AGL Resources Atlanta Gas Light Chattanooga Gas Virginia Natural Gas Sequent Energy Management

May 31, 2011

Mr. David Foster, Chief Utilities Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville TN 37243-0505

Dear Mr. Foster

Pursuant to the Tennessee Regulatory Authority's November 8, 2010 in docket 09-00183 Chattanooga Gas Company (CGC) hereby files the report detailing the costs incurred with the programmable Thermostat Program and a detailed accounting of all money spent on the Education and Outreach Program for the period of June 1, 2010 –March 31, 2011 A copy is of the report is being provided to the Consumer Advocate and Protection Division.

Should there be any questions, I can be contacted by:

Telephone at 404 584 4570

E-mail at ahickerson@aglresources.com

By mail at: Archie Hickerson, Director-Regulatory Affairs & Planning P.O. Box 4569 Atlanta, GA 30302-4569

Sincerely

Archie R. Hickerson

Director-Regulatory Affairs and Planning

Cc Mrs. Pat Murphy



# **CHATTANOOGA GAS COMPANY**

# <u>energySMART</u>

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

MAY 31, 2011

# Chattanooga Gas Company Report to the Tennessee Regulatory Authority On the energySMART Program for the Ten Months Ended March 31, 2011

On November 16, 2009 Chattanooga Gas Company (CGC or Company) filed a petition before the Tennessee Regulatory Authority (TRA or Authority) seeking approval to increase its rates and charges, implement a series of proposed energy conservation programs collectively referred to as energySMART, and to modify its rate design to include the Alignment and Usage Adjustment (AUA) revenue de-coupling mechanism and an energySMART Program Recovery Adjustment (ESPRA) Rider. As set forth in the Company's testimony, the energySMART proposal included:

- A Community Outreach and Customer Education Program;
- A Residential Free Programmable Thermostat Program;
- A Residential Low Income Weatherization Grants Program;
- A Residential Space Heating High Efficiency Furnace/Boiler Incentive Program;
- A Residential Tankless Water Heater Incentive Program;
- A Residential High Efficiency Storage Water Heater Program;
- A Commercial Food Service Equipment Incentive Program;
- A Commercial Space Heating Furnace/Boiler Incentive Program;
- A Commercial Tankless Water Heater Incentive Program;
- A Commercial High Efficiency Storage Water Heater Incentive Program; and
- A Commercial Booster Water Heater Incentive Program.

As explained in the testimony entered on behalf of the Company, one of the goals of energySMART is to reduce consumption of natural gas by encouraging behavioral and philosophical changes in CGC's customers that are sustainable and not merely driven by the price of natural gas. The AUA revenue de-coupling mechanism is designed to allow the Company the opportunity to recover its cost of service and earn its authorized rate of return while taking proactive measures specifically designed to encourage customers to

reduce consumption. The (ESPRA) Rider was proposed for funding of the energySMART programs.

The Authority convened a contested case, Docket 09-00183, and conducted a public hearing on the merits of the Company's petition on April 12, 13, and 26, 2010. At the regularly schedule TRA Conference on May 24, 2010<sup>1</sup> the Authority approved a rate increase and, on a three year trial basis, approved the revenue de-coupling mechanism (AUA) applicable to the Residential Customer classes only, and a modified energySMART plan consisting of the Residential Free Programmable Thermostat Program and a limited Community Outreach and Customer Education program.

While the Authority approved the Residential Free Programmable Thermostat Program, it did not approve the Company's proposal to recover the funds for this program through the energySMART Rider, but directed that the program be funded from the revenue from non-jurisdictional transaction under CGC's Asset Management Agreement.

As explained in the testimony entered on its behalf, the Company proposed a Community Outreach and Customer Education Program with estimated expenditures of \$300,000 in the first year and gradually decreasing the next two years to a baseline level of approximately \$200,000. As proposed, CGC would fund up to \$100,000 of the costs incurred over the baseline amount during the first year, \$50,000 over the baseline in the second year, and \$25,000 over the baseline in the third year with the amount in excess of the \$175,000 from non-ratepayer funds being recovered through the (ESPRA) Rider. As proposed, CGC would utilize various methods of communication including newspapers, magazines, radio, television, billboards, digital media, direct mail and bill inserts to

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<sup>&</sup>lt;sup>1</sup> The written Order in docket 09-00183 was issued November 8, 2010.

reach consumers, and develop literature to distribute directly to consumers by means of its own field service representatives, HVAC contractors, plumbers and other collaborative relationships to provide customer information and encourage customers to conserve and to use energy more efficiently. In its decision on May 24, 2010, the Authority adopted a less aggressive Community Outreach and Customer Education Program limiting the expenditures to \$150,000 annually during the three year trial period with the Company maintaining its commitments to funding \$100,000 in year one, \$50,000 in year two, and \$25,000 in year three as proposed in its testimony. As with the thermostat program, the Authority directed that funding of the Community Outreach and Customer Education Program in excess of the Company's commitment be also be recovered from the asset management revenue.

At its May 24, 2010 Conference, the Authority also directed that during the three year trial period, the Company annually provide \$20,000, if available from the asset management gains, to be used to fund consumer-oriented research, and directed that the TRA Staff to work with the National Regulatory Research Institute ("NRRI") to establish a set of measures sufficient to evaluate the Programmable Thermostat and Community Outreach and Education Programs. The Authority directed that the Company file annual reports, concurrent with the Interruptible Margin Credit Rider (IMCR) reports, that include the details of the costs incurred with the programmable Thermostat Program, a detailed accounting of all money spent on its Community Outreach and Customer Education Program, and the program evaluation created by the TRA Staff with the assistance of the NRRI. The following is the report for the period of

June 1, 2010 through March 31, 2011. In accordance with the Order the Company is reporting the following for the ten months ended March 31, 2011.

# Residential Free Programmable Thermostat Program

The inaugural ten months of the Residential Free Programmable Thermostat Program was extremely successful and exceeded expectations. As explained in the testimony filed in Docket 09-00183, based on the experience of other natural gas local distribution companies offering similar programs, the Company expected to receive requests for and to issue approximately 1,500 programmable thermostats per program year. However, during the first two months after the program was initiated, the Company received over 1,280 requests, and approved 1,259 applications for thermostats. By the end of the third month, the Company had issued 2,125 thermostats and by March 31, 2011 the Company had processed 3,196 thermostats applications, over twice the number anticipated during the first year. The 3,196 customers who received the thermostats to date represent approximately 6% of the total Chattanooga Gas Company residential customers eligible to receive the free thermostats.

CGC Free Thermostat Program								
Sept 2010 - March 2011								
	Approved/			Total				
Month	Processed	Cancelled	Denied	Requests				
September								
2010	32	4		36				
October 2010	1,227	22	1	1,250				
November 2010	903	12	15	930				
December 2010	537	25	27	589				
January 2011	299	18	14	331				
February 2011	100	1	3	104				
March 2011	98	3	2	103				
TOTAL	3,196	85	62	3,343				

The total cost of the program for the ten months ended March 31, 2010 was \$72,885. Of that total, \$59,925 was for the purchase of the thermostats (3,196 units X \$18.75/ unit=\$59,925) with the remaining \$12,960 paid to Employment Horizons to store, pack, and ship the thermostats to requesting customers. The average cost per unit issued was \$22.81 (\$72,885/3,196 units=\$22.81/unit). The detailed accounting is provided on Exhibit A.

# **Community Outreach and Customer Education**

The Community Education and Outreach plan evolved throughout the year resulted in CGC reaching all of its customers through various outreach and education efforts. The outreach effort was centered on two messages:

- CGC residential customers were qualified to receive one free programmable thermostat per 12-month period.
- Energy conservation-not just around natural gas but around all energy
  resources-is better for the environment and those saving translate into lower
  energy use and therefore lower energy bills.

The Company used customer bill inserts, on-bill messages, social media, outdoor boards, online and print advertisements and radio advertising to promote the thermostat program. Depending on the media, either the thermostat program or energy conservation was the primary message, with other secondary messages. For instance, although the thermostats only were available to CGC customers, radio advertising promoted both the energy

saving provided by the devise (primary message) and reinforced the good decision to reduce residential energy use (secondary message). The outreach efforts this year gave Company representatives the opportunity to talk with homeowners and business owners about the benefits of energy conservation and its importance to the environment, and provided both phone and Internet contact information for those people to learn additional energy conservations tips or more about the CGC energySMART program. Additionally, the program leveraged both existing relationships and newly developed partnerships with community non-profits, contractors and builders and Company representatives. Those partnerships, in particular agreements with the Tennessee Aquarium and Chattanooga Creative Discovery Museum, capitalized on the considerable credibility and audience each non-profit has (several hundred thousand collectively) and their commitment to environmental initiatives. Through these partnerships, CGC was able to educate thousands more stakeholder about energy conservation that would otherwise been possible.

During the period of June 1, 2010-March 31, 2011 the Company incurred \$105,870 in its Community Outreach and Customer Education. Of that amount, \$22,536 is being recovered from the Asset Management Revenue. As explained above, the Authority authorized a Community Outreach and Customer Education Program with total funding up to \$150,000 for each program year which equates to \$125,000 for the ten month period of June 1, 2010-March 31, 2011. Pro-rating the annual \$100,000 Company commitment for the first program year equates to \$83,333 for the ten month

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<sup>&</sup>lt;sup>2</sup> (\$150,000/12 months=\$12,500/month) (\$12,500/month X 10 months=\$125,000)

<sup>&</sup>lt;sup>3</sup> (\$100,000/12 months =\$8,333/month)( \$8,333/month X 10 months=\$83,333)

period resulting in the \$22,536<sup>4</sup> to be recovered from the Asset Management Agreement revenue. A detailed accounting of the cost is included on Attachment B. Samples of the energySMART messaging, copies of the agreements with the Aquarium and the Museum and CGC outlining energy conservation program initiatives and the media planning calendars for both fall 2010 and spring 2011 are included in Attachment C.

### **Program Evaluation**

The TRA Staff, with the assistance of the NRRI, has not yet established a set of measures to be used to evaluate the Free Programmable Thermostat, and Community Outreach and Education Programs. As an alternative, the Company provides the following analysis of estimated and projected savings based on an analysis of usage of customers who participated in the program.

# Savings Achieved

In order to identify the natural gas consumption savings, the Company performed a billing analysis wherein it compared a customer's normalized consumption before receiving a thermostat to the customer's normalized usage after having received a thermostat. Using this methodology, the Company estimates a net savings of 30,476 Therms for the period of October 1, 2010-March 31, 2011<sup>5</sup>, along with an estimated net savings of\$17,742 based upon the Purchased Gas Adjustment rate effective during this period. It is important to note that all savings are based upon an incomplete year of data for savings after the thermostats were received. As such, on average only four months of

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<sup>&</sup>lt;sup>4</sup> (\$105,870-\$83,333=\$22,536)

<sup>&</sup>lt;sup>5</sup> First thermostats were issued in September 2010.

data was available to estimate customer savings and project future savings. As a result, the estimated savings may vary when a full year of data becomes available. These savings are for gas only, and do not include any savings that could reasonably be expected from electricity savings. The electricity savings are not presented because the Company does not have access to customers' electric bills which would be needed to measure and verify any electricity savings.

# **Projected Savings for 2010**

The Company projects that 2010 participant customers will demonstrate a net savings of 44,779 Therms and \$32,507 in 2011.

# **Cost Effectiveness**

The Company has performed cost/benefit analyses of the energySMART Programmable Thermostat Program, based on 2010-2011program participation, by applying the Participant Test, the Total Resources Cost Test, the Rate Impact Test and the Program Administrator Test as presented in docket 09-00183. The results are presented below. As can be seen there, the Programmable Thermostat Program passes each of these tests.

# **Chattanooga Gas Company**

energySMART Program
Free Thermostat Preliminary Cost/Benefit Analysis

Assumptions			
Discount Rate	8.28%		
Inflation Rate	3.00	)%	
Measure Life	17 Years		
Cost to the Participant	\$	35	
Annual Energy Savings in Therms		-10	
Cost to the Utility per Participant	\$	23	
Number of Participants		3,196	
Annual Program Cost	\$	72,885	
Administration, Customer Outreach and Education			

PARTICIPANTS TEST		TOTAL RESOURCE COST TEST		
Benefits:	Benefits:			
Bill Reductions, Primary Fuel (AC)	\$ 656,852	Avoided Cost, Primary Fuel Utility (MC)	\$	3,113,339
Incentives	\$ 194,733	Avoided Cost, Alternate Fuel (MC)	\$	0
Bill Reductions, Alternate Fuel (AC)	\$ 0	Avoided Cost, Alternate Fuel Equipment	\$	0
Avoided Cost, Alternate Fuel Equipment	\$ 0			
Total Benefits	\$ 851,585	Total Benefits	\$	3,113,339
Costs:		Costs:		
Participant Costs	\$ 298,865	Utility Cost	\$	17,973
Bill Increases, Primary Fuel (AC)	\$ 0			
Bill Increases, Alternate Fuel (AC)	\$ 0	Participant Costs	\$	298,865
		Primary Utility Increased Cost (MC)		(
		Alternate Utility Increased Cost (MC)		C
Total Costs	\$ 298,865	Total Costs	\$	316,839
Net Benefit	\$ 552,720	Net Benefit	\$	2,796,501
Benefit/Cost Ratio	2.85	Benefit/Cost Ratio		9.83

RATE IMPACT MEASURE TEST		PROGRAM ADMINISTRATOR TEST	
Benefits:		Benefits:	
Avoided Cost, Primary Utility (MC)	\$ 3,113,339	Avoided Cost, Primary Fuel Utility (MC)	\$ 3,113,339
Revenue Gains, Primary Utility (AC)	\$ 0	Avoided Cost, Alternate Fuel Utility (MC)	\$ 0
Avoided Cost, Alternate Fuel (MC)	\$ 0		
Revenue Gains, Alternate Utility (AC)	\$ 0		
Total Benefits	\$ 3,113,339	Total Benefits	\$ 3,113,339
Costs:		Costs:	
Primary Utility Increased Cost (MC)	\$ 0	Incentives	\$ 194,733
Alternate Utility Increased Cost (MC)	\$ 0	Primary Utility Increased Cost (MC)	\$ (
Revenue Loss, Primary Utility (AC)	\$ 656,852	Primary Utility Cost	\$ 17,973
Utility Cost	\$ 17,973	Alternate Utility Increased Cost (MC)	\$ (
Incentives	\$ 194,733	Alternate Utility Cost	\$ (
Revenue Loss, Alternate Utility (AC)	\$ 0		
Total Costs	\$ 869,558	Total Costs	\$ 212,707
Net Benefit	\$ 2,243,781	Net Benefit	\$ 2,900,632
Benefit/Cost Ratio	3.58	Benefit/Cost Ratio	14.

MC = Calculation Based on Utility Marginal Cost

AC = Calculation Based on Utility Average Cost

MC = Calculation Based on Utility Marginal Cost

AC = Calculation Based on Utility Average Cost

# CHATTANOOGA GAS COMPANY energySMART

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

ATTACHMENT A

# Chattanooga Gas Company energySMART Residential Thermostat Program Cost

CGC Free Thermostat Program						
Sept 2010 - April 2011						
Month	Approved/ Processed	Cancelled	Denied	Total Requests		
September 2010	32	4		36		
October 2010	1,227	22	1	1,250		
November 2010	903	12	15	930		
December 2010	537	25	27	589		
January 2011	299	18	14	331		
February 2011	100	1	3	104		
March 2011	98	3	2	103		
April 2011	143		11	154		
TOTAL	3,339	85	73	3,497		

Cancelled = duplicate requests

Denied = subsequent request from same customer during program year

Thermostats Issued through March 32, 2011	3,196	85	62	3,343
Cost	\$ 18.75			
Cost of Thermostats Processed	\$ 59,925.00			
Processing and storage	\$ 12,960.31			
Total	\$ 72,885.31			
Total per unit issued	\$ 22.81			

Additional first year cost (June1-2010-May 31, 2011) not included in this report will be reported in the next IMCR filing.

# CHATTANOOGA GAS COMPANY energySMART

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

ATTACHMENT A-1

# Chattanooga Gas Company Free Residential Programmable Thermostat Cost

For the Ten Months Ended March 31, 2011

Date	Vendor Name	Amount	Description
2010-10-25	EMPLOYMENT HORIZONS	\$ 577.50	US POSTAGE
2010-10-25	EMPLOYMENT HORIZONS	78.75	ENVELOPES POSTAGE AND MAILING
2010-10-25	EMPLOYMENT HORIZONS	102.90	THERMOSTATS
2010-10-28	EMPLOYMENT HORIZONS	687.50	US POSTAGE
2010-10-28	EMPLOYMENT HORIZONS	93.75	MAILING POSTAGE AND ENVELOPES
2010-10-28	EMPLOYMENT HORIZONS	122.50	THERMOSTATS
2010-10-28	EMPLOYMENT HORIZONS	621.50	US POSTAGE
2010-10-28	EMPLOYMENT HORIZONS	84.75	MAILING POSTAGE AND ENVELOPES
2010-10-28	EMPLOYMENT HORIZONS	110.74	THERMOSTATS
2010-11-09	EMPLOYMENT HORIZONS	825.00	US POSTAGE
2010-11-09	EMPLOYMENT HORIZONS	112.50	ENVELOPES MAILING AND POSTAGE
2010-11-09	EMPLOYMENT HORIZONS	147.00	THERMOSTATS
2010-11-10	EMPLOYMENT HORIZONS	1,168.75	US POSTAGE
2010-11-10	EMPLOYMENT HORIZONS	159.38	ENVELOPES POSTAGE AND MAILING
2010-11-10	EMPLOYMENT HORIZONS	208.25	THERMOSTATS
2010-11-18	EMPLOYMENT HORIZONS	195.25	US POSTAGE
2010-11-18	EMPLOYMENT HORIZONS	26.63	ENVELOPES MAILING AND POSTAGE
2010-11-18	EMPLOYMENT HORIZONS	34.79	THERMOSTATS
2010-11-18	EMPLOYMENT HORIZONS	313.50	US POSTAGE
2010-11-18	EMPLOYMENT HORIZONS	42.75	ENVELOPES POSTAGE AND MAILING
2010-11-18	EMPLOYMENT HORIZONS	55.86	THERMOSTATS
2010-11-30	EMPLOYMENT HORIZONS	1,083.50	US POSTAGE
2010-11-30	EMPLOYMENT HORIZONS	147.75	ENVELOPES POSTAGE AND MAILING
2010-11-30	EMPLOYMENT HORIZONS	193.06	THERMOSTATS
2010-12-16	EMPLOYMENT HORIZONS	25.00	TENNESSEE THERMOSTATS
2010-12-16	EMPLOYMENT HORIZONS	825.00	US POSTAGE
2010-12-16	EMPLOYMENT HORIZONS	112.50	ENVELOPES POSTAGE AND MAILING
2010-12-16	EMPLOYMENT HORIZONS	147.00	THERMOSTATS
2010-12-16	EMPLOYMENT HORIZONS	33.00	US POSTAGE
2010-12-16	EMPLOYMENT HORIZONS	4.50	ENVELOPES POSTAGE AND MAILING
2010-12-16	EMPLOYMENT HORIZONS	5.88	THERMOSTATS
2010-12-20	EMPLOYMENT HORIZONS	825.00	US POSTAGE
2010-12-20	EMPLOYMENT HORIZONS	112.50	ENVELOPES MAILING AND POSTAGE
2010-12-20	EMPLOYMENT HORIZONS	147.00	THERMOSTATS
2011-01-20	EMPLOYMENT HORIZONS	(99.52)	THERMASTATS
2011-01-26	EMPLOYMENT HORIZONS	1,102.75	US POSTAGE
2011-01-26	EMPLOYMENT HORIZONS	150.38	ENVELOPES MAILING AND POSTAGE
2011-01-26	EMPLOYMENT HORIZONS	180.45	THERMOSTATS
2011-01-28	EMPLOYMENT HORIZONS	756.25	US POSTEAGE
2011-01-28	EMPLOYMENT HORIZONS	103.13	MAILING POSTAGE AND ENVELOPES
2011-01-28	EMPLOYMENT HORIZONS	123.75	THERMOSTATS
2011-02-10	EMPLOYMENT HORIZONS	412.50	US POSTAGE
2011-02-10	EMPLOYMENT HORIZONS	56.25	ENVELOPS MAILING AND POSTAGE
2011-02-10	EMPLOYMENT HORIZONS	67.50	THERMOSTATS
			THERMOSTATS AND
2011-02-10	EMPLOYMENT HORIZONS	25.00	WEATHERIZATION
2011-02-28	EMPLOYMENT HORIZONS	25.00	THERMOSTATS
2011-02-28	EMPLOYMENT HORIZONS	294.25	US POSTAGE
2011-02-28	EMPLOYMENT HORIZONS	40.13	ENVELOPS MAILING AND POSTAGE
2011-02-28	EMPLOYMENT HORIZONS	48.15	THERMOSTATS
2011-03-22	EMPLOYMENT HORIZONS	187.00	US POSTAGE
2011-03-22	EMPLOYMENT HORIZONS	25.50	ENVELOPS MAILING AND POSTAGE
2011-03-22	EMPLOYMENT HORIZONS	30.60	THERMOSTATS
		<b>*</b>	<u> </u>

\$12,960.31

Thermostats refers to charges for storage and handling of thermostats.

# CHATTANOOGA GAS COMPANY energySMART

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

**ATTACHMENT B** 

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Cost June 1, 2010-March 31, 2011	Annua	ıl	Per Month	Number of Months	_	
TN Aquarium (1/1/2011-3/31/2011) Creative Discovery Museum (1/1/2011-3/31/2011) Other Outreach and Education Costs		333	\$ 1,194 1,000	3	\$	Cost 3,583 3,000 99,286
Non-Ratepayer funds for 1st Yr per docket 09-00183 No of Months June1, 2010-March 31, 2011 Non-Ratepayer funds June 1, 2010-March 31, 2011	Annual \$100,0		Per Month \$8,333	10	\$	105,870
Recoverable Cost June 1, 2010-March 31, 2011					\$	\$83,333 22,536
Three Yr TN Aquarium Sponorship Annual Paryment Years Total Less: Credit towad River George Explorer Passes Adjusted Costs Years Annual Costs		- ;	\$ 15,000 3 \$ 45,000 2,000 \$ 43,000 3 \$ 14,333			
One Yr. Creataive Discovery Museum Contract Annual Pa	ayment	\$	\$ 12,000			

Additional first year cost (June1-2010-May 31, 2011) not included in this report will be reported in the next IMCR filing.

# CHATTANOOGA GAS COMPANY energySMART

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

**ATTACHMENT B-1** 

# Chattanooga Gas Company energySMART Community Outreach and Custsomer Education Cost Cost For the Ten Months Ended March 31, 2011

					.,
Month	Year	Amount	Vendor	Description	MESSAGING/PURPOSE  Creation of energy SMART pages on CGC website to
9	2010	\$ 1,57	5 NORTHRIDGE SYSTEMS	CONSULTING HOURS	introduce the program and educate consumers & commercials on energy conservation.
10	2010	\$ 27	B ELANDERS USA	INSTALLATION FLYER	Brochure that accompanied thermostats to help customers install and program their thermostat correctly.
10	2010	\$ 3,900	3 CHATTANOOGA TIMES FREE PRESS	PUBLICATION	Oct. 2010 newspaper advertisement introducing Chattanooga Gas's energySMART program and offering contact information. Includes thermostat messaging, intro of program, contact info and conservation education messaging. CGC energy conservation tip cards that offer homeowners
10	2010	\$ 300	B ELANDERS USA	CHATTANOOGA GAS	tips to become more energy efficient, and provide contact information for CGC Sept. 2010 media Buying services. Placement of media/advertising for CGC energy/SMART on radio, outdoor,
10	2010	\$ 1,955	5 ULTRA MEDIA, INC.	AGL RESOURCES PLAN CHATTANOOGA	print, online. Also assistance in management of advertising campaign.
11	2010	\$ 9,760	) WILKINS MEDIA COMPANY	SERVICES	Sept. 2010 rental of outdoor boards promoting our free thermostat program in CGC through energySMART. Includes offer, contact info and energy conservation benefit.
11 11	2010 2010		TENNESSEE PRESS SERVICE, INC. TENNESSEE PRESS SERVICE, INC.	ADVERTISING ADVERTISING	Placement of energy SMART insert in the Cleveland Banner newspaper. October & early November 2010 0
11	2010	\$ 5,009	CHATTANOOGA TIMES FREE PRESS	PUBLICATION	Nov. 2010 newspaper advertisement introducing Chattanooga Gas's energySMART program and offering contact information. Includes thermostat messaging, intro of program, contact info and conservation education messaging. WUSY-FM airtime for October 2010. Created awareness for the CGC energy SMART program, programmable thermostats
11	2010	\$ 2,869	CLEAR CHANNEL BROADCASTING	NET SPOT BILLING	and the energy savings from using a programmable thermostat. Oct. 2010 production of artwork for outdoor boards promoting our free thermostat program in CGC through
11	2010	\$ 1,176	LAMAR ADVERTISING	PRODUCTION	energySMART. Includes offer, contact info and energy conservation benefit. Oct. 2010 Media Buying services. Placement of
11	2010	\$ 1,233	ULTRA MEDIA, INC.	AGL RESOURCES PLAN	media/advertising for CGC energySMART on radio, outdoor, print, online
11	2010	\$ 300	BREWER BROADCASTING	CGCE0910	WPLZ-FM airtime for October 2010 during special election coverage. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
11	2010	\$ 1,395	BREWER BROADCASTING	CGCE0910	WITT-FM airtime for October 2010 during special election coverage. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat. WMP2-FM airtime for October 2010. Created awareness for the CGC energy SMART program, programmable thermostats
11	2010	\$ 495	BREWER BROADCASTING	10 LINER	and the energy savings from using a programmable thermostat. WALV-FM airtime for October 2010. Created awareness for the CGC energy SMART program, programmable thermostats
11	2010	<b>\$</b> 465	BREWER BROADCASTING	CGGE0910	and the energy savings from using a programmable thermostat. WPLZ-FM airtime for October 2010. Created awareness for
11	2010	\$ 465	BREWER BROADCASTING	CGCE0910	the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat. WPLZ-FM airtime for November 2010. Created awareness for the CGC energy SMART program, programmable thermostats
11	2010	\$ 75	BREWER BROADCASTING	CGCE0910	and the energy savings from using a programmable thermostat.  CGC energy conservation wallet cards that offer homeowners
12	2010	\$ 1,161	PRESENTECH	BLANKET REQUEST FOR PRINTING S	tips to become more energy efficient, and provide contact information for CGC

					Nov. 2010 newspaper advertisement introducing Chattanooga Gas's energySMART program and offering
12	2010 \$	5,009	CHATTANOOGA TIMES FREE PRESS	PUBLICATION	contact information. Includes thermostat messaging, intro of program, contact info and conservation education messaging.
12	2010 \$	1,472	2 TENNESSEE PRESS SERVICE, INC.	ADVERTISING	Placement of energy SMART insert in the Cleveland Banner newspaper last two weeks of November 2010.
12	2010 \$	930	BREWER BROADCASTING	CGCE0910	WJTT-FM airtime for Nov. 2010 during special election coverage. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	330	BREWER BROADCASTING	CGCE0910	WMP2-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	310	BREWER BROADCASTING	CGCE0910	WALV-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	310	BREWER BROADCASTING	CGCE0910	WPLZ-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	2,397	CLEAR CHANNEL BROADCASTING	NET SPOT BILLING	WUSY-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	465	BREWER BROADCASTING	CGCE0910	WJTT-FM airtime for Dec. 2010 during special election coverage. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	165	BREWER BROADCASTING	CGCE0910	WMPZ-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	155	BREWER BROADCASTING	CGCE0910	WALV-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	155	BREWER BROADCASTING	CGCE0910	WPLZ-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
12	2010 \$	472	CLEAR CHANNEL BROADCASTING	NET SPOT BILLING	WUSY-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat. Nov. 2010 Media Buying services. Placement of media/advertising for CGC energySMART on radio, outdoor,
12	2010 \$	1,190	ULTRA MEDIA, INC.	AGL RESOURCES PLAN	print, online. Also assistance in management of advertising campaign.
12	2010 \$	8,610	WILKINS MEDIA	SERVICES	Dec. 2010 rental of outdoor boards promoting our free thermostat program in CGC through energy/SMART. Includes offer, contact info and energy conservation benefit. REPRINT of brochure that accompanied free thermostats to help customers install and program their thermostat
1	2011 \$	396	ELANDERS USA	PRINTING NEEDS FROM ELANDERS	correctly. Had to reprint due to demand for thermostats through the program.  Nov/Dec 2010 Chattanooga Magazine advertisement promoting the energy SMART program, thermostat program
1	2011 \$	2,100	WILLIAMS TYPESETTING CO., INC	FULL PAGE 4 COLOR ISBC	and mentioning the energy cost savings associated with a programmable thermostat August 2010 production of artwork for outdoor boards
1	2011 \$	4,175	FAIRWAY OUTDOOR ADVERTISING, LLC	PRODUCTION REVENUE	promoting our free thermostat program in CGC through energySMART. Includes offer, contact info and energy conservation benefit.  Dec. 2010 Media Buying services. Placement of media/advertising for CGC energySMART on radio, outdoor,
1	2011 \$	638	ULTRA MEDIA, INC.	AGL RESOURCES PLAN	print, online. Also assistance in management of advertising campaign.
2	2011 \$	10,910	WILKINS MEDIA COMPANY	SERVICES	Oct. 2010 rental of outdoor boards promoting our free thermostat program in CGC through energySMART. Includes offer, contact info and energy conservation benefit.

2	2011 \$	2,210	ULTRA MEDIA, INC.	CHATTANOOGA 2010 AND 2011	Media Buying services for Jan. 2011 to close the campaign. Placement of media/advertising for CGC energySMART on radio, outdoor, print, online. Also assistance in management of advertising campaign. Feb. 2011 Media Buying services. Placement of media/advertising for CGC energySMART on radio, outdoor, print, online. Also assistance in management of advertising
3	2011 \$	2,763	ULTRA MEDIA, INC.	CHATTANOOGA GAS	campaign.
3	2011 \$	1,893	CAMELBACK DISPLAYS, INC	BANNER STAND	Portable signage and tent for use at events promoting CGC's free programmable thermostat program.  CGC sponsorship of the Chattanooga Eco Expo. Energy
3	2011 \$	4,000	BREWER BROADCASTING	ECO EXPO	education for B2B audience.
4	2011 \$	1,267	JACKSON TELECASTERS, INC	MEDIA SERVICES	WDEF-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	633	JACKSON TELECASTERS, INC	MEDIA SERVICES	WDEF-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,900	JACKSON TELECASTERS, INC	MEDIA SERVICES	WDEF-FM airtime for Oct. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,148	WDOD OF CHATTANOOGA, INC	MEDIA SERVICES	WDOD-FM airtime for Oct. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	765	WDOD OF CHATTANOOGA, INC	MEDIA SERVICES	WDOD-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	383	WDOD OF CHATTANOOGA, INC	MEDIA SERVICES	WDOD-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	293	CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICES	WGOW-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,811	CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICE	WGOW-FM airtime for Oct. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,964	CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICE	WSKZ-FM airtime for Oct. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,475	CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICE	WGOW-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$	1,454	CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICE	WSKZ-FM airtime for Nov. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
4	2011 \$		CITADEL BROADCASTING CHATTANOOGA	BROADCASTING SERVICE	WSKZ-FM airtime for Dec. 2010. Created awareness for the CGC energy SMART program, programmable thermostats and the energy savings from using a programmable thermostat.
	D 2	10,400			

# CHATTANOOGA GAS COMPANY energySMART

# REPORT TO THE TENNESSEE REGULATORY AUTHORITY DOCKET 09-00183

JUNE 1, 2010-MARCH 31, 2011

ATTACHMENT C

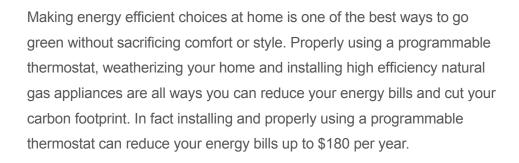






# THERE ARE MANY WAYS TO GOGGREEN. AND WITH ENERGYSMART, MANY WAYS TO SAVE GREEN.







With a free thermostat program and energy-saving tips available on our website, energySMART can help you save money now and in the future. Visit our website to learn how you can become more energySMART.



Get a FREE programmable thermostat\* and start saving. Call 866-643-4169 or visit chattanoogagas.com/energysmart to order your thermostat.





# Conserve energy with these helpful tips:

**Constant Comfort.** Install an ENERGY STAR® programmable thermostat and use it properly. Programmable thermostats can save you up to 10% on your home energy costs. Refer to the manufacturer's instructions for proper use.

Close the gaps. Whether it's summer or winter, weather-strip, seal, and caulk leaky doors and windows. A home energy audit can help identify areas where your home leaks energy and air.

Replace air filters regularly. Dirty filters restrict airflow and can cause your HVAC system to run longer, increasing energy use. Replace filters often for maximum benefit.

# Replace incandescent light bulbs with compact fluorescent (CFL) bulbs. They:

- Can save more than \$40 over its lifetime
- Use about 75% less energy than standard incandescent bulbs and last much longer

Install patio covers and solar window screens to shade your home from the sun. For additional future savings, use strategically planted trees, shrubs and vines to create shade and reduce annual energy costs.

## Insulate attic and crawlspaces in your home.

This can save you up to 10% on your annual energy costs.

# Why use a programmable thermostat?

Using a programmable thermostat is one of the easiest ways to save money and energy in your home. It helps reduce the heating and cooling of your home during periods of less activity, for instance when you are away or asleep. And since heating and cooling make up as much as half of the average person's annual household energy bills, a programmable thermostat can provide significant savings without sacrificing comfort.



# Below are some tips for maximizing the benefits of your programmable thermostat:

- 1. Use the pre-programmed ENERGY STAR® settings as a guide and adjust them as needed for your family's comfort.
- Keep temperatures set at energy-savings levels for long periods (at least eight hours) and aim for temperature changes of at least seven (7) degrees between time periods for maximum energy savings.
- Avoid using the override or 'hold' function frequently or for long periods. If you use this function frequently, consider adjusting your settings to better suit your family's lifestyle.
- Avoid adjusting the temperature to extremes to heat or cool a space quickly.
   A programmable thermostat is designed to begin heating or cooling in advance of a set time to reach the desired temperature by the set time.
- Don't forget to replace the batteries. Consider changing your batteries when you adjust your clocks for daylight savings time in the spring and fall.



































### IMPORTANT CONTACT INFORMATION

Gas Leaks/Emergencies (24/7) 866-643-4170

811 Be Safe - Call Before You Dig

866-643-4169 energySMART Program Information

General Information **HVAC/Plumbing Contractor Referral** Thermostat Redemption Assistance

Chattanooga Gas"

An AGL Resources Company



chattanoogagas.com



















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## SOME EVEN INCLUDE COMFORT AND STYLE.

These days, we're all trying to be more environmentally responsible — and do it with comfort and style. With natural gas, you'll enjoy precise temperature in the kitchen, plenty of hot water in the bathroom and warm heat from your furnace. And when it comes to being earth friendly, the average natural gas home has a 46% smaller carbon footprint than the average all-electric home.

### NATURAL GAS WATER HEATING

- Choosing a natural gas tankless water heater can reduce your energy use by up to 20-30% annually because you don't have to keep a large tank of water warm.
- Tank-style natural gas water heaters can heat almost twice the water in an hour as an electric version of the same capacity.
- Fix leaking faucets! Hot water leaking at a rate of one drip per second can waste up to 1.661 gallons of water a year.

### **NATURAL GAS HEAT**

- Choose a high-efficiency natural gas furnace, which can save you money over the life of the appliance.
- Caulk and weather-strip around windows, doorframes and openings around ducts and wiring.
- · Install adequate insulation in your attics and crawlspaces.

### NATURAL GAS COOKING

- Choose a natural gas range/oven—the instant on and off with gas means faster meal prep and a cooler kitchen.
- Clean your burners regularly to ensure maximum efficiency.
   The flame should burn blue—not orange or vellow.
- Choose the right size pot for the burner. A 6-inch pot on an 8-inch burner wastes over 40% of the burner's heat

### NATURAL GAS CLOTHES DRYING

- · Clean your lint trap after every use.
- Dry full loads but don't over-fill.
- If available, use the moisture sensor on your dryer so you don't over-dry, and natural gas dryers actually dry clothes faster - saving money, enery and time.
- Shorter dryer times are gentler on clothes.

No power? No problem! Many natural gas appliances work during a power outage.







# THERE ARE MANY WAYS TO GOOGLESS. AND WITH ENERGYSMART, MANY WAYS TO SAVE GREEN.



Making energy efficient choices at home is one of the best ways to go green without sacrificing comfort or style. Properly using a programmable thermostat, weatherizing your home and installing high efficiency natural gas appliances are all ways you can reduce your energy bills and cut your carbon footprint. In fact installing and properly using a programmable thermostat can reduce your energy bills up to \$180 per year.



With a free thermostat program and energy-saving tips available on our website, energySMART can help you save money now and in the future. Visit our website to learn how you can become more energySMART.



Get a FREE programmable thermostat\* and start saving. Call 866-643-4169 or visit chattanoogagas.com/energysmart to order your thermostat.







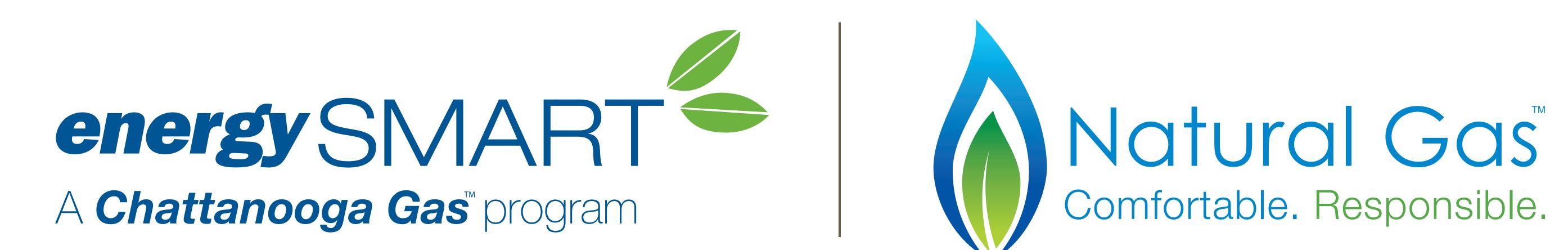
# Chattanooga Gas

An AGL Resources Company

# CHATTANOOGA GAS CUSTOMERS: HAVE YOU GOTTEN PROGRAMMABLE THERMOSTAT YET?



A programmable thermostat can save you up to \$180 a year on your energy costs!







Using a programmable thermostat is one of the easiest ways to save money and energy in your home. It helps reduce the heating and cooling of your home during periods of less activity, for instance when you are away or asleep. And since heating and cooling make up as much as half of the average person's annual household energy bills, a programmable thermostat can provide significant savings without sacrificing comfort.

# Start saving today with your new programmable thermostat!



# Congratulations on being energySMART!

By requesting, installing and properly programming your free programmable thermostat, your home is more energy efficient, which will save you money and decrease your carbon footprint.

Here are other easy ways you can increase your home's energy efficiency:

- Check your air filter monthly and, at a minimum, replace it every three months.
- Have your heating and air conditioning equipment checked regularly.
- Consider investing in high efficiency home heating and water heating equipment. Weatherize your home to prevent energy loss.
- To learn more about ways to save on these energy efficien

To learn more about ways to save on these energy efficiency measures, please visit: www.chattanoogagas.com/energysmart





# **Thermostat Installation Tips**

- Carefully follow the manufacturer's instructions.
- This is a low voltage wiring installation, so be sure to shut off your electricity during installation.
- Install on an interior wall, away from any heating or cooling vents and other sources of heat or drafts.
- If you're replacing a thermostat that has a mercury switch, be careful not to break the tube that holds this toxic substance. Do not place an old unit containing mercury in the trash. Contact your local recycling center or waste management authority, or place in a suitable container and return to White-Rodgers at 2895 Harrison Street, Batesville, AR 72501-2117, for proper disposal. Call White Rodgers at 888-725-9797 with additional questions about mercury recycling.

A Chattanooga Gas Company representative will follow up with you in about 30 days to ensure you are completely satisfied with your thermostat. If you need further information or just want to learn more about other conservation programs, please contact us at 866-643-4169 (option #3), or visit www.chattanoogagas.com. In the event that you decide not to install your energySMART thermostat, please call 866-643-4169 to arrange a return. Any concerns regarding your thermostat should be directed to White-Rodgers, and questions regarding installation should be directed to your installer. Offer void where prohibited by law.

# **Thermostat Programming**

- 1. Use the pre-programmed ENERGY STAR® settings as a guide and adjust them as needed for your family's comfort.
- Keep temperatures set at energy-savings levels for long periods (at least eight hours) and aim for temperature changes of at least seven (7) degrees between time periods for maximum energy savings.
- 3. Avoid using the override or 'hold' function frequently or for long periods. If you use this function frequently, consider adjusting your settings to better suit your family's lifestyle.
- 4. Avoid adjusting the temperature to extremes to heat or cool a space quickly. A programmable thermostat is designed to begin heating or cooling <u>in advance</u> of a set time to reach the desired temperature by the set time.
- 5. Don't forget to replace the batteries. Consider changing your batteries when you adjust your clocks for daylight savings time in the spring and fall.

### Additional resources

- View an Interactive Online Demo for setting the Comfort 70 Series at white-rodgers.com (Homeowner section).
- White Rodgers Homeowner Thermostat Programming Live Support Hotline: 1-800-284-2925 between 8 am – 4 pm ET.

ENERGY STAR Programmable
Thermostat Times & Temperatures

Setting	Time	Temp. (Heat)	Temp. (Cool)
Wake	6:00 am	≤ 70° F	≥ 78° F
Day	8:00 am	Set back at least 8° F	Set up at least 7° F
Evening	6:00 pm	≤ 70° F	≥ 78° F
Sleep	10:00 pm	Set back at least 8° F	Set up at least 4° F

According to ENERGY STAR®, the pre-programmed settings that come with your programmable thermostat are intended to deliver savings without sacrificing comfort. The pre-programmed settings for an ENERGY STAR-qualified programmable thermostat are above.





Using a programmable thermostat is one of the easiest ways to save money and energy in your home. It helps reduce the heating and cooling of your home during periods of less activity, for instance when you are away or asleep. And since heating and cooling make up as much as half of the average person's annual household energy bills, a programmable thermostat can provide significant savings without sacrificing comfort.

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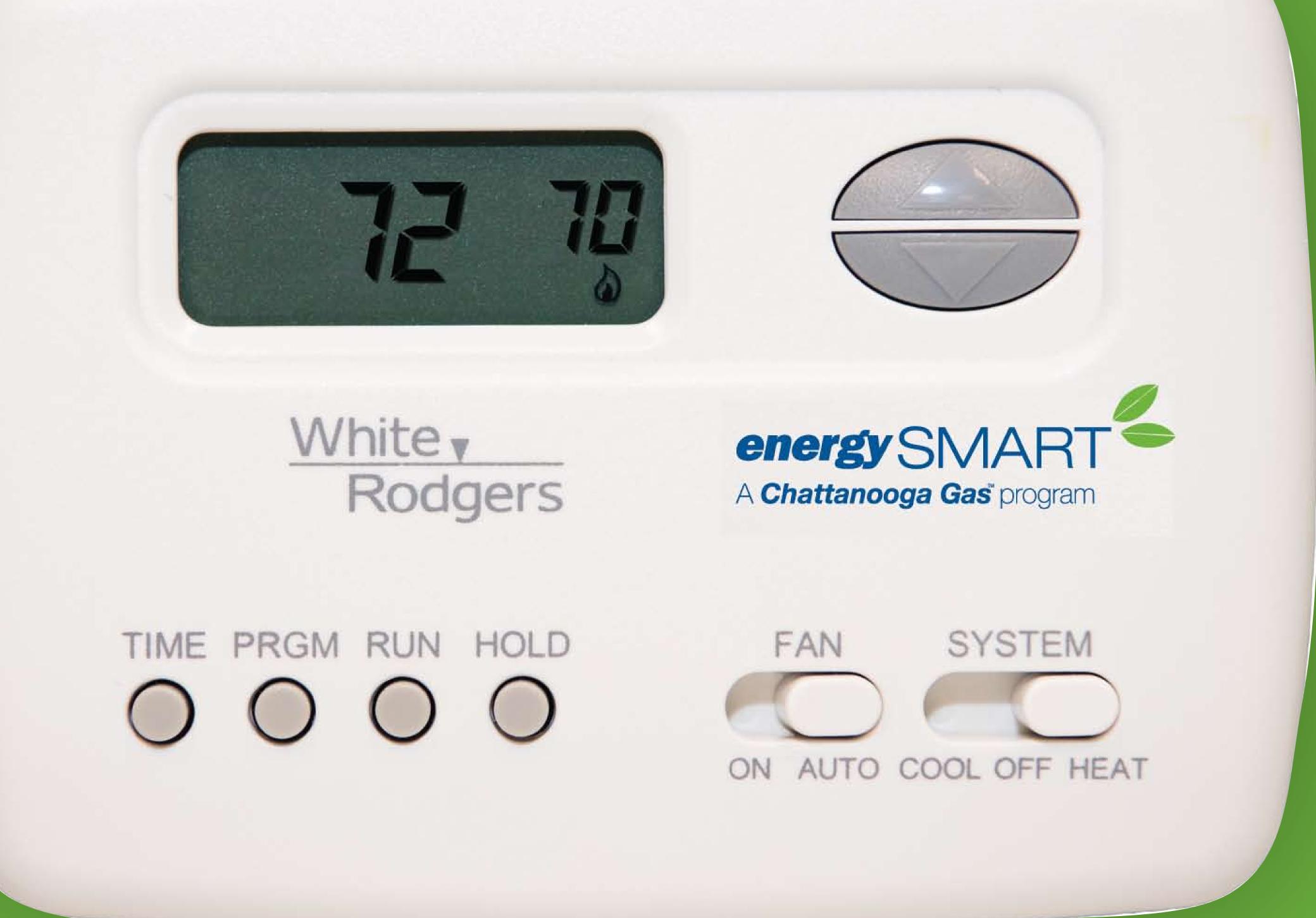








# GO GREEN, SAVE GREEN,



\*offer limited to Chattanooga Gas Customers. Visit chattanoogagas.com for full program details. Photos © 2010 Council for Responsible Energy Inc. © 2010 AGL Resources Inc. All Rights Reserved.

GET A FREE PROGRAMMABLE THERMOSTAT!\*

SAVE UP TO \$180 A YEAR!

86666434169













# Getales Programmable Thermostat.\*

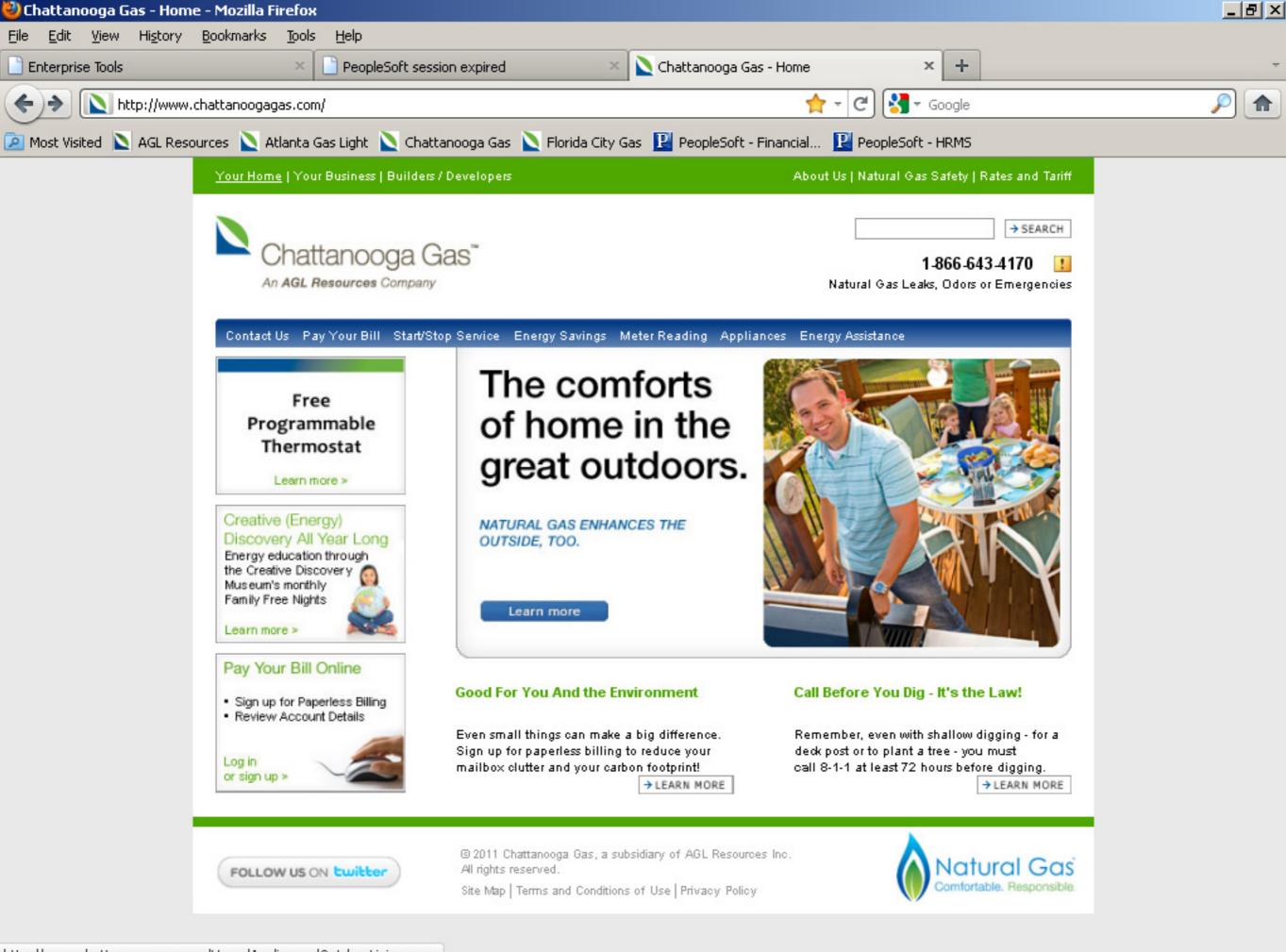


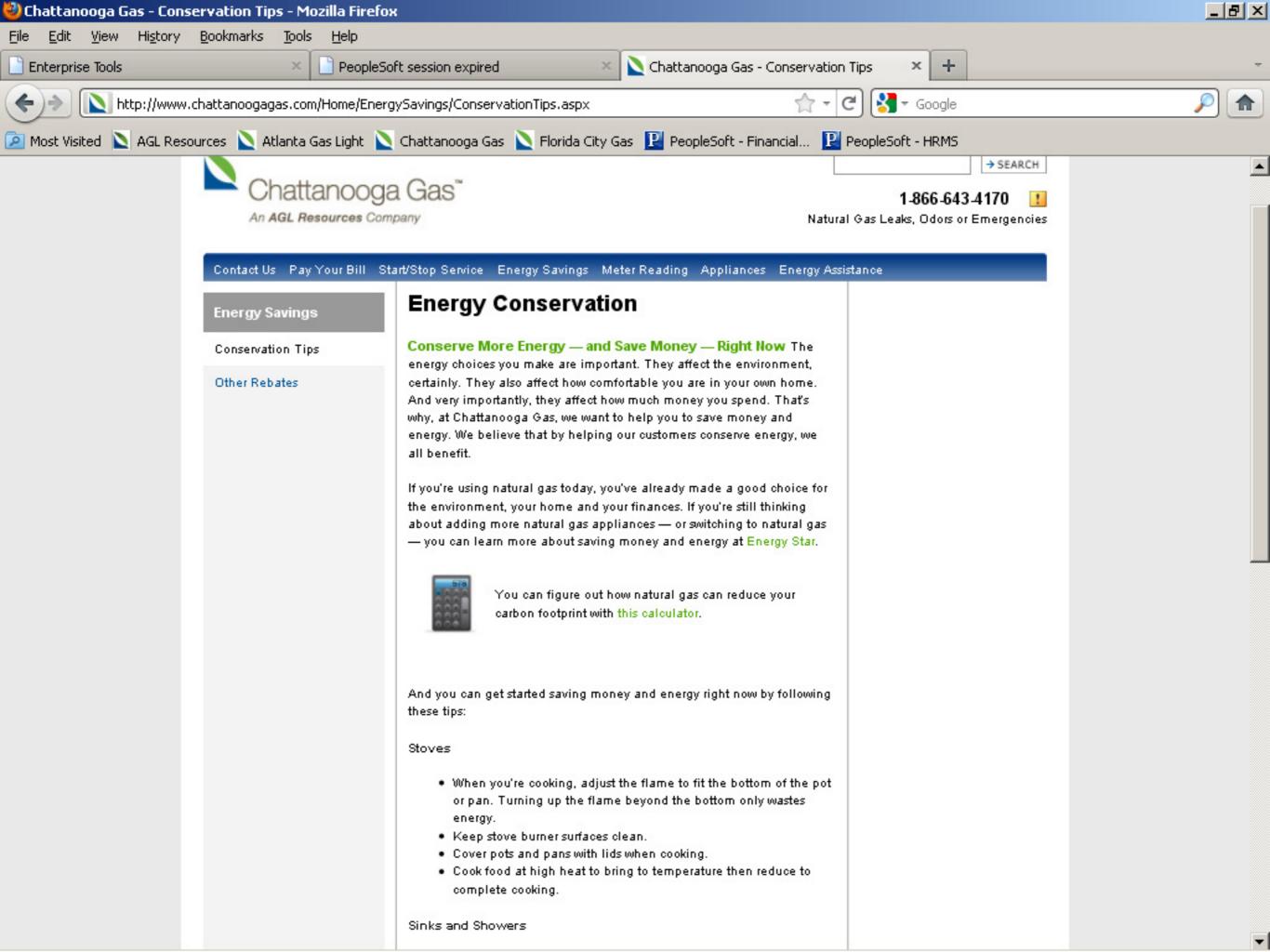
\*offer limited to Chattanooga Gas Customers. Visit chattanoogagas.com for full program details. Photos © 2010 Council for Responsible Energy Inc. © 2010 AGL Resources Inc. All Rights Reserved.

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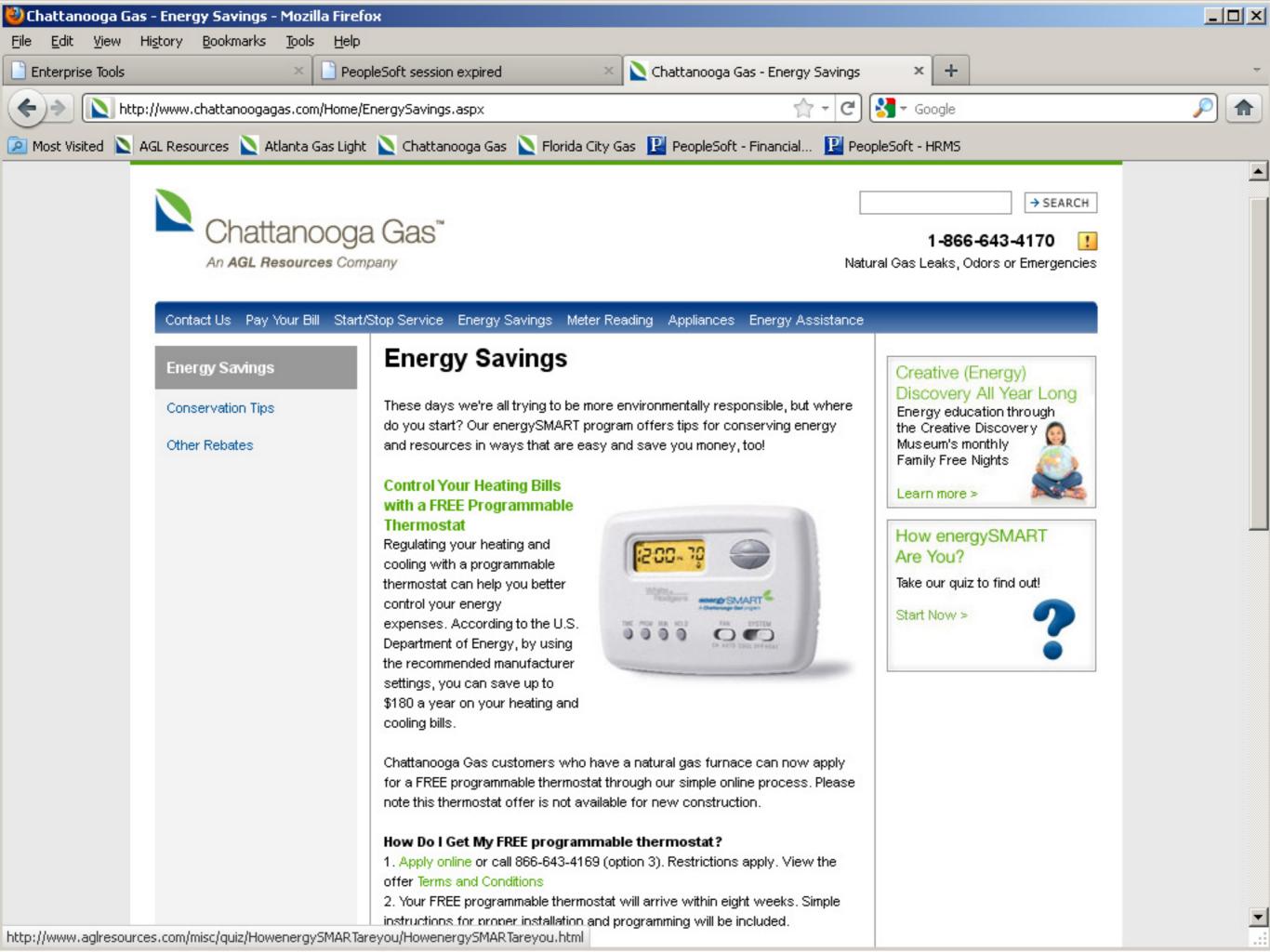
ChattanoogaGas.com/EnergySmart

86666434169









## THERE ARE MANY WAYS TO GO GREEN. SOME EVEN INCLUDE COMFORT AND STYLE.

Enjoy the comfort and reliability of natural gas while knowing you're making an environmentally friendly energy choice. Here are just some of the many ways natural gas improves your home's value and your lifestyle.

### NATURAL GAS WATER HEATING

- Heats water up to twice as fast as electricity and provides comfort during a power outage
- Tankless technology heats water on demand and is up to 40% more energy efficient
- Tankless models are durable, lasting 20 years on average

## NATURAL GAS HOME HEATING

- Maximum efficiency today's models are up to 98% efficient
- Enhanced comfort with air up to 25 degrees warmer
- Sustainable cost savings over time with less energy use

## NATURAL GAS CLOTHES DRYING

- A green laundry room essential for the eco-conscious homeowner
- Clothes dry nearly twice as fast saving money, energy and time
- Stretch your wardrobe investment with shorter drying times that are gentler on clothes

## **NATURAL GAS COOKING**

- Cook with the precise temperature control preferred by 96% of professional chefs
- An easy style and performance upgrade for the heart of your home
- Instant on and off provides the ultimate in convenience and control

### OTHER ADVANTAGES

- Generators ensure safety and comfort during power outages
- Fireplaces provide style, convenience and ambience without the mess
- Grills make outdoor entertaining easy with no tank to fill
- Outdoor lighting provides timeless charm without attracting bugs

### **EFFICIENCY MATTERS**

Natural gas appliances are more energy efficient than electric ones, which extends the life of the appliance and returns your investment cost quickly. When selecting an appliance, it is important to consider the unit's efficiency rating, or energy factor (EF). The greater the energy factor of an appliance, the less energy it uses. When you use less energy, you're not only helping save the environment, you can lower your monthly energy bill as well.

chattanoogagas.com | 866-643-4169

Shrink your home's carbon footprint with Natural Gas appliances. Visit us or call today to learn more.



## TENNESSEE AQUARIUM OFFICIAL SPONSORHIP AND LICENSING AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of this 20th day of January, 2011, by and between the Tennessee Aquarium ("Aquarium"), a not for profit corporation organized under the laws of the State of Tennessee, and Chattanooga Gas Company ("Sponsor"), a corporation organized under the laws of the State of Tennessee.

WHEREAS, Aquarium has the exclusive right to organize and conduct special events at its location (also referred to as the "Event") at its discretion during the Term of this Agreement;

WHEREAS, Sponsor desires to provide financial support for Aquarium in order to further energy conservation efforts and communicate an energy conservation mesage, and Aquarium desires to acknowledge and recognize Sponsor's financial support of Aquarium; and

WHEREAS, Sponsor desires to use Aquarium's name and trademarks and has determined to pay a licensing fee for such use;

NOW, THEREFORE, in consideration of the mutual agreements and promises contained herein, the parties hereto agree as follows:

1. **Official Status.** Aquarium grants to Sponsor the right during the Term of this Agreement to use the Aquarium's Trademarks as described herein in advertising and promoting Sponsor's Products/Services as an "Official Sponsor of the Tennessee Aquarium" and its *Go Green* initiatives.

## 2. Recognition and Promotion.

- (a) Subject to Aquarium's rights as described in this Agreement and to recognize Sponsor's generosity, Sponsor shall have the right to use Aquarium's Trademarks in advertising and promotional activities as it deems desirable during the Term of this Agreement.
- (b) Subject to Sponsor's rights and Aquarium's obligations as described in this Agreement Aquarium shall provide the following to Sponsor during the Term of this Agreement:
  - i)Exclusive sponsorship of the Go Green program for the term of the contract.
  - ii) logo recognition and link to Chattanooga Gas Energy Conservation Tips on the Go Green page of the Aquarium's web site;
  - (iii) year-round sponsor recognition associated with *Go Green* tips in the Aquarium, in the Ocean Journey building and in the lobbies of the Tennessee Aquarium and IMAX Center;

- (iv) promotion of Chattanooga Gas free programmable thermostats, logo and link on an e-newsletter sent to 18,000 member households;
- (v) discounted admission during a select time period for customers of Chattanooga Gas;
- (vi) logo exposure in Riverwatch magazine associated with quarterly conservation-related programs like the Earth Day Celebration;
- (vii) opportunity to have a booth at the Aquarium during Party for the Planet;
- (viii) authorization to use the Tennessee Aquarium marks and logo for promotions, public relations, and advertising associated with the partnership;
- (ix) distribution of Sponsor's brochures in the Aquarium's brochure rack;
- (x) Sponsor acknowledgement and recognition in the Aquarium's annual report;
- (xi) a \$2,000 credit toward the purchase of Aquarium or River Gorge ExplorerVIP passes or a private evening event;
- (xii) Half price discount tickets for all employees to the Aquarium and IMAX during Partner Appreciation Days in February.
- (c) Further events and promotions may be proposed by either party, and if the parties agree, a written addendum shall be entered into between the parties, subject to the terms and conditions of this Agreement.
- (d) It is understood and agreed that Aquarium will comply with all applicable laws, regulations and ordinances pertaining to the promotion and conduct of Aquarium as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and it shall not be obligated to take any action that would jeopardize its tax exempt status or lead to the creation of unrelated business taxable income. Aquarium shall be solely responsible for determining its compliance and liability with respect to this provision.

## 3. Licensing and Sponsorship Fees.

- (a) In consideration of Aquarium's grant of a license to use its name and trademarks in accordance with this Agreement, Sponsor shall pay to Aquarium the non-refundable annual licensing and sponsorship fee (the "Fee") of \$15,000 payable in years 2011 and 2012, except as otherwise set forth herein;
- (b) The Fee payments provided above shall be payable to Aquarium by check or, at Sponsor's option, by wire transfer to an account designated by Aquarium. Aquarium shall invoice Sponsor at least thirty (30) days in advance of the dates set forth above, and Sponsor will pay any undisputed Fee payment within thirty (30) days of receipt of an invoice from Aquarium.
- (c) <u>Late Payment of Fee</u>. In the event that a timely invoiced, undisputed portion of the Fee is not paid by Sponsor on or before the applicable payment due date, Aquarium agrees to provide written notice to Sponsor of the failure to receive any payment, and Sponsor shall have a thirty (30) day period following delivery of written notice in which to cure the payment default before Aquarium may elect to terminate this Agreement and pursue applicable remedies.

- 4. **Option to Renew.** Aquarium hereby grants to Sponsor the right to renew an Official Sponsorship hereunder on the terms and conditions proposed by Aquarium at that time, which shall be provided by written notice to Sponsor at least sixty (60) days prior to the expiration of the Term of this Agreement.
- 5. **Third Party.** If Sponsor desires to use the name of any third party in connection with anything permitted in this Agreement or to do anything which might be interpreted to suggest that the third party's goods and/or services are directly or indirectly endorsed by or associated with Aquarium, Sponsor must first obtain Aquarium's written approval.

## 6. Trademarks and Intellectual Property.

- (a) Sponsor's trademarks, designs, product identifications, artwork and other symbols and devices associated with Sponsor Products/Services ("Sponsor's Trademarks") are and shall remain Sponsor's property and Sponsor shall take all steps reasonably necessary to protect such Sponsor's Trademarks. Aquarium is hereby authorized to use Sponsor's Trademarks in acknowledging and recognizing its Sponsorship during the Term of this Agreement; provided, however, Sponsor shall have the right to approve all such uses in writing in advance. Aquarium shall submit materials to Sponsor in writing and if Sponsor does not approve or reject such materials in writing within ten (10) business days after receipt thereof, then Sponsor shall be deemed to have approved such materials. In the event that such materials are rejected, Sponsor shall provide reasons for such rejection, and allow Aquarium to resubmit the materials for approval. The right to use Sponsor's Trademarks is nonexclusive, nonassignable and nontransferable, and all uses by Aquarium of Sponsor's Trademarks shall inure solely to the benefit of Sponsor.
- (b) Aquarium's trademarks, designs, artwork and other symbols and devices associated with Aquarium's Products/Services ("Aquarium's Trademarks") are and shall remain Aquarium's property and Aquarium shall take all steps reasonably necessary to protect such Aquarium's Trademarks through federal U.S. registrations and foreign registrations as it deems desirable and through reasonable prosecution of infringements. Sponsor is hereby authorized to use Aquarium's Trademarks as set forth in this Agreement. Aquarium shall have the right to approve in advance in writing all such uses by Sponsor of its trademarks in accordance with Paragraphs 1 and 2 of this Agreement. Sponsor shall submit materials to Aquarium in writing and if Aquarium does not approve or reject such materials in writing within ten (10) business days after receipt thereof, then Aquarium shall be deemed to have approved such materials. In the event that such materials are rejected, Aquarium shall provide reasons for such rejection, and allow Sponsor to resubmit the materials for approval. The right to use Aquarium's Trademarks is nonexclusive, nonassignable and nontransferable, and all uses by Sponsor of Aquarium's Trademarks shall inure solely to the benefit of the Aquarium.
- (c) Except as specifically authorized herein, this Agreement does not grant to Aquarium any rights with respect to the use of and Sponsor shall at all times retain the intellectual property rights in and to its copyrights, trademark rights, marks and logos, associated patents, copyrights, trade secrets and all other of its intellectual property of Sponsor, its affiliates and the Council for Responsible Energy, Inc.

## 7. Warranties and Covenants.

- (a) Aquarium represents and warrants the following:
  - (i) it has the full right and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person;

- (ii) Aquarium's Trademarks do not infringe the trademarks or trade names or other rights of any other person;
- (iii) it has all government licenses, permits or other authorizations necessary to conduct its business.
- (b) Sponsor represents and warrants that:
  - (i) it has the full right and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person; and
  - (ii) it has all government licenses, permits or other authorization necessary to conduct its business.
- (c) Aquarium will at all times during the term of this Agreement comply with the following representations, warranties and covenants, and will immediately notify Sponsor of any breach thereof:
  - (i) Aquarium will follow ethical business practices and maintain appropriate business license(s). Aquarium will conduct its business with, or on behalf of, Sponsor in a manner that is consistent with AGL Resources Inc.'s Code of Business Conduct (the "Business Code"). Aquarium acknowledges that it has received a copy of the Business Code or will obtain a copy on line and that if it has any questions regarding the Business Code, it will contact AGL Resources Inc.'s Executive Director of Corporate Ethics and Compliance at 404-584-3408. The Business Code is also available at www.aglresources.com; and
  - (ii) Aquarium and all of its subcontractors, employees, agents, representatives and invitees will fully comply with all applicable laws, governmental regulations, rules, requirements, ordinances and other requirements of local and state authorities and the Federal government, as promulgated and amended from time to time, including but not limited to: the Occupational Safety and Health Act of 1970; the Immigration Reform and Control Act of 1986; the Civil Rights Act of 1964, as amended, Executive Order 11246 and regulations related thereto; and the Americans with Disabilities Act. Aquarium has and shall maintain all regulatory approvals, authorizations, licenses, permits and other permissions, consents and authorities whatsoever needed to perform its obligations under this Agreement.

## 8. Indemnity.

- (a) Each party will indemnify, defend and hold harmless the other, its parent, subsidiary and affiliated corporations and their respective directors, officers, employees, agents, successors and assigns, from and against any and all claims, damages, liabilities, losses, government proceedings and costs and expenses, including reasonable attorneys' fees and costs of suit, arising out of (i) any material breach of this Agreement by such party or the inaccuracy of any warranty or representations made by it, (ii) all products and services provided to any customer or potential customer of the other party by the indemnifying party, and (iii) any infringement of third party intellectual property rights contained in any materials provided to the other party under or in connection with this Agreement.
- (b) Each party will give the other prompt written notice of any claim or suit possibly coming within the purview of any indemnity set forth in this Agreement. Upon written request of an indemnitee, the indemnitor will assume the defense of any such claim, demand, action or proceeding. The indemnitee shall also have the right to provide its own defense at its own expense. The indemnitor shall not settle any claim without the indemnitee's consent unless it is willing to release the indemnitee from all liability hereunder. Termination of this Agreement shall not affect the continuing obligation of each of the parties under this Paragraph and Paragraph 9.

9. **Insurance.** Aquarium shall, at its own expense, maintain in effect throughout the Term of this Agreement, comprehensive general liability insurance policies with carriers of recognized standing, with limits of liability of at least Two Million Dollars (\$2,000,000), covering property damage and personal injury (including death) arising out of activities covered by this Agreement. With respect to claims for which Aquarium is an indemnifying party under Section 8 above, such insurance shall be primary. All such policies shall name Sponsor, the Council for Responsible Energy, Inc. and AGL Resources Inc. as additional insureds thereunder and Aquarium shall provide Sponsor with at least thirty (30) days advance written notice of any cancellation and/or restriction. Aquarium agrees to waive, and will require its insurers to waive, all rights of subrogation against Sponsor and its directors, officers, and employees, the Council for Responsible Energy, Inc. and AGL Resources Inc. because of any payment made under such insurance policies. Aquarium shall cause all policies to contain a waiver of subrogation clause.

## 10. Term and Termination.

- (a) This Agreement shall become effective on the date first written above and shall expire two (2) years from that date, unless terminated earlier or renewed pursuant to the terms hereof (the "Term").
- (b) Opt-Out. Sponsor may terminate this Agreement, at any time by providing 30 days prior written notice to Aquarium of its election to terminate this Agreement. Sponsor is a regulated utility governed by the Tennessee Regulatory Authority (the "TRA") and its Tariff on file with the TRA. In the event the TRA rules or otherwise determines that this Agreement or any payments made hereunder may not be recovered by Sponsor in the event the TRA enacts rules or regulations or provides direction to Sponsor, or in the event of a material change in the energy conservation program, that has an adverse impact on Sponsor's business or that otherwise prevents Sponsor from complying with the terms and conditions of this Agreement, or in the event of any change in the interpretation of law or regulation of any governmental authority having competent jurisdiction over Sponsor that has an adverse impact on Sponsor's business or its customers or that otherwise prevent Sponsor from complying with the terms and conditions of this Agreement, Sponsor may terminate this Agreement upon written notice to Aquarium and be relieved of any further obligation under this Agreement. Sponsor shall have no further payment obligations to Aquarium after such termination date.
- (c) Without prejudice to any other rights or remedies that Aquarium may have, Aquarium may terminate this Agreement immediately by delivery of notice to Sponsor at any time if any of the following events occur:
  - (1) Sponsor shall fail to comply with the prior approval procedure as specified in this Agreement and fail to cure the same within ten (10) days of receipt of notice of such failure;
  - (2) Sponsor shall (i) make an assignment for the benefit of creditors, (ii) be adjudicated bankrupt, (iii) file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under Title 11 of the United States Code or any successor or other federal or state insolvency law ("Bankruptcy Law"), which petition is not discharged within thirty (30) days, or (v) shall apply for or permit the appointment of a receiver or trustee for its assets;
  - (3) Sponsor shall default under any provision of this Agreement and shall have failed to cure such default within thirty (30) days after it received written notice of such default from Aquarium; or
  - (4) Any of the representations or warranties made by Sponsor in this Agreement shall prove to be untrue or inaccurate in any material respect.

- (d) Without prejudice to any other rights or remedies that Sponsor may have, Sponsor may terminate this Agreement immediately by delivery of notice to Aquarium if at any time (i) Aquarium shall fail to comply with Paragraph 6 hereof in any respect and fail to cure the same within ten (10) days of receipt of notice of such failure; (ii) any events described in Paragraph 10(b)(2) above shall occur with respect to the Aquarium, (iii) Aquarium shall default under any provision of this Agreement and shall have failed to cure such defaults within thirty (30) days after it received written notice of such default from the Sponsor; or (iv) any of the representations or warranties made by the Aquarium in this Agreement shall prove to be untrue or inaccurate in any material respect. Upon any such termination, Aquarium shall promptly refund to Sponsor a pro rata portion of the Fee representing the remainder of the Term.
- 11. Limitation of Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY DAMAGES RESULTING FROM LOSS OF USE OR PROFITS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN AN ACTION BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS OR BREACH OF ITS CONFIDENTIALITY OBLIGATIONS OR WILLFUL BREACH OF THE OBLIGATIONS IN THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCEED TWO THOUSAND DOLLARS (\$2,000.00).

### 12. Reserved.

## 13. Miscellany.

- (a) Confidentiality. The parties hereto agree to maintain in confidence the terms and conditions of this Agreement except to the extent that a proposed disclosure of any specific terms or conditions hereof by either party is authorized in advance by the other party or is required by law or by a party's regulators, and except to the extent necessary in connection with any due diligence investigation by a party to any potential investment, loan to or sale involving such party, provided that the investigating party has agreed to maintain the terms and conditions of this Agreement in confidence and to other reasonable confidentiality terms. Each party may disclose the terms of this Agreement to its agents, contractors and licensors, but only to the extent necessary and only in furtherance of such party's fulfillment of its obligations hereunder, provided that such agent, contractor or licensor has agreed to maintain the terms and conditions of this Agreement in confidence and to other reasonable confidentiality terms.
- (b) No Joint Venture or Partnership. This Agreement shall not be deemed to create a joint venture, partnership, principal-agent, employer-employee or similar relationship between Aquarium and Sponsor.
- (c) Invalidity. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, all of said provisions being inserted conditionally on their being considered legally valid, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provision(s) were omitted.
- (d) Notices. All notices required or permitted to be made under this Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by prepaid certified or registered mail or telex:

If to Sponsor, to:

Laura Wilkinson-Sinton

Chattanooga Gas Company c/o AGL Resources

Ten Peachtree Place Atlanta, GA 30309

If to Aquarium, to:

Cindy Todd, Director of Marketing

Tennessee Aquarium

201 Chestnut Street, Third Floor

Chattanooga, TN 37402

or such other address as either party may designate in writing to the other party for this purpose.

- (e) Governing Law. This Agreement is subject to and shall be construed in accordance with the laws of the State of Tennessee and each party consents to jurisdiction in the state and federal courts located in Chattanooga, Tennessee and hereby waives personal service.
- (f) Non-Assignment. Neither party shall assign this Agreement without the prior written approval of the other party, except that Sponsor may assign this Agreement to to its respective parent, successor or to an affiliate, and any entity which acquires substantially all of its assets or in the event of a merger or reorganization or a consolidation with any of its affiliates or related parties.
- (g) Complete Agreement. This Agreement represents the entire agreement between the parties and supersedes all other agreements, if any, express or implied, whether written or oral. Neither party has made and makes no representations of any kind except those specifically set forth herein.
- (h) Binding Agreement. This Agreement shall be binding upon the parties, their successors and assigns, and all amendments to this Agreement must be in writing and signed by the parties.
- (i) Force Majeure. Neither party shall be liable for failure or other delay in performance of its obligations under this Agreement and such failure or delay shall not constitute a breach under this Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including acts of God (fires, floods, storms, hurricanes, earthquakes, tornadoes, etc.), acts of public enemy, war, civil disturbance, sabotage, accidents, insurrections, blockades, embargoes, acts of any governmental or quasi-governmental authority, labor strikes, lock outs or other labor disturbance or interruption or any other force majeure (collectively, "Force Majeure Events" and individually, a "Force Majeure Event").
- (j) Rights upon Termination. Upon the termination of this Agreement, Sponsor and Aquarium will promptly return or destroy all Confidential Information, intellectual property and related materials in its possession to the disclosing party and discontinue all further use of the Confidential Information and related materials. Upon request of the disclosing party, the recipient shall promptly certify that such action has been taken.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

TENNESSEE AQUARIUM	CHATTANOOGA, GAS COMPANY
BY: (Indy Jodd	BY: MANGUATON
TITLE: Director of Marketing	TITLE: Monagua Predor Marcomm
1/2///	DATE: 1/29/11
DATE: 1/27/11	





The Aquarium is committed to creating less waste and maximizing recycling, like using recycled carpet to help restore habitats.

Think about replacing single-use products such as disposable cups and plates with reusable items. You'll reduce waste and save money.





The Aquarium is committed to creating less waste and maximizing recycling as part of its Go Green initiative. Chattanooga Gas is committed to recycling as well, from paper and cardboard to bottles and cans. We've also recycled our scrap metal — old meters and pipes — for years.





Conserving water is vital for our planet. Chattanooga Gas, like the Tennessee Aquarium, has implemented water saving measures, such as:

- Installing low-flow faucets
- Detecting and eliminating leaks
- Reducing toilet flush volume

12 ounces of water are needed to make one sheet of paper. Save water by setting your computer to print double-sided.





The Gulf of Mexico exhibit is kept at 78°. The water in this exhibit is heated with energy efficient natural gas.

## Turn your water heater down to an energy efficient 120° to keep your family *and* your budget happy.





The Aquarium uses natural gas tankless water heaters to heat water only when we need it.

## Switching your water heater to a natural gas tankless version will save water, energy and money.





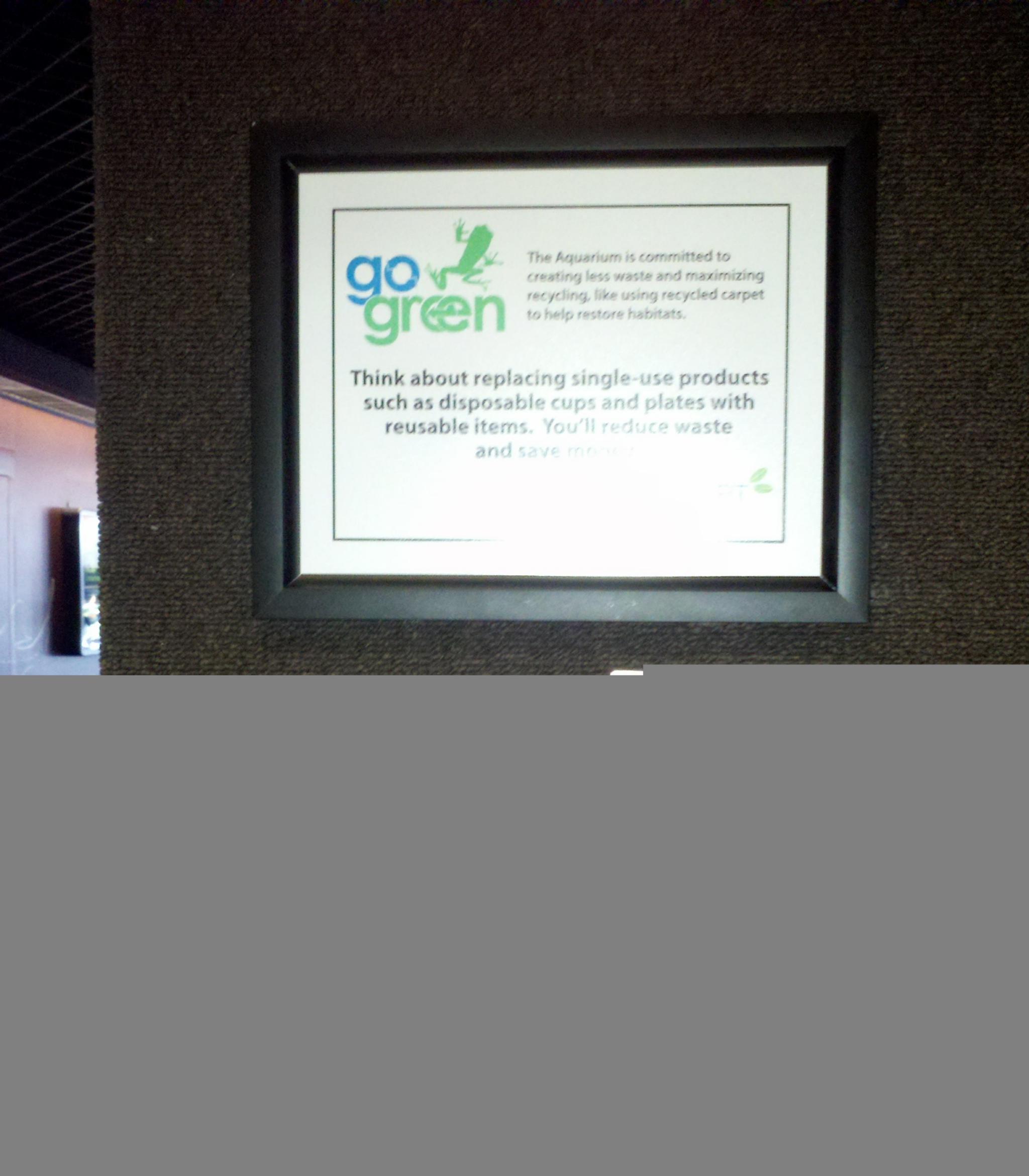
The Aquarium uses timers to reduce energy use.

## Installing and using programmable thermostats can help you save up to \$180 a year.











## ENERGY CONSERVATION PROGRAM ADVERTISING AGREEMENT

Chattanooga Gas Company's sponsorship of the Chattanooga Creative Discovery Museum's 2011 Family Fun Nights

THIS ENERGY CONSERVATION PROGRAM ADVERTISING AGREEMENT ("Agreement") is made and entered into December 29, 2010 ("Effective Date") by and between Chattanooga Gas Company ("CGC") and the Chattanooga Creative Discovery Museum ("Museum") to promote energy conservation and education through an exclusive corporate sponsorship of the Museum's monthly Family Fun Nights -- 11 Free Nights (the second Thursday evening of each month except in December) and 2 Free Days in December each year, and will share in the Advertising Benefits (as defined herein);

WHEREAS, CGC desires to be a advertiser of the Museum for certain educational and promotional purposes during the Term of this Agreement; and

**NOW THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, CGC and Museum hereby agree as follows:

## 1. TERM OF AGREEMENT.

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- 1.1 <u>Term</u>. Unless terminated earlier in accordance with the provisions of Section 1.2, Section 1.3, Section 7.1 or the other provisions set forth in this Agreement, the term of this Agreement ("Term") shall commence as of the Effective Date and end on December 31, 2011. The parties can mutually agree in writing to extend the Term for an additional Contract Year at the end of the initial Term or any subsequent renewal Term. For purposes of this Agreement, the first "Contract Year" shall mean the period commencing on the Effective Date and continuing through December 31, 2011, and, if renewed by mutual written agreement, every subsequent "Contract Year" shall mean the twelve (12) month period commencing on January 1 through the following December 31, as applicable (except for the last Contract Year of the Term, which shall end upon the expiration of the Term).
- 1.3 Regulatory Conditions. CGC is a regulated utility governed by the Tennessee Regulatory Authority (the "TRA") and its Tariff on file with the TRA. In the event the TRA rules or otherwise determines that this Agreement or any payments made hereunder may not be recovered by CGC in the event the TRA enacts rules or regulations or provides direction to CGC, or in the event of a material change in the energy conservation program, that has an adverse impact on CGC's business or that otherwise prevents CGC from complying with the terms and conditions of this Agreement, or in the event of any change in the interpretation of law or regulation of any governmental authority having competent jurisdiction over CGC that has an adverse impact on CGC's business or its customers or that otherwise prevent CGC from complying with the terms and conditions of this Agreement, CGC may terminate this Agreement upon written notice to the Museum and be relieved of any further obligation under this Agreement.

## 2. MUSEUM COMMITMENTS.

2.1 <u>Advertising Benefits</u>. For the Term of this Agreement, the Museum will provide CGC with certain advertising and promotional benefits as are set forth in and in accordance with <u>Exhibit A</u> attached hereto and made a part hereof (the "Advertising Benefits"). CGC, at its cost,

shall have the right to revise the content of marketing or promotional materials provided as part of the Advertising Benefits upon written notice to the Museum and subject to the terms hereof.

2.2 Exclusivity. For the Term of this Agreement, CGC will be the exclusive corporate sponsor of the Museum's monthly Family Fun Nights. The Museum reserves the right to have media sponsors for all or some of the Family Fun Nights. The Museum also reserves the right to have non-profit partners involved in all or some of the Family Fun Nights.

## 3. <u>CGC'S COMMITMENTS</u>.

- 3.1 Advertising Fee. In consideration of the Advertising Benefits, CGC shall pay to the Museum an annual amount of \$12,000 (the "Fee") per Contract Year, subject to CGC's right to terminate this Agreement as provided in Sections 1.2, 1.3, and 7.1. The annual Fee shall be paid by CGC to the Museum in one lump sum by Jan. 15 of each contract year. The Fee payments provided above shall be payable to the Museum by check or, at CGC's option, by wire transfer to an account designated by the Museum. The Museum shall invoice CGC at least thirty (30) days in advance of the beginning of the applicable Contract Year, and CGC will pay any undisputed Fee payment within thirty (30) days of receipt of an invoice from the Museum.
- 3.2 <u>Late Payment of Fee.</u> In the event that a timely invoiced, undisputed portion of the Fee is not paid by CGC on or before the applicable payment due date, the Museum agrees to provide written notice to CGC of the failure to receive any payment, and CGC shall have a thirty (30) day period following delivery of written notice in which to cure the payment default before the Museum may elect to terminate this Agreement.
- 3.3 <u>Expenses</u>. Except as otherwise specifically provided in this Agreement, including Exhibit A, each of the parties shall pay its own expenses of performing its obligations under this Agreement.
- 3.4 The Museum acknowledges and agrees that CGC may enter into similar agreements with other vendors and museums.
- Proprietary Marks and Status. CGC and the Museum recognize the name, logos, colors, trademarks, service marks, or other identifying features ("Marks") of the other are the unique, valid and exclusive property of the respective owner of the Marks. Except as specifically authorized herein, this Agreement does not grant to CGC any rights with respect to the use of and the Museum shall at all times retain any Marks or other indicia of the Museum or the intellectual property rights in and to its copyrights, trademark rights, Marks and logos, associated patents, copyrights, trade secrets and all other of its intellectual property. Except as specifically authorized herein, this Agreement does not grant the Museum any rights with respect to the use of and CGC shall at all times retain any Marks or other indicia of CGC its affiliates, or the Council for Responsible Energy, Inc. or the intellectual property rights in and to its copyrights, trademark rights, Marks and logos, associated patents, copyrights, trade secrets and all other of its intellectual property. In furtherance of the foregoing each of the parties agrees that it shall have no right to grant any party the right to use the Marks of the other party either alone or in connection with its Marks or in association with its Marks and the Marks of such third party. The Museum hereby grants to CGC a fully-paid, non-exclusive, non-transferable, limited license to use the Museum trademarks and logos in the course of performing under this Agreement and promoting the programs set forth herein. CGC grants to the Museum a non-exclusive, non-transferable, limited license to use the CGC logo for promoting the programs set forth herein, provided any such usage shall be approved in advance in writing by CGC. The Museum agrees to use only the logo and

materials approved by CGC. All uses by a party of the other party's Marks shall inure solely to the benefit of the owner of such Marks The Museum and CGC further agree that they will not at any time do or cause to be done any act or thing, directly or indirectly, which contests or in any way impairs or tends to impair or dilutes or tends to dilute any part of the right, title and interest of the other in its Marks; and the Museum and CGC shall not, in any manner, represent that it has any ownership interest in the other's Marks or the registrations therefore.

Each party shall submit co-marketing materials to the other for prior written approval, as shall be mutually agreed by the parties. CGC's contact for this Agreement shall be Margaret Lisi. Museum's contact for this Agreement shall be Lynda LeVan. The party receiving such materials shall notify the party submitting such materials of its acceptance or rejection in writing within five (5) business days of receipt, failing which such materials shall be deemed approved. In the event that such materials are rejected, the receiving party shall provide reasons for such rejection, and allow the submitting party to re-submit the materials for approval.

## 5. REPRESENTATIONS AND WARRANTIES

- 5.1 <u>CGC's Representations</u>. CGC represents and warrants to the Museum the following, all of which representations and warranties shall apply during the Term of this Agreement:
- 5.1.1 CGC is a Tennessee corporation in good standing under the laws of the State of Tennessee and is duly authorized to transact business in Tennessee, with full power and authority to enter into and fully perform its obligations under this Agreement. The execution and delivery of this Agreement on behalf of CGC has been duly authorized by CGC and this Agreement constitutes a valid, binding and enforceable obligation of CGC.
- 5.1.2 Neither this Agreement nor anything required to be done hereunder by CGC violates or shall violate any corporate charter, contract or other document to which CGC is a party or by which it is otherwise bound.
- 5.2 <u>Museum's Representations</u>. The Museum represents and warrants to CGC the following, all of which representations and warranties shall apply during the Term of this Agreement:
- 5.2.1 The Museum is a Tennessee 501c3 non-profit corporation in good standing under the laws of the State of Tennessee and the Museum is duly authorized to transact business in Tennessee, with full power and authority to enter into and fully perform its obligations under this Agreement. The execution and delivery of this Agreement on behalf of the Museum has been duly authorized by the Museum and this Agreement constitutes a valid, binding and enforceable obligation thereof.
- 5.2.2 Neither this Agreement nor anything required to be done hereunder by the Museum violates or shall violate any partnership agreement, corporate charter, contract or other document to which the Museum is a party or by which it is otherwise bound.
- 5.3 <u>Museum' Covenants</u>. The Museum will at all times during the term of this Agreement comply with the following representations, warranties and covenants, and will immediately notify CGC of any breach thereof:
- 5.3.1 The Museum will follow ethical business practices and maintain appropriate business license(s). The Museum will conduct its business with, or on behalf of, CGC in a manner that is consistent with AGL Resources Inc.'s Code of Business Conduct (the "Business Code"). The

Museum acknowledges that it has received a copy of the Business Code or will obtain a copy on line and that if it has any questions regarding the Business Code, it will contact AGL Resources Inc.'s Executive Director of Corporate Ethics and Compliance at 404-584-3408. The Business Code is also available at www.aglresources.com.

5.3.2 The Museum and all of its subcontractors, employees, agents, representatives and invitees will fully comply with all applicable laws, governmental regulations, rules, requirements, ordinances and other requirements of local and state authorities and the Federal government, as promulgated and amended from time to time, including but not limited to: the Occupational Safety and Health Act of 1970; the Immigration Reform and Control Act of 1986; the Civil Rights Act of 1964, as amended, Executive Order 11246 and regulations related thereto; and the Americans with Disabilities Act. The Museum has and shall maintain all regulatory approvals, authorizations, licenses, permits and other permissions, consents and authorities whatsoever needed to perform its obligations under this Agreement.

## 6. INDEMNIFICATION & INSURANCE

- Indemnification. Each of the parties shall indemnify and hold harmless the other party and any entity owned or controlled by, or under common ownership or control with, or which owns or controls the other party (collectively, "Affiliated Entities"), and their respective partners, shareholders, members, officers, directors, employees, agents and representatives (collectively, the "Indemnitees") from and against any and all claims, orders, damages, liabilities, costs and expenses, including reasonable attorney's fees, arising out of (i) the indemnifying party's negligent actions or omissions with respect to its performance this Agreement, or such party's willful misconduct or breach of any representation, warranty or agreement in this Agreement applicable to it, (ii) all products and services provided to any customer or potential customer of the other party by the indemnifying party, and (iii) any infringement of third party intellectual property rights contained in any materials provided to the other party under or in connection with this Agreement. Neither party shall have an obligation to indemnify or hold harmless the Indemnitees from any claim arising from or related to the Indemnitees' negligence or misconduct. Each party hereto shall promptly notify the other of any claim or litigation to which the indemnity set forth in this paragraph applies. Each of the parties agrees to defend all actions to which such indemnity applies and to conduct the defense thereof at its expense and by qualified counsel, which counsel shall be reasonably satisfactory to the Indemnitees. These indemnity obligations shall survive the termination or expiration of this Agreement.
- 6.2 <u>Insurance</u>. The Museum shall, at its own expense, maintain in effect throughout the Term of this Agreement, comprehensive general liability insurance policies with carriers of recognized standing, with limits of liability of at least Two Million Dollars (\$2,000,000), covering property damage and personal injury (including death) arising out of activities covered by this Agreement. With respect to claims for which the Museum is an indemnifying party under Section 7.1 above, such insurance shall be primary. All such policies shall name CGC, the Council for Responsible Energy, Inc. and AGL Resources Inc. as additional insureds thereunder and to the Museum shall provide CGC with at least thirty (30) days advance written notice of any cancellation and/or restriction. The Museum agrees to waive, and will require its insurers to waive, all rights of subrogation against CGC and its directors, officers, and employees, the Council for Responsible Energy, Inc. and AGL Resources Inc. because of any payment made under such insurance policies. The Museum shall cause all policies to contain a waiver of subrogation clause.

6.3 <u>Limitation of Liability</u>. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY DAMAGES RESULTING FROM LOSS OF USE OR PROFITS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN AN ACTION BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS OR BREACH OF ITS CONFIDENTIALITY OBLIGATIONS OR WILLFUL BREACH OF THE OBLIGATIONS IN THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCEED TWO THOUSAND DOLLARS (\$2,000.00).

## 7. **DEFAULT TERMINATION**

- 7.1 <u>Museum Default</u>. CGC shall have the right to terminate this Agreement upon written notice to Museum if Museum fail to provide CGC with the material benefits of this Agreement or Museum breach and fail to cure any of its material obligations under this Agreement within thirty (30) days following delivery of written notice to Museum stating such failure or failures (or, if time is of the essence with respect to such breach, within a lesser time period that is reasonable under the then-existing circumstances); provided that any such failure remains uncured at the end of such period. Upon any such termination, Museum shall promptly refund to CGC a pro rata portion of the Fee representing the remainder of the Term.
- 7.2 <u>CGC's Default</u>. The Museum shall have the right to terminate this Agreement upon written notice to CGC if CGC breaches and fails to cure any of its material obligations under this Agreement within thirty (30) days following delivery of written notice to CGC stating such failure or failures (or, if time is of the essence with respect to such breach, within a lesser time period that is reasonable under the then-existing circumstances); provided that any such failure remains uncured at the end of such period.

## 8. MISCELLANEOUS

- 8.1 <u>Confidentiality</u>. The parties hereto agree to maintain in confidence the terms and conditions of this Agreement, except to the extent that a proposed disclosure by a party of any specifications or conditions hereof is authorized in advance by the other party or is required by law or by a party's regulators, and except to the extent necessary in connection with any due diligence investigation by a party to any potential investment, loan to or sale involving such party, provided that the investigating party has agreed to maintain the terms and conditions of this Agreement in confidence and to other reasonable confidentiality terms. Each party may disclose the terms of this Agreement to its agents, contractors and licensors, but only to the extent necessary and only in furtherance of such party's fulfillment of its obligations hereunder, provided that such agent, contractor or licensor has agreed to maintain the terms and conditions of this Agreement in confidence and to other reasonable confidentiality terms.
- 8.2 <u>No Joint Venture</u>. It is mutually understood and agreed that CGC and the Museum, and their respective partners, officers, employees, representatives and agents are, at all times herein, acting and performing separately and independently of each other and are in no way or manner to represent themselves as agents or employees of the other party. As such, no party shall incur any expenses or create any liens or encumbrances in another party's name or against another party's interests. This Agreement shall not create a joint venture, partnership, or a relationship of principal and agent, or of employer and employee, between the parties.

8.3 <u>Notices</u>. All notices required to be given hereunder shall be properly served if in writing and delivered by (i) hand delivery, (ii) certified or registered mail, postage prepaid or (iii) recognized overnight courier service which delivers only upon the signed receipt of the addressee, which in any case shall be delivered to the respective addresses set forth below or to such other addressees as may be designed by written notice by such party. Notice shall be deemed given on the date of delivery of such notice to the recipient or the date of refusal to accept delivery of such notice by the addressee or its agent.

If to the Museum:

Creative Discovery Museum

321 Chestnut Street Chattanooga TN 37402 Attn: Lynda LeVan

If to CGC:

Chattanooga Gas Company c/o AGL Resources

Ten Peachtree Place Atlanta, Georgia 30309 Attn: Laura Wilkinson-Sinton

- 8.4 <u>Governing Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee
- 8.5 <u>Successors and Assigns</u>. No party may assign any of its rights or obligations hereunder without the prior written consent of the other party, except that the Museum or CGC may assign to its respective parent, successor or to an affiliate, and neither party may withhold its consent to an assignment of this Agreement in the event of a merger or reorganization of the other party, a sale of all or substantially all of the other party's assets or a consolidation of the other party with any of its affiliates or related parties.

## 8.6 Force Majeure.

- 8.6.1 Neither party shall be liable for failure or other delay in performance of its obligations under this Agreement and such failure or delay shall not constitute a breach under this Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including acts of God (fires, floods, storms, hurricanes, earthquakes, tornadoes, etc.), acts of public enemy, war, civil disturbance, sabotage, accidents, insurrections, blockades, embargoes, acts of any governmental or quasi-governmental authority, labor strikes, lock outs or other labor disturbance or interruption or any other force majeure (collectively, "Force Majeure Events" and individually, a "Force Majeure Event").
- 8.7 <u>Compliance of Law</u>. By entering into this Agreement, the Parties agree to comply with all applicable laws, rules and regulations as they may be amended from time to time. In the event that any part of this Agreement is determined to violate applicable federal, state or local laws, rules or regulations, the Parties agree to negotiate in good faith revisions to the provision or provisions that are in violation.
- 8.8 Entire Agreement. This Agreement (including Exhibit A) sets forth the entire understanding and agreement of the parties hereto with respect to its subject matter and supersedes all prior understandings or agreements between the parties relating to the same subject matter. Any amendments or modifications to this Agreement shall be in writing, as mutually agreed upon by both parties.

- 8.9 <u>Survival</u>. Upon termination or expiration any and all provisions, promises and warranties contained herein, which by their nature or effect are required or intended to be observed (including, without limitation, Sections 6 and 8), kept or performed after termination of this Agreement, will survive the termination of this Agreement and remain binding upon and for the benefit of the parties hereto.
- 8.10 <u>Rights upon Termination</u>. Upon the termination of this Agreement, CGC and the Museum will promptly return or destroy all Confidential Information, intellectual property and related materials in its possession to the disclosing party and discontinue all further use of the Confidential Information and related materials. Upon request of the disclosing party, the recipient shall promptly certify that such action has been taken.
- 8.11 EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING BUT NOT LIMITED TO ANY CLAIMS, COUNTERCLAIMS, CROSS-CLAIMS, OR THIRD PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN. FURTHER, EACH OF THE PARTIES HERETO CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF EITHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. EACH OF THE PARTIES ACKNOWLEDGES THAT THIS SECTION IS A MATERIAL INDUCEMENT FOR THE OTHER PARTY ENTERING INTO THIS AGREEMENT.
- 8.12 <u>Clause Headings</u>. The clause headings appearing throughout this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they appertain nor any other substantive provision of this Agreement.
- 8.13 <u>Execution</u>. The signatories to this Agreement warrant that they have full and binding authority to make the commitments contained herein on behalf of their respective entities. This Agreement will not be construed against the party preparing it but will be construed as if both parties prepared this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized representatives, effective as of the date first shown above.

Chattanooga Gas Company

Chattanooga Creative Discovery Museum

By My Schulen 12/28/2010

Name Many Schulen 12/28/2010

Name: Henry Schulen

Title: Manging Wester enterine

Title: Executive Director

## **EXHIBIT A**

## **ADVERTISING BENEFITS**

The Museum will provide CGC with the following Advertising Benefits during the Term.

- 1. <u>Designation</u>. CGC shall be the exclusive presenting sponsor of the Chattanooga Creative Discovery Museum's monthly Family Fun Nights events with advertising rights related thereto, including but not limited to:
- 2. Name and logo inclusion in all relevant print advertising including handouts, newsletters, newspaper freestanding inserts (FSIs), banners and signage
- 3. Inclusion of a booth, manned by CGC personnel, at each Family Fun Night to discuss energy conservation and energy savings
- 4. Additional participation in Museum conservation programs such as Earth Day
- 4.5. Exclusive sponsorship for Community Free Day program for 2011 and 2012. Signage with Chattanooga Gas displayed at each Free Night and Free Days in Dec.
- 5.6. Chattanooga Gas logo inclusion on Community Free Day banner above Museum entrance displayed day of Free Night and on signage for Free Day in Dec.
- 6.7. Chattanooga Gas logo inclusion in public service television announcements before each Free Night (or Free Day in Dec.)
- 7-8. Chattanooga Gas logo inclusion as an Official Sponsor of Community Free Day program on the Museum's web site (www.cdmfun.org).
- 8-9. Chattanooga Gas logo inclusion on e-newsletter announcing Free Night (or Free Day in Dec.) each month.
- 9.10. Opportunity for Chattanooga Gas to set up and display a booth at each Free Night (or Free Day in Dec.) to provide information and materials on energy conservation and gas safety. (materials covering other topics upon approval by Executive Director of Museum.)
- | 10.11. Opportunities for special promotions at other times subject to mutual approval, including exhibition of a CGC energy truck outside the museum on Family Fun Nights.
- 11.12. Discount coupons for general admission for inclusion in all customer gas bills for one billing cycle in 2011.
- 12.13. 50 complimentary one-day admission passes to the Museum. Each pass could be used as giveaways to employees, customers, schools, or other promotions approved by the Museum.
- 13.14. Opportunity for a free Museum rental by AGL Resources or Chattanooga Gas with the scheduled date agreed upon by both parties. or opportunity to schedule a one-week free admission period whereby AGL Resources or Chattanooga Gas employees and their families could visit the Museum for free. The scheduled date must be mutually agreed upon by both parties.

## CGC will, in return:

- 1. Promote the sponsorship with custom bill insert to its 60,000+ customers
- 2. Provide its logo to the Museum
- 3. Promote the sponsorship with custom e-blasts to certain of its customers and employees
- 4. Set up, tear down and man its booth at all events
- 5. Include promotion of the sponsorship, as possible and as deemed recoverable by the TRA, through energy conservation advertising

Name and logo inclusion in all electronic event communications, including web, electronic newsletters, e-blasts, social media such as Twitter and Facebook communications, television and radio. Any commercial spot and all promotions mentioned above are subject to the prior approval of the Museum, which approval shall not be unreasonably withheld. Such commercial spot(s) shall be in the format prescribed by the Museum.

## WELCOMESTO.

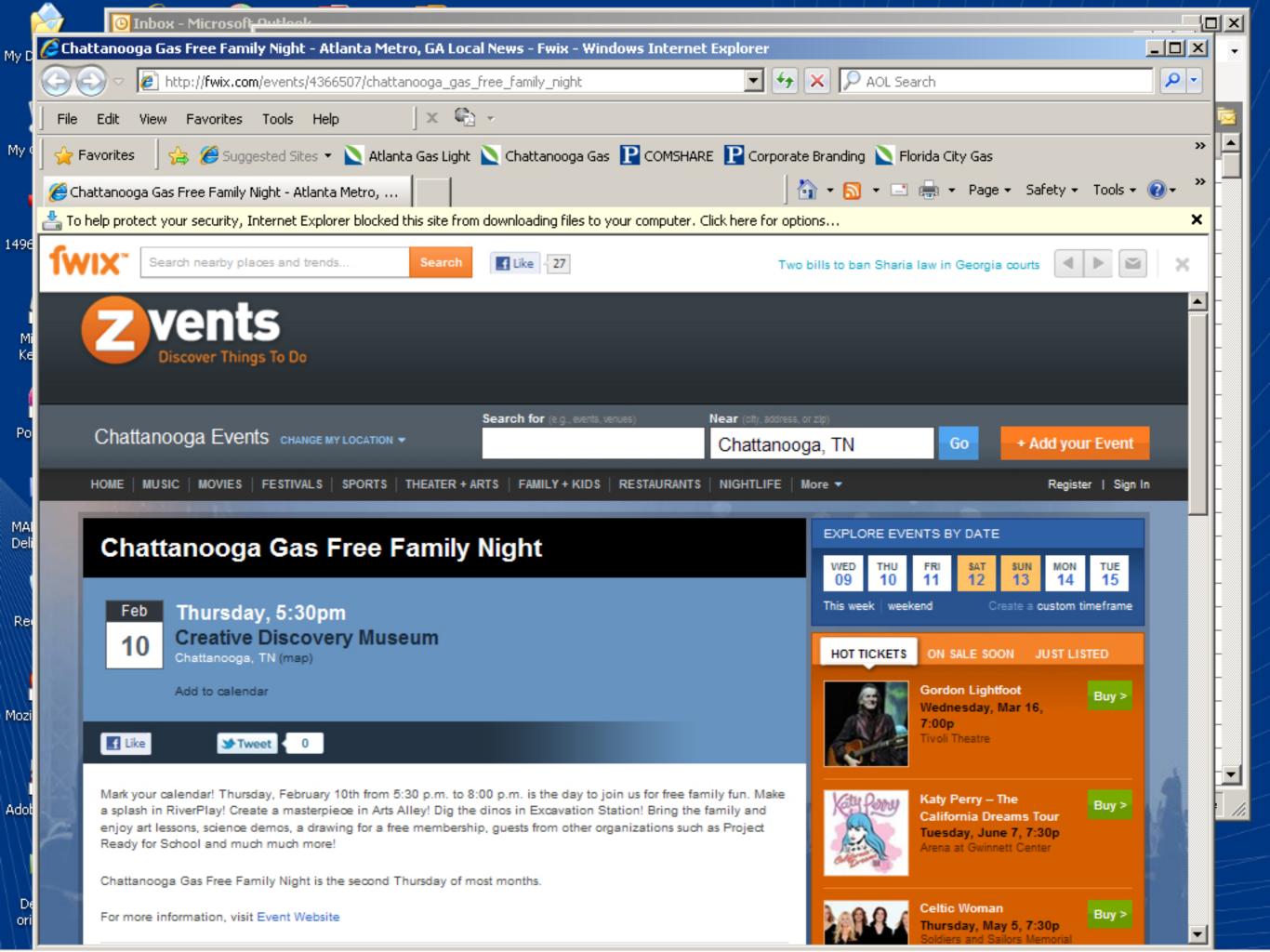
# Free Family No. 10 Control of the Co

Presented by



An AGL Resources Company











We use special equipment to find pipes under the ground. Help us find the line!

Our No. 1 goal at Chattanooga Gas is safety! Try on a hard hat and safety vest so you can be safe while you work!

Are you a Chattanooga Gas customer? You're eligible for a FREE programmable thermostat, which can save you up to \$180 annually on your home energy bills!

Enjoy the rest of your visit at Family Free Night sponsored by energySMART, the energy education program of Chattanooga Gas!

chattanoogagas.com



Chattanooga Gas

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## TAKE THE NATURAL GAS SMELL TEST

Which test tube smells like real natural gas? What are the other smells you detect?

Some smells attract, some repel. Either way, there's usually a good reason things smell the way they do!

Enjoy the rest of your visit at Family Free Night sponsored by energySMART, the energy education program of Chattanooga Gas!

chattanoogagas.com

