dollars in DJN-3. Attachment 151-1 submitted in response to CAPD discovery request 151 presents the revised schedule where the $92,000 in cost is appropriately shown as $445,000. The $445,000 is drawn form the year 1 total costs column in exhibit DJN-1and reflects projected rebate costs for the proposed free programmable thermostat, High Efficiency Furnace/Boiler Incentive, Tankless Water Heater Incentive, and High Efficiency Storage Water Heater Incentive programs.

[1] It appears the number of therms reflected on DJN-1 is shown as dollars on DJN-3.

Data Request No. 2

Question 10: Reference Exhibit DJN-3 and explain how the $59,535 commercial [labeled as residential] costs were determined.[1]

Response:

The original filed schedule DJN-3 contains a cell reference error where therms from schedule DJN-1are being reflected as dollars in DJN-3. Attachment 151-1 submitted in response to CAPD discovery request 151 presents the revised schedule where the $59,535 in cost is appropriately shown as $147,000. The $147,000 is drawn form the year 1 total costs column in exhibit DJN-1and reflects projected rebate costs for the proposed Food Service Equipment, High Efficiency Furnace/Boiler Incentive, Tankless Water Heater Incentive, High Efficiency Storage Water Heater Incentive, and Booster Water Heater Incentive programs.

[1] It appears the number of therms reflected on DJN-1 is shown as dollars on DJN-3.

Data Request No. 2

Question 11: Reference Exhibit DJN-3 and state whether the lines under "Commercial Recovery Rate Calculations" are actually Residential.

Response:

The lines are actually for commercial not residential programs.

Data Request No. 2

Question 12: Provide all documents referenced or utilized to arrive at all amounts shown on Exhibit DJN-3.

Response:

For all dollar amounts see revised Exhibit DJN-1 in attachment 151-1 provided in response to CAPD discovery request 151. For therm amounts please refer to Exhibit MHS-1 pages 2 for the total residential therms, and page 3 for the combined C-1, C-2 and T-3 therms to arrive at the total commercial therms.

Data Request No. 2

Question 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.

Response:

Revised Exhibit DJN-3 has been provided with supporting workpapers as attachment 151-1 in response to CAPD discovery request 151.

Data Request No. 2

Question 14: Does CGC sell and install appliances?

Response:

No.

Data Request No. 2

Question 15: Who funds the rebates shown on Exhibit DJN-1?

Response:

The Company is proposing to fund the rebates through an energySMART Recovery Adjustment Rider as discussed on pp. 16-17 of Mr. Nikolich's testimony.

Data Request No. 2

Question 16: Will any of the rebates be recovered under any Federal Recovery Act program? If so, who will recover the rebates?

Response:

No.

Data Request No. 2

Question 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.

Response:

Please see the testimony of Mr. Steve Lindsey filed November 16, 2009 page 11 beginning at line 3.

Q. Please describe the Low-Income Home Weatherization Program component of energySMART.

A. The Low-Income Home Weatherization component of energySMART targets the needs of our low-income customers through the direct installation of cost-effective energy efficiency measures as determined through home audits. As explained in the testimony of Donna Peeples, CGC will partner with local agencies that administer the Weatherization Assistance Program to Hamilton and Bradley County residents in CGC's service area. **CGC is proposing that the costs associated with the Low-Income Home Weatherization Program be funded out of CGC's share of the gains generated by CGC's asset manager in accordance with the Interruptible Margin Credit Rider in CGC's tariff. (Emphasis added.)**

Please see the testimony of Mr. Dan Nikolich filed November 16, 2009 page 7, beginning at line 3

Q. Please describe the specific assumptions for the residential low income weatherization measures and how they were arrived at?

To evaluate the low income weatherization measure, the following specific assumptions were made:

▪ Cost of the measure	$1000.00/participant
▪ Annual Energy savings	130 Therms
▪ Annual Cost Savings	$105/participant
▪ **Utility Cost of the measure**	**$1650.00/participant**
▪ **Number of participants**	**120 per year**

The cost of the measure is based upon a $1000 per participant paid either by the participant or another party (such as additional assistance provided by either the state, federal government, local charities or some combination thereof). One example of why these additional costs may occur is that the program cap of $5000 per participant may cover an instance where a furnace replacement costing $4500, a water heater replacement costing $1000, and insulation work costing $2000 is required. In this case either the participant or another party may cover the costs of the additional work required. The annual energy savings are based upon an assumption of a 20% reduction in annual natural gas load for the average CGC residential customer. The 20% reduction is based upon repair or replacement of existing lower efficiency equipment combined with insulation, duct sealing and other weatherization measures to achieve an overall building shell drop in natural gas consumption of at least 20%. **The utility cost is based upon the current costs that the Company has experienced in other AGLR utility jurisdictions.** No free riders were assumed, since without this measure low income customers could not afford the upfront costs to implement these measures on their own. **The participation level was determined based upon the average number of low income residential customers (1300 customers at or below 175% of poverty) during the attrition period and a 10% participation rate based upon the Company's experience in other AGLR utility jurisdictions with similar programs.**

Data Request No. 2

Question 18: Provide detailed workpapers demonstrating how the Administration, Customer Outreach and Education costs per year shown on Exhibit DJN-1 were determined.

Response:

Please see the response to CAPD discovery request number 171 and its attachment 171-1.

Data Request No. 2:

Question 19: Provide the Company rationale for consumer's portion of funding for the energySMART and Customer Outreach and Education.

Response:

Tennessee Code §65-4-156 provides:

> 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. (Emphasis added.)**

Since the emergySmart and the Customer Outreach Education programs are cost-effective energy conservation programs that sustain or enhance CGC customer's incentives to use energy more efficiently the cost of these programs are recoverable through CGC's rates.

Data Request No. 2

Question 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.

Response:

The purchased gas amounts discussed were provided in the attachment 151-1 in response to CAPD discovery request 151.

Data Request No. 2

Question 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.

Response:

Attachment 152-1 provided in response to CAPD discovery request 152 presents the projected purchased gas rates used in the analysis. The billing months for which each rate was projected is shown on the attachment.

Data Request No. 2

Question 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.

Response:

Please see the response to CAPD discovery request 152.

Data Request No. 2

Question 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.

Response:

Please see the response to CAPD discovery request 154.

Data Request No. 2

Question 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.

Response:

Please see attachment TRA 2-24 which contains letters obtained by the Company for quoted prices for the painting of the LNG tank. The attachment is being filed as **confidential** pursuant to the protective order filed in this docket. The letter dated September 29, 2009 provides an estimate of $178,420 for the painting of the side walls of the tank. The letter dated September 4, 2009 provides an estimate of $163,331 for the top of the tank.

Data Request No. 2

Question 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.

Response:

The calculation of allocated amount of allocated taxes other than income and depreciation is provided on Attachments 2-25-1 and 2-25-2. $142,688 of taxes other than income is calculated as the total estimated allocated cost for the attrition period of $5,006,508 multiplied by 2.85%, the percentage of taxes other than income to total allocable expenses for AGL Services Company for the test period. $347,009 of depreciation expense is calculated as the total estimated allocated cost for the attrition period of $5,006,508 multiplied by 6.93%, the percentage of depreciation to total allocable expenses for AGL Services Company for the test period.

Attachment 2-25-1 provides the calculation of the allocated amounts as requested. Lines 1 through 7 provide a summary of the total forecast allocated expenses of $5,006,508. The source of the components of the estimate is FG 25-12. Lines 8 through 11 provide calculation of allocated taxes other than income and depreciation. Attachment 2-25-2 provides the calculation of the percentage of allocable expense by FERC account for AGL Services Company for the test period and the assignment of the estimated allocated expenses for the attrition period to FERC accounts.

Chattanooga Gas Company
Calculation of Allocated Costs Reclassified to Taxes Other Than Income and Depreciation

Line No.			Source	
1	Forecast AGSC Items based on inflation Factor of 2.02%	3,973,409	CGC FG 25-12, line 13	
2	401K and Stock Benefits Allocated to CGC	93,140	CGC FG 25-12, line 18	
3	Health Benefits Allocated to CGC	129,144	CGC FG 25-12, line 23	
4	Annual Incentive Plant Allocated ot CGC	296,071	CGC FG 25-12, line 32	
5	Pension and Postretirement Benefits Other Than Pension Allocated to CGC	245,515	CGC FG 25-12, line 34	
6	Incremental Call Center Costs Allocated to CGC	269,229	CGC FG 25-12, line 35	
7	Total Forecast AGSC Costs	5,006,508		
8	Percentage of Total Allocated Costs Assiged to Depreciation Expense	6.93%		(1)
9	Amount Assigned to Depreciation Expense	347,009		
10	Percentage of Total Allocated Costs Assiged to Taxes Other Than Income	2.85%		(2)
11	Amount Assigned to Taxes Other Than Income	142,688		

(1) Percentage of depreciation expense to total expenses allocable from AGL Services Company for the test period (12 months ended June 2009). For calculation of percentage allocated by FERC see Attachment 2-25-2.

(2) Percentage of taxes other than income to total expenses allocable from AGL Services Company for the test period (12 months ended June 2009). For calculation of percentage allocated by FERC see Attachment 2-25-2.

Chattanooga Gas Company
Assignment of Allocated Costs to FERC Accounts

Line No.	FERC Account		1 Total Allocable Cost by FERC Account for Test Period (12 months ended June 2009)	2 Percentage to Total	3 Amount Allocated to CGC by FERC Account
1	840	Operation Supervision and Engineering	101,552	0.07%	3,419
2	841	Operation Labor and Expenses	1,333,620	0.90%	44,899
3	843.4	Maintenance of Purification Equipment	18,895	0.01%	636
4	843.5	Maintenance of Liquefaction Equipment	40,227	0.03%	1,354
5	843.6	Maintenance of Vaporizing Equipment	37,419	0.03%	1,260
6	843.7	Maintenance of Compressor Equipment	35,420	0.02%	1,193
7	843.9	Maintenance of Other Equipment	139,818	0.09%	4,707
8	857	Measuring and Regulating Station Expenses	7,934	0.01%	267
9	872	Compressor Station Labor and Expenses	17	0.00%	1
10	874	Mains and Services Expenses	246,201	0.17%	8,289
11	877	Measuring and Regulating Station Expenses-City Gate Check Station	146,475	0.10%	4,931
12	880	Other Expenses	389,725	0.26%	13,121
13	887	Maintenance of Mains	27,960	0.02%	941
14	888	Maintenance of Compressor Station Equipment	647	0.00%	22
15	889	Maintenance of Meas. and Reg. Sta. Equip.-General	13,214	0.01%	445
16	892	Maintenance of Services	13,181	0.01%	444
17	893	Maintenance of Meters and House Regulators	138,184	0.09%	4,652
18	894	Maintenance of Other Equipment	85,134	0.06%	2,866
19	902	Meter Reading Expenses	(9,657)	-0.01%	-325
20	903	Customer Records and Collection Expenses	74,952	0.05%	2,523
21	905	Miscellaneous Customer Accounts Expenses	48,375	0.03%	1,629
22	908	Customer Assistance Expenses	4,212,478	2.83%	141,822
23	913	Advertising Expenses	108,555	0.07%	3,655
24	920	Administrative and General Salaries	57,958,943	38.98%	1,951,317
25	921	Office Supplies and Expenses	2,892,744	1.95%	97,391
26	922	(Less) Administrative exps transferre	(10,525,966)	-7.08%	-354,380
27	923	Outside Services Employed	25,227,372	16.96%	849,336
28	924	Property Insurance	825,744	0.56%	27,800
29	925	Injuries and Damages	701,054	0.47%	23,603
30	926	Employee Pensions and Benefits	30,802,879	20.71%	1,037,047
31	930.1	General Advertising Expenses	198,828	0.13%	6,694
32	930.2	Miscellaneous General Expenses	4,797,419	3.23%	161,516
33	931	Rents	6,428,323	4.32%	216,424
34	932	Maintenance of General Plant	7,642,818	5.14%	257,312
35	403	Depreciation and Amortization	10,307,039	6.93%	347,009
36	408.1	Taxes Other Than Income	4,238,182	2.85%	142,688
37		Total	148,705,706		5,006,508.00

Data Request No. 2

Question 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.

Response:

The amount of $2,048,739 found on Exhibit RDH-2, Schedule 2 for the test period represents actual operations and maintenance expense payroll for the 12 months ended June 2009. The amounts included in the column titled "Annual Base Rate as of June 21, 2009 Payroll" column on TRA FG Item No. 44 is the basis for the payroll forecast to which subsequent changes to headcount and pay rate increases were applied to obtain the payroll forecast for the attrition period. This column includes annualized base pay of $1,966,287 as of June 21, 2009, the last pay period in the test period. In addition to base pay the column also includes non-base pay which is overtime, double time and beeper pay for non-LNG and LNG employees. Non-base pay for non-LNG employees of $222,183 and is based on the actual amount for the test period. Non-base pay for LNG employees is $47,803 and is based on the expected over-time percentage for the employees. The total amount included in the column is $2,236,273. It is important to note that this amount is total payroll. After applying the operations and maintenance expense to total payroll of 92.02% for the test period the amount of operations and maintenance expense represented in the column is $2,057,866. This amount should differ from the $2,048,739 in the test period since the test period represents an actual amount for the 12 months ended June 2009 and the amount from the column titled "Annual Base Rate as of June 21, 2009 Payroll" represents a the basis for the forecast for the attrition period.

Data Request No. 2

Question 27: Please provide detailed information in support of Attachment 1 to CAPD Question 1-73.

Response:

Please see the attached detail response to TRA Data Request 2-28.

Data Request No. 2

Question 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.

Response:

Please see the attached detail of capital expenditures and projects closed to plant for calendar year 2009 as recorded on the Company's general ledger. The Company's subsidiary ledger for construction work in progress (CWIP) shows that the balance in CWIP should be $1,071,053 as of December 31, 2009 instead of the credit balance of $615,013. The Company plans to make an entry to the general ledger in the second quarter of 2010 to increase plant to the amount of the subsidiary ledger and is researching the cause of the variance. The Company does not expect that the entry will affect the plant in service balance, however.

Chattanooga Gas Company
Construction Work in Progress Activity
Calendar Year 2009

	1/31/2009	2/28/2009	3/31/2009	4/30/2009	5/31/2009	6/30/2009	7/31/2009	8/31/2009	9/30/2009	10/31/2009	11/30/2009	12/31/2009
Beginning Balance	5,595,499.06	5,546,601.23	5,535,576.13	4,926,723.89	4,882,925.68	4,771,577.09	4,897,158.15	3,822,740.61	3,948,725.14	(400,330.29)	(738,221.26)	(694,842.87)
Expenditures	387,981.86	422,298.68	494,526.44	224,498.09	323,306.27	353,794.77	333,095.88	259,158.67	326,289.87	394,614.94	43,146.18	1,006,653.20
Closed to Plant	(437,059.75)	(432,599.29)	(1,097,021.00)	(269,792.25)	(434,908.34)	(228,300.71)	(1,412,266.23)	(129,563.32)	(4,671,780.97)	(734,625.75)	0.00	(926,999.49)
Change in Payroll Accrued to Utility Plant	180.06	(724.49)	(6,357.68)	1,495.95	253.48	87.00	4,752.81	(3,610.82)	(3,564.33)	2,119.84	232.21	175.89
Ending Balance	5,546,601.23	5,535,576.13	4,926,723.89	4,882,925.68	4,771,577.09	4,897,158.15	3,822,740.61	3,948,725.14	(400,330.29)	(738,221.26)	(694,842.87)	(615,013.27)

DISCOVERY REQUEST NO. 29:

Please explain CGC's position regarding a straight-fixed variable rate design

Response:

The State of Tennessee amended its energy policy as it relates to energy efficiency through an Act of the State Legislature approved in June 2009. Specifically, the Tennessee General Assembly required that the TRA seek to implement a general policy that:

> "ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provides for timely cost recovery and a timely earnings opportunity for cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently".

As explained in its direct testimony, CGC believes that the most significant impediment to achieving this energy policy is the existing throughput incentive associated with the Company's traditional usage-based rate design. Further, the Company proposed a new ratemaking mechanism, the Alignment and Usage Adjustment "AUA" tariff, to address the rate design impediment to the State's policy goals in an equitable manner.

Nevertheless, the Company's proposal is not the only means of achieving a ratemaking policy that aligns CGC's interests with those of its customers with respect to energy efficiency and conservation. Another means of achieving this end is through the implementation of a straight-fixed-variable ("SFV") rate design. A properly-designed SFV rate design offers many advantages to the TRA and to customers. SFV rate design is the most direct means of aligning utility and customer interests and achieves important rate design goals including supporting energy efficiency, revenue stability and fairness. While important implementation considerations including potential bill impacts exist, CGC believes that these considerations can be readily addressed.

There are two basic frameworks for designing an SFV rate design that recovers fixed costs through fixed charges. The first of these is to replace existing delivery charges with a demand-type of charge. The Company's affiliate LDC, Atlanta Gas Light Company ("AGL"), has implemented this type of SFV rate design in an effective manner. The second SFV rate design framework entails increasing the monthly customer charge to recover all revenue requirements allocated to a particular rate class. This approach has been implemented by other LDCs in various jurisdictions.

Applicable Customer Classes

The Company believes that SFV rates are appropriate for all firm classes, which include residential general service (R-1), residential multi-family housing service (R-4), small C&I general service (C-1), medium C&I general service (C-2), and low volume transportation service (T-3). With the exception of Rate Schedule R-4, these are the classes included within the Company's AUA tariff proposal. CGC does not believe that it is appropriate to apply SFV rate design to interruptible customers or customers with less than 100% firm service given the lower level of service afforded to under CGC's non-firm tariffs.

Demand Charge-Based SFV Rate Design

CGC believes that the AGL SFV rate design approach offers an excellent alternative that could be implemented for CGC customers. The AGL rate design relies upon a customer-specific billing demand quantity to recover fixed demand-related costs of providing service. A demand charge rate design is already in place for Rate Schedule C-2 and T-3 customers. The billing demand quantity reflects the quantity of natural gas utilized at peak periods and accommodates size differences among customers. The annual demand charge is applied on a sculpted basis to the billing demand quantity as a means of mitigating bill impacts across the months of the year and to better match customer expectations for higher bills during peak periods.

Attachment Staff 29-1 provides a demand charge-based rate design alternative to the Company's initial proposed rate design. The proposed sculpting of the demand charge for each class is also presented in this Attachment, which is aligned with the existing monthly base revenue collection. For this rate design, the residential customer charge is reduced somewhat to reflect the ability to recover a portion of fixed costs through the demand charge as the Company believes that fairness can be promoted through a smaller increase to the customer charge than is necessary under a rate design without a demand charge. Under the rate design presented in Attachment Staff 29-1, the Company's weather normalization clause would be eliminated.

It is possible to develop an SFV rate design that maintains a small delivery charge component, if desired. Attachment Staff 29-2 provides a second demand charge-based rate design alternative that maintains a limited delivery charge component. In the

Company's opinion, this second SFV rate design also maintains sufficient alignment between the Company's interests and those of its customers to satisfy Tennessee's ratemaking policy favoring the development of energy efficiency. The continuation of the delivery charge under this alternative necessitates retaining the Company's existing weather normalization clause. The demand charge levels presented in these two demand charge-based SFV rate design alternatives establish the range that the Company believes appropriately achieves the State's policy.

From a customer acceptance viewpoint, these demand charge-based rate designs with the proposed sculpting are understandable and properly mitigates bill impacts for various size and load factor customers. Therefore, the Company would support adoption of either of these rate designs by the TRA in lieu of its proposed rate design and AUA tariff.

Flat-Charge Based Rate Design

The implementation of a flat charge-based SFV rate design results in equal charges to all customers within a particular rate class. Flat charge-based SFV rate designs work best for reasonably homogenous customer classes. For CGC, the only customer class that could accommodate such a rate design is the Residential R-1 rate class as a flat charge rate design without regard to customer size would lead to unreasonable bill impacts for some customers given the broad range of C&I customers served under a common rate schedule.

In order to recover the annual revenue requirements allocated to the residential customer class, the monthly flat charge would need to be increased to approximately $24 per month. In order to mitigate the potential summer bill impacts, a seasonally-differentiated flat charge would be appropriate. A flat residential charge of $29 in the winter months and $18.38 in the summer months would allow CGC to recover the revenue requirements allocated to the R-1 rate schedule.

CGC believes that the flat charge approach is less advantageous than the demand charge-based SFV rate designs. The primary concern is the potential bill impacts for smaller residential customers associated with implementation of the change. These concerns are not present under the demand charge-based rate designs given the continuation of a size-based charge even as the delivery-charge is eliminated. In addition, the flat charge rate design cannot be accommodated within the non-residential classes.

Attachment Staff 29-3 provides a summary of the potential SFV rate designs and compares the rates and associated revenue recoveries to the Company's proposed rate design.

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

Firm Customer Classes

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present	Proposed Winter Rates		Proposed Summer Rates		Proposed
	Winter	Summer		Nov - April		May - Oct		Total	Nov - April		May - Oct		Total
	Nov-April	May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Residential (R-1)													
Number of Bills	321,672	313,605	635,276	$12.00	$3,860,060	$10.00	$3,136,047	$6,996,107	$13.00	$4,181,731	$11.00	$3,449,652	$7,631,383
Demand Charge	340,539	331,999	672,538						$11.094	$3,777,940	$11.094	$3,683,197	$7,461,137
Distribution Charges													
0 - 25 therms	7,467,700	3,497,280	10,964,980	$0.25444	$1,900,082	$0.18425	$644,374	$2,544,455	$0.00000	$0	$0.00000	$0	$0
26-50 therms	6,164,870	691,320	6,856,190	$0.17547	$1,081,750	$0.13160	$90,978	$1,172,727	$0.00000	$0	$0.00000	$0	$0
Over 50 Therms	16,542,330	508,710	17,051,040	$0.15354	$2,539,909	$0.03948	$20,084	$2,559,993	$0.00000	$0	$0.00000	$0	$0
Revenue Adjustment													
Total Residential Margin	30,174,900	4,697,310	34,872,210		$9,381,800		$3,891,483	$13,273,283		$7,959,671		$7,132,849	$15,092,520
PGA					$26,918,600		$3,891,300	$30,809,900		$26,918,600		$3,891,300	$30,809,900
Total Revenues					$36,300,400		$7,782,783	$44,083,183		$34,878,271		$11,024,149	$45,902,420
												Increase	**$1,819,237**
												Percent	**4.1%**
Residential (R-4)													
Number of Bills	1,110	1,110	2,220	$6.00	$6,660	$6.00	$6,660	$13,320	$6.00	$6,660	$6.00	$6,660	$13,320
Demand Charge	2,352	2,352	4,704						$4.286	$10,081	$4.286	$10,081	$20,161
Distribution Charges	62,756	19,448	82,204	$0.21768	$13,660	$0.19350	$3,760	$17,420	$0.00000	$0	$0.00000	$0	$0
Revenue Adjustment													
Total Residential (R-4) Margin	62,756	19,448	82,204		$20,320		$10,420	$30,740		$16,741		$16,741	$33,481
PGA					$55,944		$16,147	$72,091		$55,944		$16,147	$72,091
Total Revenues					$76,264		$26,567	$102,831		$72,684		$32,888	$105,572
												Increase	**$2,741**
												Percent	**2.7%**

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Post Test Year Billing Units Summer May-Oct	Post Test Year Billing Units Total	Present Winter Rates Nov - April Rate	Present Winter Rates Nov - April Revenue	Present Summer Rates May - Oct Rate	Present Summer Rates May - Oct Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Proposed Winter Rates Nov - April Revenue	Proposed Summer Rates May - Oct Rate	Proposed Summer Rates May - Oct Revenue	Proposed Total Revenue
Commercial (C-1)													
Number of Bills	39,563	38,077	77,640	$29.00	$1,147,330	$25.00	$951,910	$2,099,240	$29.00	$1,147,330	$25.00	$951,914	$2,099,244
Demand Charge	183,602	176,703	360,305						$5.281	$969,602	$5.281	$933,169	$1,902,771
Distribution Charges	6,441,514	1,532,171	7,973,685	$0.18581	$1,196,900	$0.14589	$223,530	$1,420,430	$0.00000	$0	$0.00000	$0	$0
Revenue Adjustment													
Total Commercial (C-1) Margin	6,441,514	1,532,171	7,973,685		$2,344,230		$1,175,440	$3,519,670		$2,116,932		$1,885,083	$4,002,015
PGA					$5,758,500		$1,268,300	$7,026,800		$5,758,500		$1,268,300	$7,026,800
Total Revenues					$8,102,730		$2,443,740	$10,546,470		$7,875,432		$3,153,383	$11,028,815
												Increase	**$482,345**
												Percent	**4.6%**
Commercial (C-2)													
Number of Bills	9,444	9,444	18,888	$75.00	$708,300	$75.00	$708,300	$1,416,600	$75.00	$708,300	$75.00	$708,300	$1,416,600
Demand Charge (Firm) Demand (C-2) in Dths	166,968	166,968	317,076	$5.50	$871,960	$5.50	$871,960	$1,743,920	$16.94	$2,828,438	$16.94	$2,828,438	$5,656,876
Distribution Charges													
0 - 3000 therms	11,318,000	4,227,952	15,545,952	$0.18744	$2,121,450	$0.14717	$622,230	$2,743,680	$0.00000	$0	$0.00000	$0	$0
3,001 - 5,000 therms	1,643,869	415,782	2,059,651	$0.17109	$281,250	$0.11683	$48,580	$329,830	$0.00000	$0	$0.00000	$0	$0
5,001 - 15,000 therms	2,230,552	602,545	2,833,098	$0.16666	$371,740	$0.10892	$65,630	$437,370	$0.00000	$0	$0.00000	$0	$0
over 15,000 therms	981,264	110,850	1,092,114	$0.08623	$84,610	$0.08623	$9,560	$94,170	$0.00000	$0	$0.00000	$0	$0
Revenue Adjustment													$0
Total Commercial (C-2) Margin	16,173,686	5,357,129	21,530,815		$4,439,310		$2,326,260	$6,765,570		$3,536,738		$3,536,738	$7,073,476
PGA					$14,100,020		$5,153,908	$19,253,928		$14,100,020		$5,153,908	$19,253,928
Total Revenues					$18,539,330		$7,480,168	$26,019,498		$17,636,758		$8,690,646	$26,327,404
												Increase	**$307,906**
												Percent	**1.2%**

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units			Present Winter Rates Nov - April		Present Summer Rates May - Oct		Present Total	Proposed Winter Rates Nov - April		Proposed Summer Rates May - Oct		Proposed Total
	Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Commercial Transportation (T-3)													
Number of Bills	180	180	360	$75.00	$13,500	$75.00	$13,500	$27,000	$75.00	$13,500	$75.00	$13,500	$27,000
Demand Charge (Firm) Demand (T-3) i	16,124	16,124	32,248	$5.50	$88,680	$5.50	$88,680	$177,360	$16.94	$273,137	$16.94	$273,137	$546,274
Distribution Charges													
0 - 3000 therms	519,600	461,500	981,100	$0.18744	$97,390	$0.14717	$67,920	$165,310	$0.00000	$0	$0.00000	$0	$0
3,001 - 5,000 therms	294,700	220,200	514,900	$0.17109	$50,420	$0.11683	$25,730	$76,150	$0.00000	$0	$0.00000	$0	$0
5,001 - 15,000 therms	872,400	516,800	1,389,200	$0.16666	$145,390	$0.10892	$56,290	$201,680	$0.00000	$0	$0.00000	$0	$0
over 15,000 therms	561,000	160,500	721,500	$0.08623	$48,380	$0.08623	$13,840	$62,220	$0.00000	$0	$0.00000	$0	$0
Revenue Adjustment													$0
Total Commercial Transportation (T-3) M	2,247,700	1,359,000	3,606,700		$443,760		$265,960	$709,720		$286,637		$286,637	$573,274
												Increase	-$136,446
												Percent	-19.2%

	Present Total Revenue	Proposed Total Revenue
MARGIN C-2 & T-3 CLASS		
TOTAL C-2	**$6,765,570**	**$7,073,476**
TOTAL T-3	**$709,720**	**$573,274**
TOTAL MEDIUM C&I GENERAL	**$7,475,290**	**$7,646,750**

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Summer May-Oct	Total	Present Winter Rates Nov - April Rate	Revenue	Present Summer Rates May - Oct Rate	Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Revenue	Proposed Summer Rates May - Oct Rate	Revenue	Proposed Total Revenue
Interruptible Sales (I-1)													
Number of Bills	6	6	12	$300.00	$1,800	$300.00	$1,800	$3,600	$375.00	$2,250	$375.00	$2,250	$4,500
Distribution Charges													
0 - 15,000 therms	90,000	90,000	180,000	$0.08064	$7,260	$0.08064	$7,260	$14,520	$0.07290	$6,561	$0.07290	$6,561	$13,122
15,001 - 40,000 therms	109,600	145,200	254,800	$0.06891	$7,550	$0.06891	$10,010	$17,560	$0.06117	$6,704	$0.06117	$8,882	$15,586
40,001 - 150,000 therms	15,100	44,200	59,300	$0.03908	$590	$0.03908	$1,730	$2,320	$0.03134	$473	$0.03134	$1,385	$1,858
over 150,000 therms	0	0	0	$0.02402	$0	$0.02402	$0	$0	$0.01628	$0	$0.01628	$0	$0
Revenue Adjustment													$0
Total Interruptible Sales (I-1) Margin	214,700	279,400	494,100		$17,200		$20,800	$38,000		$15,988		$19,078	$35,067
PGA					$182,058		$213,655	$395,713		$182,058		$213,655	$395,713
Total Revenues to Customer					$199,258		$234,455	$433,713		$198,047		$232,733	$430,780
												Increase	**-$2,933**
												Percent	**-0.7%**
Industrial Transport with Full Standby (F-1/T-2)													
Number of Bills	162	162	276	$300.00	$48,600	$300.00	$48,600	$97,200	$375.00	$60,750	$375.00	$60,750	$121,500
Demand Charge (Firm) Demand (T-2) i	57,248	57,248	8,788	$5.50	$314,860	$5.50	$314,860	$629,720	$7.50	$429,359	$7.50	$429,359	$858,717
Distribution Charges													
0 - 15,000 therms	2,308,300	2,044,500	4,352,800	$0.08064	$186,140	$0.08064	$164,870	$351,010	$0.07290	$168,275	$0.07290	$149,044	$317,319
15,001 - 40,000 therms	2,492,600	2,032,800	4,525,400	$0.06891	$171,770	$0.06891	$140,080	$311,850	$0.06117	$152,472	$0.06117	$124,346	$276,819
40,001 - 150,000 therms	2,370,600	1,790,600	4,161,200	$0.03908	$92,640	$0.03908	$69,980	$162,620	$0.03134	$74,295	$0.03134	$56,117	$130,412
over 150,000 therms	3,156,100	3,080,700	6,236,800	$0.02402	$75,810	$0.02402	$74,000	$149,810	$0.01628	$51,381	$0.01628	$50,154	$101,535
Revenue Adjustment													$0
Total Industrial Transport with Full Stand	10,327,600	8,948,600	19,276,200		$889,820		$812,390	$1,702,210		$936,532		$869,770	$1,806,302
PGA					$420,187		$420,187	$840,375		$420,187		$420,187	$840,375
Total Revenues					$1,310,007		$1,232,577	$2,542,585		$1,356,719		$1,289,958	$2,646,677
												Increase	**$104,092**
												Percent	**4.1%**

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units			Present Winter Rates Nov - April		Present Summer Rates May - Oct		Present Total	Proposed Winter Rates Nov - April		Proposed Summer Rates May - Oct		Proposed Total
	Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Industrial Transport with Partial Standby (F-1/T-2+T-1)													
Number of Bills	72	72	144	$300.00	$21,600	$300.00	$21,600	$43,200	$375.00	$27,000	$375.00	$27,000	$54,000
Demand in Dths													
Demand Charge (Firm) Demand (T-2)	15,996	15,996	31,992	$5.50	$87,980	$5.50	$87,980	$175,960	$7.50	$119,970	$7.50	$119,970	$239,940
Capacity (Non-Firm) Demand (T-1)	26,938	26,938	53,876	$1.35	$36,370	$1.35	$36,370	$72,740	$2.35	$63,305	$2.35	$63,305	$126,610
Total Demand	42,934	42,934	85,868		$124,350		$124,350	$248,700		$183,275		$183,275	$366,550
Distribution Charges													
0 - 15,000 therms	1,053,300	1,037,900	2,091,200	$0.08064	$84,940	$0.08064	$83,700	$168,640	$0.07290	$76,786	$0.07290	$75,663	$152,448
15,001 - 40,000 therms	1,586,400	1,548,700	3,135,100	$0.06891	$109,320	$0.06891	$106,720	$216,040	$0.06117	$97,040	$0.06117	$94,734	$191,774
40,001 - 150,000 therms	3,495,600	2,813,200	6,308,800	$0.03908	$136,610	$0.03908	$109,940	$246,550	$0.03134	$109,552	$0.03134	$88,166	$197,718
over 150,000 therms	1,109,900	771,600	1,881,500	$0.02402	$26,660	$0.02402	$18,530	$45,190	$0.01628	$18,069	$0.01628	$12,562	$30,631
Revenue Adjustment													
sub-Total Industrial Transport with Partia	7,245,200	6,171,400	13,416,600		$503,480	$318,890	$464,840	$968,320		$511,722		$481,399	$993,121
Special Contracts	3,784,900	4,286,800	8,071,700		$67,788		$69,756	$137,544		$67,788		$69,756	$137,544
Total Industrial Transport with Partial S	11,030,100	10,458,200	21,488,300		$571,268		$534,596	$1,105,864		$579,510		$551,155	$1,130,665
PGA					$117,848		$117,848	$235,696		$117,848		$117,848	$235,696
Total Revenues					$689,116		$652,444	$1,341,560		$697,358		$669,003	$1,366,360
												Increase	**$24,801**
												Percent	**1.8%**
Interruptible Industrial Transportation (T-1)													
Number of Bills	156	156	312	$300.00	$46,800	$300.00	$46,800	$93,600	$375.00	$58,500	$375.00	$58,500	$117,000
Capacity (Non-Firm) Demand (T-1)	98,275	98,275	196,549	$1.35	$132,670	$1.35	$132,670	$265,340	$2.35	$230,945	$2.35	$230,945	$461,891
Distribution Charges													
0 - 15,000 therms	2,106,000	2,145,300	4,251,300	$0.08064	$169,830	$0.08064	$173,000	$342,830	$0.07290	$153,527	$0.07290	$156,392	$309,920
15,001 - 40,000 therms	2,648,800	2,793,700	5,442,500	$0.06891	$182,530	$0.06891	$192,510	$375,040	$0.06117	$162,027	$0.06117	$170,891	$332,918
40,001 - 150,000 therms	5,254,200	5,266,700	10,520,900	$0.03908	$205,330	$0.03908	$205,820	$411,150	$0.03134	$164,667	$0.03134	$165,058	$329,725
over 150,000 therms	5,481,000	6,261,900	11,742,900	$0.02402	$131,650	$0.02402	$150,410	$282,060	$0.01628	$89,231	$0.01628	$101,944	$191,174
Revenue Adjustment													
sub-Total Interruptible Industrial Transpc	15,490,000	16,467,600	31,957,600		$868,810		$901,210	$1,770,020		$858,897		$883,730	$1,742,628
												Increase	**-$27,392**
												Percent	**-1.5%**

Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units			Present Winter Rates Nov - April		Present Summer Rates May - Oct		Present Total	Proposed Winter Rates Nov - April		Proposed Summer Rates May - Oct		Proposed Total
	Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Special Service (SS-1)													
Number of Bills	0	0	0	$300.00	$0	$300.00	$0	$0	$375.00	$0	$375.00	$0	$0
Capacity (Non-Firm) Demand (T-1)	0	0	0	$1.35	$0	$1.35	$0	$0	$2.35	$0	$2.35	$0	$0
T-1 Distribution Charges													
0 - 15,000 therms	0	0	0	$0.08064	$0	$0.08064	$0	$0	$0.07290	$0	$0.07290	$0	$0
15,001 - 40,000 therms	0	0	0	$0.06891	$0	$0.06891	$0	$0	$0.06117	$0	$0.06117	$0	$0
40,001 - 150,000 therms	0	0	0	$0.03908	$0	$0.03908	$0	$0	$0.03134	$0	$0.03134	$0	$0
over 150,000 therms	0	0	0	$0.02402	$0	$0.02402	$0	$0	$0.01628	$0	$0.01628	$0	$0
Revenue Adjustment													
sub-Total Special Service (SS-1) Margin	0	0	0		$0		$0	$0		$0		$0	$0
Special Service (SS-1)					$0		$0	$0		$0		$0	$0
Margin Sharing from IMCR (90% of Difference between Special Service and T-1 Tariff)					$0		$0	$0		$0		$0	$0
Company Retained Base Rate Revenue					$0		$0	$0		$0		$0	$0
Total Firm Base Rate Revenues to Customers					$17,628,820		$8,591,533	$26,220,353		$15,000,221		$13,874,788	$28,875,008
Firm SPECIAL CONTRACTS					$67,788		$69,756	$137,544		$67,788		$69,756	$137,544
MISCELLANEOUS REVENUES					$432,098		$271,429	$703,527		$432,098		$271,429	$703,527
TOTAL FIRM Base Rate REVENUES w/ Special Contracts					$18,128,706		$8,932,718	$27,061,424		$15,500,107		$14,215,972	$29,716,079
TOTAL NON-FIRM Base Rate Revenues to Customers					$1,279,910		$1,277,270	$2,557,180		$1,239,637		$1,237,238	$2,476,875
Non-Firm SPECIAL CONTRACTS					$0		$0	$0		$0		$0	$0
TOTAL NON-FIRM base Rate REVENUES w/ Special Contracts					$1,279,910		$1,277,270	$2,557,180		$1,239,637		$1,237,238	$2,476,875
TOTAL FIRM AND INTERRUPTIBLE Base Rate REVENUES					$19,408,616		$10,209,988	$29,618,604		$16,739,744		$15,453,210	$32,192,954
% Increase												Total Increase	$2,574,350

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Chattanooga Gas Company
Demand Charge-Based SFV Rate Design

	Residential R-1			Residential Multi-Family R-4			Small General Service (C-1)			Medium General Service (C-2/T-3)		
	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate
HEAT ONLY CUSTOMERS												
Month												
January	$11.094	23.0%	$ 30.63				$5.281	22.9%	$ 14.53	$16.940	22.9%	$ 46.53
February	$11.094	21.6%	$ 28.75				$5.281	21.4%	$ 13.57	$16.940	21.5%	$ 43.77
March	$11.094	16.0%	$ 21.25				$5.281	15.8%	$ 10.04	$16.940	16.0%	$ 32.43
April	$11.094	8.9%	$ 11.88				$5.281	8.9%	$ 5.64	$16.940	8.9%	$ 18.16
May	$11.094	3.1%	$ 4.06		*Not Applicable*		$5.281	3.3%	$ 2.10	$16.940	3.2%	$ 6.43
June	$11.094	0.5%	$ 0.63				$5.281	0.5%	$ 0.29	$16.940	0.5%	$ 0.97
July	$11.094	0.0%	$ -				$5.281	0.0%	$ -	$16.940	0.0%	$ -
August	$11.094	0.0%	$ -				$5.281	0.0%	$ -	$16.940	0.0%	$ -
September	$11.094	0.0%	$ -				$5.281	0.0%	$ -	$16.940	0.0%	$ -
October	$11.094	2.1%	$ 2.81				$5.281	2.0%	$ 1.24	$16.940	2.0%	$ 4.08
November	$11.094	8.2%	$ 10.94				$5.281	8.4%	$ 5.35	$16.940	8.3%	$ 16.89
December	$11.094	16.7%	$ 22.19				$5.281	16.7%	$ 10.61	$16.940	16.7%	$ 34.01
Total	**$133.128**	**100.0%**	**$133.128**				**$63.372**	**100.0%**	**$63.372**	**$203.280**	**100.0%**	**$203.280**
ALL OTHER CUSTOMERS												
Month												
January	$11.094	20.7%	$ 27.59	$4.286	14.5%	$ 7.48	$5.281	19.1%	$ 12.10	$16.940	16.7%	$ 34.04
February	$11.094	19.5%	$ 25.92	$4.286	19.8%	$ 10.18	$5.281	19.3%	$ 12.24	$16.940	16.6%	$ 33.84
March	$11.094	14.5%	$ 19.26	$4.286	11.7%	$ 6.03	$5.281	14.7%	$ 9.29	$16.940	13.6%	$ 27.68
April	$11.094	8.5%	$ 11.26	$4.286	7.8%	$ 4.01	$5.281	8.7%	$ 5.51	$16.940	9.8%	$ 19.92
May	$11.094	3.8%	$ 5.05	$4.286	4.0%	$ 2.04	$5.281	4.5%	$ 2.87	$16.940	6.6%	$ 13.50
June	$11.094	2.0%	$ 2.65	$4.286	3.4%	$ 1.75	$5.281	3.8%	$ 2.41	$16.940	4.8%	$ 9.84
July	$11.094	1.7%	$ 2.22	$4.286	3.7%	$ 1.90	$5.281	3.1%	$ 1.96	$16.940	3.6%	$ 7.26
August	$11.094	1.7%	$ 2.30	$4.286	4.3%	$ 2.23	$5.281	2.8%	$ 1.78	$16.940	3.3%	$ 6.63
September	$11.094	1.7%	$ 2.21	$4.286	4.0%	$ 2.07	$5.281	2.7%	$ 1.73	$16.940	3.1%	$ 6.33
October	$11.094	2.9%	$ 3.89	$4.286	4.2%	$ 2.17	$5.281	2.9%	$ 1.81	$16.940	3.5%	$ 7.02
November	$11.094	7.9%	$ 10.53	$4.286	8.7%	$ 4.48	$5.281	5.8%	$ 3.68	$16.940	6.4%	$ 12.91
December	$11.094	15.2%	$ 20.25	$4.286	13.8%	$ 7.09	$5.281	12.6%	$ 7.99	$16.940	12.0%	$ 24.31
Total	**$133.128**	**100.0%**	**$133.128**	**$51.432**	**100.0%**	**$51.432**	**$63.372**	**100.0%**	**$63.372**	**$203.280**	**100.0%**	**$203.280**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

Firm Customer Classes

	Post Test Year Billing Units			Present Winter Rates		Present Summer Rates		Present	Proposed Winter Rates		Proposed Summer Rates		Proposed
	Winter	Summer		Nov - April		May - Oct		Total	Nov - April		May - Oct		Total
	Nov-April	May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Residential (R-1)													
Number of Bills	321,672	313,605	635,276	$12.00	$3,860,060	$10.00	$3,136,047	$6,996,107	$13.00	$4,181,731	$11.00	$3,449,652	$7,631,383
Demand Charge	340,539	331,999	672,538						$7.750	$2,639,177	$7.750	$2,572,992	$5,212,170
Distribution Charges													
0 - 25 therms	7,467,700	3,497,280	10,964,980	$0.25444	$1,900,082	$0.18425	$644,374	$2,544,455	$0.15624	$1,166,753	$0.03948	$138,073	$1,304,826
26-50 therms	6,164,870	691,320	6,856,190	$0.17547	$1,081,750	$0.13160	$90,978	$1,172,727	$0.03948	$243,389	$0.03948	$27,293	$270,682
Over 50 Therms	16,542,330	508,710	17,051,040	$0.15354	$2,539,909	$0.03948	$20,084	$2,559,993	$0.03948	$653,091	$0.03948	$20,084	$673,175
Revenue Adjustment													
Total Residential Margin	30,174,900	4,697,310	34,872,210		$9,381,800		$3,891,483	$13,273,283		$8,884,142		$6,208,094	$15,092,236
PGA					$26,918,600		$3,891,300	$30,809,900		$26,918,600		$3,891,300	$30,809,900
Total Revenues					$36,300,400		$7,782,783	$44,083,183		$35,802,742		$10,099,394	$45,902,136
												Increase	**$1,818,953**
												Percent	**4.1%**

	Winter Nov-April	Summer May-Oct	Total	Present Winter Rate	Present Winter Revenue	Present Summer Rate	Present Summer Revenue	Present Total Revenue	Proposed Winter Rate	Proposed Winter Revenue	Proposed Summer Rate	Proposed Summer Revenue	Proposed Total Revenue
Residential (R-4)													
Number of Bills	1,110	1,110	2,220	$6.00	$6,660	$6.00	$6,660	$13,320	$6.00	$6,660	$6.00	$6,660	$13,320
Demand Charge	2,352	2,352	4,704						$3.000	$7,056	$3.000	$7,056	$14,112
Distribution Charges	62,756	19,448	82,204	$0.21768	$13,660	$0.19350	$3,760	$17,420	$0.07929	$4,976	$0.05511	$1,072	$6,048
Revenue Adjustment													
Total Residential (R-4) Margin	62,756	19,448	82,204		$20,320		$10,420	$30,740		$18,692		$14,788	$33,480
PGA					$55,944		$16,147	$72,091		$55,944		$16,147	$72,091
Total Revenues					$76,264		$26,567	$102,831		$74,636		$30,935	$105,571
												Increase	**$2,740**
												Percent	**2.7%**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Summer May-Oct	Total	Present Winter Rates Nov - April Rate	Revenue	Present Summer Rates May - Oct Rate	Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Revenue	Proposed Summer Rates May - Oct Rate	Revenue	Proposed Total Revenue
Commercial (C-1)													
Number of Bills	39,563	38,077	77,640	$29.00	$1,147,330	$25.00	$951,910	$2,099,240	$29.00	$1,147,330	$25.00	$951,914	$2,099,244
Demand Charge	183,602	176,703	360,305						$4.000	$734,408	$4.000	$706,812	$1,441,220
Distribution Charges	6,441,514	1,532,171	7,973,685	$0.18581	$1,196,900	$0.14589	$223,530	$1,420,430	$0.06555	$422,241	$0.02563	$39,270	$461,511
Revenue Adjustment													
Total Commercial (C-1) Margin	6,441,514	1,532,171	7,973,685		$2,344,230		$1,175,440	$3,519,670		$2,303,979		$1,697,996	$4,001,975
PGA					$5,758,500		$1,268,300	$7,026,800		$5,758,500		$1,268,300	$7,026,800
Total Revenues					$8,102,730		$2,443,740	$10,546,470		$8,062,479		$2,966,296	$11,028,775
												Increase	**$482,305**
												Percent	**4.6%**

	Post Test Year Billing Units Winter Nov-April	Summer May-Oct	Total	Present Winter Rates Nov - April Rate	Revenue	Present Summer Rates May - Oct Rate	Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Revenue	Proposed Summer Rates May - Oct Rate	Revenue	Proposed Total Revenue
Commercial (C-2)													
Number of Bills	9,444	9,444	18,888	$75.00	$708,300	$75.00	$708,300	$1,416,600	$75.00	$708,300	$75.00	$708,300	$1,416,600
Demand Charge (Firm) Demand (C-2) in Dths	166,968	166,968	317,076	$5.50	$871,960	$5.50	$871,960	$1,743,920	$11.00	$1,836,648	$11.00	$1,836,648	$3,673,296
Distribution Charges													
0 - 3000 therms	11,318,000	4,227,952	15,545,952	$0.18744	$2,121,450	$0.14717	$622,230	$2,743,680	$0.10811	$1,223,589	$0.06652	$281,243	$1,504,832
3,001 - 5,000 therms	1,643,869	415,782	2,059,651	$0.17109	$281,250	$0.11683	$48,580	$329,830	$0.10811	$177,719	$0.06652	$27,658	$205,376
5,001 - 15,000 therms	2,230,552	602,545	2,833,098	$0.16666	$371,740	$0.10892	$65,630	$437,370	$0.08963	$199,924	$0.03189	$19,215	$219,140
over 15,000 therms	981,264	110,850	1,092,114	$0.08623	$84,610	$0.08623	$9,560	$94,170	$0.00920	$9,028	$0.00920	$1,020	$10,047
Revenue Adjustment													$0
Total Commercial (C-2) Margin	16,173,686	5,357,129	21,530,815		$4,439,310		$2,326,260	$6,765,570		$4,155,208		$2,874,084	$7,029,292
PGA					$14,100,020		$5,153,908	$19,253,928		$14,100,020		$5,153,908	$19,253,928
Total Revenues					$18,539,330		$7,480,168	$26,019,498		$18,255,228		$8,027,992	$26,283,220
												Increase	**$263,722**
												Percent	**1.0%**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units			Present Winter Rates Nov - April		Present Summer Rates May - Oct		Present Total	Proposed Winter Rates Nov - April		Proposed Summer Rates May - Oct		Proposed Total
	Winter Nov-April	Summer May-Oct	Total	Rate	Revenue	Rate	Revenue	Revenue	Rate	Revenue	Rate	Revenue	Revenue
Commercial Transportation (T-3)													
Number of Bills	180	180	360	$75.00	$13,500	$75.00	$13,500	$27,000	$75.00	$13,500	$75.00	$13,500	$27,000
Demand Charge (Firm) Demand (T-3) i:	16,124	16,124	32,248	$5.50	$88,680	$5.50	$88,680	$177,360	$11.00	$177,362	$11.00	$177,362	$354,724
Distribution Charges													
0 - 3000 therms	519,600	461,500	981,100	$0.18744	$97,390	$0.14717	$67,920	$165,310	$0.10811	$56,174	$0.06652	$30,699	$86,873
3,001 - 5,000 therms	294,700	220,200	514,900	$0.17109	$50,420	$0.11683	$25,730	$76,150	$0.10811	$31,860	$0.06652	$14,648	$46,508
5,001 - 15,000 therms	872,400	516,800	1,389,200	$0.16666	$145,390	$0.10892	$56,290	$201,680	$0.08963	$78,193	$0.03189	$16,481	$94,674
over 15,000 therms	561,000	160,500	721,500	$0.08623	$48,380	$0.08623	$13,840	$62,220	$0.00920	$5,161	$0.00920	$1,477	$6,638
Revenue Adjustment													$0
Total Commercial Transportation (T-3) M	2,247,700	1,359,000	3,606,700		$443,760		$265,960	$709,720		$362,250		$254,166	$616,416
												Increase	**-$93,304**
												Percent	**-13.1%**

MARGIN C-2 & T-3 CLASS		
TOTAL C-2	**$6,765,570**	**$7,029,292**
TOTAL T-3	**$709,720**	**$616,416**
TOTAL MEDIUM C&I GENERAL	**$7,475,290**	**$7,645,708**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Summer May-Oct	Total	Present Winter Rates Nov - April Rate	Revenue	Present Summer Rates May - Oct Rate	Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Revenue	Proposed Summer Rates May - Oct Rate	Revenue	Proposed Total Revenue
Interruptible Sales (I-1)													
Number of Bills	6	6	12	$300.00	$1,800	$300.00	$1,800	$3,600	$375.00	$2,250	$375.00	$2,250	$4,500
Distribution Charges													
0 - 15,000 therms	90,000	90,000	180,000	$0.08064	$7,260	$0.08064	$7,260	$14,520	$0.07290	$6,561	$0.07290	$6,561	$13,122
15,001 - 40,000 therms	109,600	145,200	254,800	$0.06891	$7,550	$0.06891	$10,010	$17,560	$0.06117	$6,704	$0.06117	$8,882	$15,586
40,001 - 150,000 therms	15,100	44,200	59,300	$0.03908	$590	$0.03908	$1,730	$2,320	$0.03134	$473	$0.03134	$1,385	$1,858
over 150,000 therms	0	0	0	$0.02402	$0	$0.02402	$0	$0	$0.01628	$0	$0.01628	$0	$0
Revenue Adjustment													$0
Total Interruptible Sales (I-1) Margin	214,700	279,400	494,100		$17,200		$20,800	$38,000		$15,988		$19,078	$35,067
PGA					$182,058		$213,655	$395,713		$182,058		$213,655	$395,713
Total Revenues to Customer					$199,258		$234,455	$433,713		$198,047		$232,733	$430,780
												Increase	**-$2,933**
												Percent	**-0.7%**
Industrial Transport with Full Standby (F-1/T-2)													
Number of Bills	162	162	276	$300.00	$48,600	$300.00	$48,600	$97,200	$375.00	$60,750	$375.00	$60,750	$121,500
Demand Charge (Firm) Demand (T-2) i	57,248	57,248	8,788	$5.50	$314,860	$5.50	$314,860	$629,720	$7.50	$429,359	$7.50	$429,359	$858,717
Distribution Charges													
0 - 15,000 therms	2,308,300	2,044,500	4,352,800	$0.08064	$186,140	$0.08064	$164,870	$351,010	$0.07290	$168,275	$0.07290	$149,044	$317,319
15,001 - 40,000 therms	2,492,600	2,032,800	4,525,400	$0.06891	$171,770	$0.06891	$140,080	$311,850	$0.06117	$152,472	$0.06117	$124,346	$276,819
40,001 - 150,000 therms	2,370,600	1,790,600	4,161,200	$0.03908	$92,640	$0.03908	$69,980	$162,620	$0.03134	$74,295	$0.03134	$56,117	$130,412
over 150,000 therms	3,156,100	3,080,700	6,236,800	$0.02402	$75,810	$0.02402	$74,000	$149,810	$0.01628	$51,381	$0.01628	$50,154	$101,535
Revenue Adjustment													$0
Total Industrial Transport with Full Stand	10,327,600	8,948,600	19,276,200		$889,820		$812,390	$1,702,210		$936,532		$869,770	$1,806,302
PGA					$420,187		$420,187	$840,375		$420,187		$420,187	$840,375
Total Revenues					$1,310,007		$1,232,577	$2,542,585		$1,356,719		$1,289,958	$2,646,677
												Increase	**$104,092**
												Percent	**4.1%**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Post Test Year Billing Units Summer May-Oct	Post Test Year Billing Units Total	Present Winter Rates Nov - April Rate	Present Winter Rates Nov - April Revenue	Present Summer Rates May - Oct Rate	Present Summer Rates May - Oct Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Proposed Winter Rates Nov - April Revenue	Proposed Summer Rates May - Oct Rate	Proposed Summer Rates May - Oct Revenue	Proposed Total Revenue
Industrial Transport with Partial Standby (F-1/T-2+T-1)													
Number of Bills	72	72	144	$300.00	$21,600	$300.00	$21,600	$43,200	$375.00	$27,000	$375.00	$27,000	$54,000
Demand in Dths													
Demand Charge (Firm) Demand (T-2)	15,996	15,996	31,992	$5.50	$87,980	$5.50	$87,980	$175,960	$7.50	$119,970	$7.50	$119,970	$239,940
Capacity (Non-Firm) Demand (T-1)	26,938	26,938	53,876	$1.35	$36,370	$1.35	$36,370	$72,740	$2.35	$63,305	$2.35	$63,305	$126,610
Total Demand	42,934	42,934	85,868		$124,350		$124,350	$248,700		$183,275		$183,275	$366,550
Distribution Charges													
0 - 15,000 therms	1,053,300	1,037,900	2,091,200	$0.08064	$84,940	$0.08064	$83,700	$168,640	$0.07290	$76,786	$0.07290	$75,663	$152,448
15,001 - 40,000 therms	1,586,400	1,548,700	3,135,100	$0.06891	$109,320	$0.06891	$106,720	$216,040	$0.06117	$97,040	$0.06117	$94,734	$191,774
40,001 - 150,000 therms	3,495,600	2,813,200	6,308,800	$0.03908	$136,610	$0.03908	$109,940	$246,550	$0.03134	$109,552	$0.03134	$88,166	$197,718
over 150,000 therms	1,109,900	771,600	1,881,500	$0.02402	$26,660	$0.02402	$18,530	$45,190	$0.01628	$18,069	$0.01628	$12,562	$30,631
Revenue Adjustment													
sub-Total Industrial Transport with Partia	7,245,200	6,171,400	13,416,600		$503,480	$318,890	$464,840	$968,320		$511,722		$481,399	$993,121
Special Contracts	3,784,900	4,286,800	8,071,700		$67,788		$69,756	$137,544		$67,788		$69,756	$137,544
Total Industrial Transport with Partial S	11,030,100	10,458,200	21,488,300		$571,268		$534,596	$1,105,864		$579,510		$551,155	$1,130,665
PGA					$117,848		$117,848	$235,696		$117,848		$117,848	$235,696
Total Revenues					$689,116		$652,444	$1,341,560		$697,358		$669,003	$1,366,360
												Increase	**$24,801**
												Percent	**1.8%**

	Post Test Year Billing Units Winter Nov-April	Post Test Year Billing Units Summer May-Oct	Post Test Year Billing Units Total	Present Winter Rates Nov - April Rate	Present Winter Rates Nov - April Revenue	Present Summer Rates May - Oct Rate	Present Summer Rates May - Oct Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Proposed Winter Rates Nov - April Revenue	Proposed Summer Rates May - Oct Rate	Proposed Summer Rates May - Oct Revenue	Proposed Total Revenue
Interruptible Industrial Transportation (T-1)													
Number of Bills	156	156	312	$300.00	$46,800	$300.00	$46,800	$93,600	$375.00	$58,500	$375.00	$58,500	$117,000
Capacity (Non-Firm) Demand (T-1)	98,275	98,275	196,549	$1.35	$132,670	$1.35	$132,670	$265,340	$2.35	$230,945	$2.35	$230,945	$461,891
Distribution Charges													
0 - 15,000 therms	2,106,000	2,145,300	4,251,300	$0.08064	$169,830	$0.08064	$173,000	$342,830	$0.07290	$153,527	$0.07290	$156,392	$309,920
15,001 - 40,000 therms	2,648,800	2,793,700	5,442,500	$0.06891	$182,530	$0.06891	$192,510	$375,040	$0.06117	$162,027	$0.06117	$170,891	$332,918
40,001 - 150,000 therms	5,254,200	5,266,700	10,520,900	$0.03908	$205,330	$0.03908	$205,820	$411,150	$0.03134	$164,667	$0.03134	$165,058	$329,725
over 150,000 therms	5,481,000	6,261,900	11,742,900	$0.02402	$131,650	$0.02402	$150,410	$282,060	$0.01628	$89,231	$0.01628	$101,944	$191,174
Revenue Adjustment													
sub-Total Interruptible Industrial Transpc	15,490,000	16,467,600	31,957,600		$868,810		$901,210	$1,770,020		$858,897		$883,730	$1,742,628
												Increase	**-$27,392**
												Percent	**-1.5%**

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Post Test Year Billing Units Winter Nov-April	Summer May-Oct	Total	Present Winter Rates Nov - April Rate	Revenue	Present Summer Rates May - Oct Rate	Revenue	Present Total Revenue	Proposed Winter Rates Nov - April Rate	Revenue	Proposed Summer Rates May - Oct Rate	Revenue	Proposed Total Revenue
Special Service (SS-1)													
Number of Bills	0	0	0	$300.00	$0	$300.00	$0	$0	$375.00	$0	$375.00	$0	$0
Capacity (Non-Firm) Demand (T-1)	0	0	0	$1.35	$0	$1.35	$0	$0	$2.35	$0	$2.35	$0	$0
T-1 Distribution Charges													
0 - 15,000 therms	0	0	0	$0.08064	$0	$0.08064	$0	$0	$0.07290	$0	$0.07290	$0	$0
15,001 - 40,000 therms	0	0	0	$0.06891	$0	$0.06891	$0	$0	$0.06117	$0	$0.06117	$0	$0
40,001 - 150,000 therms	0	0	0	$0.03908	$0	$0.03908	$0	$0	$0.03134	$0	$0.03134	$0	$0
over 150,000 therms	0	0	0	$0.02402	$0	$0.02402	$0	$0	$0.01628	$0	$0.01628	$0	$0
Revenue Adjustment													
sub-Total Special Service (SS-1) Margin	0	0	0		$0		$0	$0		$0		$0	$0
Special Service (SS-1)					$0		$0	$0		$0		$0	$0
Margin Sharing from IMCR (90% of Difference between Special Service and T-1 Tariff)					$0		$0	$0		$0		$0	$0
Company Retained Base Rate Revenue					$0		$0	$0		$0		$0	$0
Total Firm Base Rate Revenues to Customers					$17,628,820		$8,591,533	$26,220,353		$16,807,773		$12,065,868	$28,873,641
Firm SPECIAL CONTRACTS					$67,788		$69,756	$137,544		$67,788		$69,756	$137,544
MISCELLANEOUS REVENUES					$432,098		$271,429	$703,527		$432,098		$271,429	$703,527
TOTAL FIRM Base Rate REVENUES w/ Special Contracts					$18,128,706		$8,932,718	$27,061,424		$17,307,659		$12,407,053	$29,714,712
TOTAL NON-FIRM Base Rate Revenues to Customers					$1,279,910		$1,277,270	$2,557,180		$1,239,637		$1,237,238	$2,476,875
Non-Firm SPECIAL CONTRACTS					$0		$0	$0		$0		$0	$0
TOTAL NON-FIRM base Rate REVENUES w/ Special Contracts					$1,279,910		$1,277,270	$2,557,180		$1,239,637		$1,237,238	$2,476,875
TOTAL FIRM AND INTERRUPTIBLE Base Rate REVENUES					$19,408,616		$10,209,988	$29,618,604		$18,547,296		$13,644,290	$32,191,586
% Increase												Total Increase	$2,572,983

Chattanooga Gas Company
Modified Demand Charge-Based SFV Rate Design

	Residential R-1			Residential Multi-Family R-4			Small General Service (C-1)			Medium General Service (C-2/T-3)		
	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate	Demand Charge Rate	Sculpting Percentage	Sculpted Rate
HEAT ONLY CUSTOMERS												
Month												
January	$7.750	23.0%	$ 21.39				$4.000	22.9%	$ 11.00	$11.000	22.9%	$ 30.22
February	$7.750	21.6%	$ 20.08				$4.000	21.4%	$ 10.28	$11.000	21.5%	$ 28.42
March	$7.750	16.0%	$ 14.85				$4.000	15.8%	$ 7.60	$11.000	16.0%	$ 21.06
April	$7.750	8.9%	$ 8.30				$4.000	8.9%	$ 4.27	$11.000	8.9%	$ 11.79
May	$7.750	3.1%	$ 2.84		*Not Applicable*		$4.000	3.3%	$ 1.59	$11.000	3.2%	$ 4.18
June	$7.750	0.5%	$ 0.44				$4.000	0.5%	$ 0.22	$11.000	0.5%	$ 0.63
July	$7.750	0.0%	$ -				$4.000	0.0%	$ -	$11.000	0.0%	$ -
August	$7.750	0.0%	$ -				$4.000	0.0%	$ -	$11.000	0.0%	$ -
September	$7.750	0.0%	$ -				$4.000	0.0%	$ -	$11.000	0.0%	$ -
October	$7.750	2.1%	$ 1.96				$4.000	2.0%	$ 0.94	$11.000	2.0%	$ 2.65
November	$7.750	8.2%	$ 7.64				$4.000	8.4%	$ 4.05	$11.000	8.3%	$ 10.97
December	$7.750	16.7%	$ 15.50				$4.000	16.7%	$ 8.04	$11.000	16.7%	$ 22.09
Total	**$93.000**	**100.0%**	**$93.000**				**$48.000**	**100.0%**	**$48.000**	**$132.000**	**100.0%**	**$132.000**
ALL OTHER CUSTOMERS												
Month												
January	$7.750	20.7%	$ 19.27	$3.000	14.5%	$ 5.24	$4.000	19.1%	$ 9.17	$11.000	16.7%	$ 22.10
February	$7.750	19.5%	$ 18.11	$3.000	19.8%	$ 7.12	$4.000	19.3%	$ 9.27	$11.000	16.6%	$ 21.97
March	$7.750	14.5%	$ 13.46	$3.000	11.7%	$ 4.22	$4.000	14.7%	$ 7.03	$11.000	13.6%	$ 17.98
April	$7.750	8.5%	$ 7.86	$3.000	7.8%	$ 2.80	$4.000	8.7%	$ 4.18	$11.000	9.8%	$ 12.94
May	$7.750	3.8%	$ 3.53	$3.000	4.0%	$ 1.43	$4.000	4.5%	$ 2.18	$11.000	6.6%	$ 8.76
June	$7.750	2.0%	$ 1.85	$3.000	3.4%	$ 1.23	$4.000	3.8%	$ 1.82	$11.000	4.8%	$ 6.39
July	$7.750	1.7%	$ 1.55	$3.000	3.7%	$ 1.33	$4.000	3.1%	$ 1.48	$11.000	3.6%	$ 4.72
August	$7.750	1.7%	$ 1.60	$3.000	4.3%	$ 1.56	$4.000	2.8%	$ 1.34	$11.000	3.3%	$ 4.30
September	$7.750	1.7%	$ 1.54	$3.000	4.0%	$ 1.45	$4.000	2.7%	$ 1.31	$11.000	3.1%	$ 4.11
October	$7.750	2.9%	$ 2.72	$3.000	4.2%	$ 1.52	$4.000	2.9%	$ 1.37	$11.000	3.5%	$ 4.56
November	$7.750	7.9%	$ 7.36	$3.000	8.7%	$ 3.14	$4.000	5.8%	$ 2.79	$11.000	6.4%	$ 8.38
December	$7.750	15.2%	$ 14.15	$3.000	13.8%	$ 4.96	$4.000	12.6%	$ 6.05	$11.000	12.0%	$ 15.78
Total	**$93.000**	**100.0%**	**$93.000**	**$36.000**	**100.0%**	**$36.000**	**$48.000**	**100.0%**	**$48.000**	**$132.000**	**100.0%**	**$132.000**

Chattanooga Gas Company
Comparison of SFV Rate Design Alternatives

RESIDENTIAL	Units	Existing Rate Design			Proposed Rate Design			Demand Charge - SFV Rate Design			Modified Demand Charge - SFV Rate Design			Fixed Charge - SFV Rate Design		
		Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%
Customer Charge																
Winter	321,672	$12.00	$ 3,860,060		$16.00	$ 5,146,746		$13.00	$ 4,181,731		$13.00	$ 4,181,731		$29.00	$ 9,328,477	
Summer	313,605	$10.00	3,136,047		$11.00	3,449,652		$11.00	3,449,652		$11.00	3,449,652		$18.38	5,764,055	
Total			**$ 6,996,107**	**52.7%**		**$ 8,596,398**	**57.0%**		**$ 7,631,383**	**50.6%**		**$ 7,631,383**	**50.6%**		**$ 15,092,532**	**100.0%**
Demand Charge																
Winter	340,539		$ -			$ -		$11.094	$ 3,777,940		$7.750	$ 2,639,177		$0.000	$ -	
Summer	331,999		-			-		$11.094	3,683,197		$7.750	2,572,992		$0.000	-	
Total			**$ -**	**0.0%**		**$ -**	**0.0%**		**$ 7,461,137**	**49.4%**		**$ 5,212,170**	**34.5%**		**$ -**	**0.0%**
Delivery Charge																
Winter																
0-25 Therms	7,467,700	$0.25444	$ 1,900,082		$0.26071	$ 1,946,904		$0.00000	$ -		$0.15624	$ 1,166,753		$0.00000	$ -	
25-50 Therms	6,164,870	$0.17547	1,081,750		$0.18174	1,120,403		$0.00000	-		$0.03948	243,389		$0.00000	-	
Over 50 Therms	16,542,330	$0.15354	2,539,909		$0.15981	2,643,630		$0.00000	-		$0.03948	653,091		$0.00000	-	
Subtotal	30,174,900		$ 5,521,741			$ 5,710,937			$ -			$ 2,063,234			$ -	
Summer																
0-25 Therms	3,497,280	$0.18425	$ 644,374		$0.19052	$ 666,302		$0.00000	$ -		$0.03948	$ 138,073		$0.00000	$ -	
25-50 Therms	691,320	$0.13160	90,978		$0.13787	95,312		$0.00000	-		$0.03948	27,293		$0.00000	-	
Over 50 Therms	508,710	$0.03948	20,084		$0.04575	23,273		$0.00000	-		$0.03948	20,084		$0.00000	-	
Subtotal	4,697,310		$ 755,435			$ 784,888			$ -			$ 185,450			$ -	
Total	34,872,210		**$ 6,277,176**	**47.3%**		**$ 6,495,825**	**43.0%**		**$ -**	**0.0%**		**$ 2,248,684**	**14.9%**		**$ -**	**0.0%**
TOTAL ALL REVENUES			**$ 13,273,283**	**100.0%**		**$ 15,092,223**	**100.0%**		**$ 15,092,520**	**100.0%**		**$ 15,092,236**	**100.0%**		**$ 15,092,532**	**100.0%**
					Note:	**AUA Rider addresses delivery charge revenue variance**		**Note:**	**Demand Charge charge s to recover greater proportion in winter**		**Note:**	**Demand Charge charge sculpted to recover greater proportion in winter**				

Chattanooga Gas Company
Comparison of SFV Rate Design Alternatives

R-4

		Existing Rate Design			Proposed Rate Design			Demand Charge - SFV Rate Design			Modified Demand Charge - SFV Rate Desi			Fixed Charge - SFV Rate Design		
	Units	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%
Customer Charge																
Winter	1,110	$6.00	$ 6,660		$6.00	$ 6,660		$6.00	$ 6,660		$6.00	$ 6,660				
Summer	1,110	$6.00	6,660		$6.00	6,660		$6.00	6,660		$6.00	6,660				
Total			**$ 13,320**	**43.3%**		**$ 13,320**	**39.8%**		**$ 13,320**	**39.8%**		**$ 13,320**	**39.8%**			
Demand Charge																
Winter	2,352	-	$ -		-	$ -		$4.286	$ 10,081		$3.000	$ 7,056				
Summer	2,352	-	-		-	-		$4.286	10,081		$3.000	7,056			*Not Applicable*	
Total			**$ -**	**0.0%**		**$ -**	**0.0%**		**$ 20,161**	**60.2%**		**$ 14,112**	**42.2%**			
Delivery Charge																
Winter	62,756	$0.21768	$ 13,661		$0.25096	$ 15,749		$0.00000	$ -		$0.07929	$ 4,976				
Summer	19,448	$0.19350	3,763		$0.22678	4,410		$0.00000	-		$0.05511	1,072				
Total			**$ 17,424**	**56.7%**		**$ 20,160**	**60.2%**		**$ -**	**0.0%**		**$ 6,048**	**18.1%**			
TOTAL ALL REVENUES			**$ 30,744**	**100.0%**		**$ 33,480**	**100.0%**		**$ 33,481**	**100.0%**		**$ 33,480**	**100.0%**			
					Note:	**AUA Rider addresses delivery charge revenue variance**		**Note:**	**Demand Charge charge s to recover greater proportion in winter**		**Note:**	**Demand Charge charge sculpted to recover greater proportion in winter**				

Chattanooga Gas Company
Comparison of SFV Rate Design Alternatives

C-1

		Existing Rate Design			Proposed Rate Design			Demand Charge - SFV Rate Design			Modified Demand Charge - SFV Rate Desi			Fixed Charge - SFV Rate Design		
	Units	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%
Customer Charge																
Winter	39,563	$29.00	$ 1,147,330		$29.00	$ 1,147,330		$29.00	$ 1,147,330		$29.00	$ 1,147,330				
Summer	38,077	$25.00	951,914		$25.00	951,914		$25.00	951,914		$25.00	951,914				
Total			**$ 2,099,244**	**59.6%**		**$ 2,099,244**	**52.5%**		**$ 2,099,244**	**52.5%**		**$ 2,099,244**	**52.5%**			
Demand Charge																
Winter	183,602	-	$ -		-	$ -		$5.281	$ 969,602		$4.000	$ 734,408				
Summer	176,703	-	-		-	-		$5.281	933,169		$4.000	706,812			*Not Applicable*	
Total			**$ -**	**0.0%**		**$ -**	**0.0%**		**$ 1,902,771**	**47.5%**		**$ 1,441,220**	**36.0%**			
Delivery Charge																
Winter	6,441,514	$0.18581	$ 1,196,898		$0.24630	$ 1,586,545		$0.00000	$ -		$0.06555	$ 422,241				
Summer	1,532,171	$0.14589	223,528		$0.20638	316,209		$0.00000	-		$0.02563	39,270				
Total			**$ 1,420,426**	**40.4%**		**$ 1,902,754**	**47.5%**		**$ -**	**0.0%**		**$ 461,511**	**11.5%**			
TOTAL ALL REVENUES			**$ 3,519,670**	**100.0%**		**$ 4,001,999**	**100.0%**		**$ 4,002,015**	**100.0%**		**$ 4,001,975**	**100.0%**			
					Note:	**AUA Rider addresses delivery charge revenue variance**		**Note:**	**Demand Charge charge s to recover greater proportion in winter**		**Note:**	**Demand Charge charge sculpted to recover greater proportion in winter**				

Chattanooga Gas Company
Comparison of SFV Rate Design Alternatives

C-2/T-3		Existing Rate Design			Proposed Rate Design			Demand Charge - SFV Rate Design			Modified Demand Charge - SFV Rate Desi			Fixed Charge - SFV Rate Design		
	Units	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%	Rate	Revenues	%
Customer Charge																
Winter	9,624	$75.00	$ 721,800		$75.00	$ 721,800		$75.00	$ 721,800		$75.00	$ 721,800				
Summer	9,624	$75.00	721,800		$75.00	721,800		$75.00	721,800		$75.00	721,800				
Total			**$ 1,443,600**	**19.3%**		**$ 1,443,600**	**18.9%**		**$ 1,443,600**	**19.6%**		**$ 1,443,600**	**19.4%**			
Demand Charge																
Winter	174,662	$ 5.500	$ 960,640		$7.500	$ 1,309,964		$16.940	$ 2,958,771		$11.000	$ 1,921,280				
Summer	174,662	$ 5.500	960,640		$7.500	1,309,964		$16.940	2,958,771		$11.000	1,921,280			*Not Applicable*	
Total			**$ 1,921,280**	**25.7%**		**$ 2,619,927**	**34.3%**		**$ 5,917,542**	**80.4%**		**$ 3,842,560**	**51.5%**			
Delivery Charge																
Winter																
0-3,000 Therms	11,837,600	$0.18744	$ 2,218,840		$0.16412	$ 1,942,787		$0.00000	$ -		$0.10811	$ 1,279,763				
3,001-5,000 Therms	1,938,569	$0.17109	331,670		$0.16412	318,158		$0.00000	-		$0.10811	209,579				
5,001-15,000 Therms	3,102,952	$0.16666	517,138		$0.14564	451,914		$0.00000	-		$0.08963	278,118				
Over 15,000 Therms	1,542,264	$0.08623	132,989		$0.06521	100,571		$0.00000	-		$0.00920	14,189				
Subtotal	18,421,386		$ 3,200,637			$ 2,813,430			$ -			$ 1,781,648				
Summer																
0-3,000 Therms	4,689,452	$0.14717	$ 690,147		$0.12253	$ 574,599		$0.00000	$ -		$0.06652	$ 311,942				
3,001-5,000 Therms	635,982	$0.11683	74,302		$0.12253	77,927		$0.00000	-		$0.06652	42,306				
5,001-15,000 Therms	1,119,345	$0.10892	121,919		$0.08790	98,390		$0.00000	-		$0.03189	35,696				
Over 15,000 Therms	271,350	$0.08623	23,398		$0.06521	17,695		$0.00000	-		$0.00920	2,496				
Subtotal	6,716,129		$ 909,766			$ 768,611			$ -			$ 392,440				
Total	25,137,515		**$ 4,110,403**	**55.0%**		**$ 3,582,041**	**46.9%**		**$ -**	**0.0%**		**$ 2,174,088**	**29.1%**			
TOTAL ALL REVENUES			**$ 7,475,283**	**100.0%**		**$ 7,645,568**	**100.0%**		**$ 7,361,142**	**100.0%**		**$ 7,460,248**	**100.0%**			
					Note:	**AUA Rider addresses delivery charge revenue variance**		**Note:**	**Demand Charge charge s to recover greater proportion in winter**		**Note:**	**Demand Charge charge sculpted to recover greater proportion in winter**				

DISCOVERY REQUEST NO. 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?

Response:

Please see the Company's response to Staff Request No. 29.

DISCOVERY REQUEST NO. 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.

Response:

Please see the Company's response to Staff Request No. 29.