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May 31, 2013

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

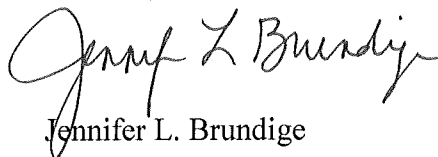
Re: Docket No. 09-000183

Dear Mr. Foster:

Pursuant to the Tennessee Regulatory Authority's November 8, 2010 Order in Docket 09-00183, Chattanooga Gas Company hereby files the enclosed 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 April 1, 2012 – March 31, 2013. A copy of the report is being provided to the Consumer Advocate and Protection Division of the Office of Attorney General & Reporter.

Should there be any questions, please contact Archie Hickerson at 404-584-4570 or at [ahickers@aglresources.com](mailto:ahickers@aglresources.com).

Sincerely,



Jennifer L. Brundige

/cb  
Enclosure

cc: Archie Hickerson

CHATTANOOGA GAS COMPANY

energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

MAY 31, 2013

Chattanooga Gas Company  
Report to the Tennessee Regulatory Authority  
On the energySMART Program for the Twelve Months Ended  
March 31, 2013

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 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

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

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 April 1, 2012 through March 31, 2013.

#### Residential Free Programmable Thermostat Program

The demand for the programmable thermostats continues to exceed the Company's expectation. Based on the experience of other natural gas local distribution companies offering similar programs, CGC expected to receive requests for and to issue approximately 1,500 programmable thermostats per program year. However, during the first seven months after the program was initiated in September 2010, the Company received over 3,343 requests, and approved 3,196 applications for thermostats. This was over twice the number anticipated during the first year and represented approximately 6% CGC's customer that were eligible to receive the free thermostats.

During the second reporting year, the level of requests for the thermostats declined from that experienced during the first seven months of the program, but the 1,794 thermostats that were issued for the twelve months ended March 31, 2012 again exceeded the 1,500 anticipated. During the third year, the requests for the programmable thermostats increased to

2,466. The table below shows the number of requests and the number of thermostats issued for each month from September 2010-March 2013.

<b>CGC Free Thermostat Program Sept 2010 - March 2011</b>				
<b>Month Requested</b>	<b>Approved/ Processed</b>	<b>Cancelled</b>	<b>Denied</b>	<b>Total Requests</b>
Sep-10	32	4		36
Oct-10	1,227	22	1	1,250
Nov-10	903	12	15	930
Dec-10	537	25	27	589
Jan-11	299	18	14	331
Feb-11	100	1	3	104
Mar-11	98	3	2	103
<b>Total Sept 2010-March 2011</b>	<b>3,196</b>	<b>85</b>	<b>62</b>	<b>3,343</b>
<b>April 2011-March 2012</b>				
<b>Month Requested</b>	<b>Approved/ Processed</b>	<b>Cancelled</b>	<b>Denied</b>	<b>Total Requests</b>
Apr-11	143		11	154
May-11	128	4	7	139
Jun-11	55	2		27
Jul-11	43	1		44
Aug-11	57	4		61
Sep-11	73			73
Oct-11	243	3	1	247
Nov-11	583	13	4	600
Dec-11	232	4	1	237
Jan-12	134	1	4	139
Feb-12	62		1	63
Mar-12	41			41
<b>Total April 2011-March 2012</b>	<b>1,794</b>	<b>32</b>	<b>29</b>	<b>1,825</b>

<b>April 2012-March 2013</b>				
<b>Month Requested</b>	<b>Approved/ Processed</b>	<b>Cancelled</b>	<b>Denied</b>	<b>Total Requests</b>
Apr-12	42	1	0	41
May-12	95	4	3	88
Jun-12	115	0	3	112
Jul-12	59	2	0	57
Aug-12	89	0	0	87
Sep-12	64			64
Oct-12	44			44
Nov-12	34			34
Dec-12	64			64
Jan-13	217			217
Feb-13	958			958
Mar-13	685			685
<b>Total April 2012-March 2013</b>	<b>2,466</b>	<b>9</b>	<b>6</b>	<b>2,451</b>
<b>Total September 2010-March 2013</b>	<b>7,456</b>	<b>124</b>	<b>97</b>	<b>7,621</b>

As of March 2013, approximately 13.5% of CGC's eligible customers had received programmable thermostats.

The total cost of the program for the twelve months March 31, 2013 was \$85,459.46. Of that total, \$46,237.50 was for the purchase of the thermostats (2,66 units X \$18.75/ unit = \$46,237.50) with the remaining \$39,221.96 paid to Employment Horizons to store, pack, and ship the thermostats to requesting customers and to Integrated Resources Solutions for processing applications for the thermostats. The average cost per unit issued for the twelve months ended March 31, 2013 was \$34.60 (\$85,459.46/2,466 units = \$34.60/unit). The detailed accounting is provided on Exhibit A.

#### Community Outreach and Customer Education

The Community Education and Outreach plan evolved since initiated in 2010 and has resulted in CGC reaching all of its customers through various outreach and education efforts. The outreach effort was centered on two messages:

1. CGC residential customers were qualified to receive one free programmable thermostat per 12-month period.
2. 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 has 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 device (primary message) and reinforced the good decision to reduce residential energy use (secondary message). The outreach efforts 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 relationships 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 April 1, 2012-March 31, 2013 the Company incurred \$157,541 in its Community Outreach and Customer Education. Of that amount, \$120,833<sup>2</sup> is being recovered from

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<sup>2</sup> In Docket 09-00183, CGC committed to not seek recovery of \$100,000 of the Outreach and Customer Education Program expenditures during the first year of the program, (June 1, 2010-May 31, 2011), not to seek recovery of \$50,000 during the second year of the program, (June 1, 2011-May 31, 2012), and \$25,000 for the third year, (June 1, 2012-May 31, 2013). Since the 12 months ended March 31, 2013 includes the last 2 months of the program year 2, and the first 10 months of program year 3 the non-recoverable cost was prorated. (April 1, 2012-May 31, 2013 = 2/12 X, \$50,000=\$8,333, June 1, 2012-March 31, 2013 = 10/12X 25,000=\$20,833). Total un-recoverable cost is \$8,333+\$20,833=\$29,166. Program cost of \$8,159 cost for the period of April 1, 2011-March 31, 2012 that was inadvertently excluded from last year's report is included on the detailed summary.

the Asset Management Revenue. A detailed accounting of the Community Outreach and Customer Education program for the 12 months ended March 31, 2013 is provided in Attachment B. Samples of the energySMART messaging are included in Attachment C.

### Research and Development

At its May 24, 2010 Conference, the Authority 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. As a result, CGC is participating in funding the Microscale Absorption Cooling System Development project being conducted by the Georgia Tech Research Corporation. The goal of project, that is scheduled to be completed by April 2013, is to develop a prototype microscale absorption (heat pump) cooling system with a 2 ton (7KW) cooling capacity, offering an efficient alternative to traditional air conditioning technologies. The finished product will have a variety of end uses such as residential and commercial space-conditioning; combined cooling, heating, and power (CCHP); diesel engine, waste-heat driven cooling; and automotive or transportation cooling.

The primary market needs in this arena are access to a compact, energy efficient space-conditioning heat driven system that minimizes the use of electricity, especially during peak load periods, and uses environmentally benign fluids. In addition, the system must be functional with minimal operator intervention while achieving overall efficiencies that provide lower operating cost compared to traditional cooling options. The finished product will represent a significant size, mass and material cost reduction from currently available technologies with the ability to be scaled to the conditioning size required by the end user.

### Program Evaluation

The TRA Staff, with the assistance of the NRRI, has not yet established a set the measures to be used to evaluate the Free Programmable Thermostat, and Community Outreach and Education Programs. However, the TRA Staff, the Company, and the NRRI have negotiated a contract for the

NRRI to provide assistance to the Staff as directed in the November 8, 2010 Order in Docket 09-00183. Since the evaluation measures have not yet been developed, CGC is providing as alternative, the internally developed analysis of the program included in Attachment D for the benefit of the Authority and its Staff.

CHATTANOOGA GAS COMPANY  
energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

ATTACHMENT A

energySmart Programmable Residential Thermostat Program  
Detailed Accounting  
Summary

**Chattanooga Gas Company  
energySMART Residential Thermostat Program  
Cost**

<b>CGC Free Thermostat Program</b>				
<b>April 2012-March 2013</b>				
<b>Month Requested</b>	<b>Approved/ Processed</b>	<b>Cancelled</b>	<b>Denied</b>	<b>Total Requests</b>
Apr-12	42	1	0	41
May-12	95	4	3	88
Jun-12	115	0	3	112
Jul-12	59	2	0	57
Aug-12	89	2	0	87
Sep-12	64			64
Oct-12	44			44
Nov-12	34			34
Dec-12	64			64
Jan-13	217			217
Feb-13	958			958
Mar-13	685			685
<b>Total April 2012-March 2013</b>	<b>2,466</b>	<b>9</b>	<b>6</b>	<b>2,451</b>

Thermostats Issued through April 2011-March 31, 2012	2,466
Cost of Purchase/Thermostat	<u>\$18.75</u>
Cost of Thermostats Processed	\$46,237.50
Processing and storage	<u>\$39,221.91</u>
Total to be recovered	\$85,459.46
Total per unit issued	\$34.66

*Cancelled = duplicate requests*

*Denied = subsequent request from same customer during program year*

CHATTANOOGA GAS COMPANY  
energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

ATTACHMENT A-1

energySmart Programmable Residential Thermostat Program

Detailed Accounting

APRIL 1, 2012-MARCH 31, 2013

CHATTANOOGA GAS COMPANY ATTACHMENT A-1  
energySMART Residential Thermostat Program  
Detailed Accounting

					Monetary				
AP Unit	Voucher	Account	Dept	Project	Amount	Description	Invoice #	Vendor ID	Vendor Name
AP029	29585786	159001	8000	016560	\$ 261.43	SALE SHEETS	41169ELA	0000112121	ELANDERS USA
AP029	29597391	159001	8000	016560	40.40	ALTERATIONS	42012	0000112121	ELANDERS USA
AP029	29597391	159001	8000	016560	379.62	INSTALLATION FLYER	42012	0000112121	ELANDERS USA
AP029	29604832	159001	8000	043373	598.72	BLANKET REQUEST FOR DISTRIBUTI	4812EMP	0000102097	EMPLOYMENT HORIZONS
AP029	29616601	159001	8000	043373	83.27	BLANKET REQUEST FOR DISTRIBUTI	4950EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45311291	159001	8000	043373	28,125.00	Digital Thermostat 1F78-151 fo	2160001300	0000003478	FOX APPLIANCE PARTS OF ATLANTA
AP029	29622395	159001	8000	043373	118.95	BLANKET REQUEST FOR DISTRIBUTI	5036EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314934	159001	8000	043373	3.00	ENVELOPES MAILING AND POSTAGE	5093EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314934	159001	8000	043373	3.60	THERMOSTATS	5093EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45313704	159001	8000	043373	9.00	ENVELOPES MAILING AND POSTAGE	5051EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45313704	159001	8000	043373	10.80	THERMOSTATS	5051EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314936	159001	8000	043373	12.00	ENVELOPES MAILING AND POSTAGE	5085EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314936	159001	8000	043373	14.40	THERMOSTATS	5085EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314934	159001	8000	043373	25.12	US POSTAGE	5093EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45313704	159001	8000	043373	75.36	US POSTAGE	5051EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45314936	159001	8000	043373	100.48	US POSTAGE	5085EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45315970	159001	8000	043373	2.63	ENVELOPES MAILING AND POSTAGE	5136EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45315970	159001	8000	043373	3.15	THERMOSTATS	5136EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45315970	159001	8000	043373	21.98	US POSTAGE	5136EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45316973	159001	8000	043373	1,138.50	REBATE PROCESSING - CHATTANOOGA	206201	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP045	45316975	159001	8000	043373	17,829.10	REBATE PROCESSING - CHATTANOOGA	206204	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP008	08046250	159001	8000	043373	4,950.25	Rebate processing - Chattanooga	2062-09	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP029	29639526	159001	8000	043373	444.08	BLANKET REQUEST FOR DISTRIBUTI	5265EMP	0000102097	EMPLOYMENT HORIZONS
AP008	08046507	159001	8000	043373	1,541.00	Rebate processing - Chattanooga	2062-14	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP045	45325654	159001	8000	043373	360.00	TECHNICAL ASSISTANCE	8257CEN	0000089609	CENTURION, INC
AP029	29645651	159001	8000	043373	150.00	BLANKET REQUEST FOR DISTRIBUTI	5336EMP	0000102097	EMPLOYMENT HORIZONS
AP008	08046773	159001	8000	043373	1,080.25	Rebate processing - Chattanooga	2062-19	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP008	08047063	159001	8000	043373	923.75	Rebate processing - Chattanooga	2062-28	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP029	29656550	159001	8000	043373	16.66	ENVELOPES MAILING AND POSTAGE	5481EMP	0000102097	EMPLOYMENT HORIZONS
AP029	29656550	159001	8000	043373	30.60	THERMOSTATS	5481EMP	0000102097	EMPLOYMENT HORIZONS
AP029	29656550	159001	8000	043373	213.52	US POSTAGE	5481EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45334390	159001	8000	043373	4.80	ENVELOPES	5515EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45334390	159001	8000	043373	13.50	THERMOSTATS	5515EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45334390	159001	8000	043373	94.20	US POSTAGE	5515EMP	0000102097	EMPLOYMENT HORIZONS
AP008	08047250	159001	8000	043373	1,300.75	Rebate processing - Chattanooga	2062-29	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP045	45335872	159001	8000	043373	33.30	THERMOSTATS	5581EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45335872	159001	8000	043373	232.36	POSTAGE	5581EMP	0000102097	EMPLOYMENT HORIZONS
AP008	08047473	159001	8000	043373	991.20	Rebate processing - Chattanooga	2062-37	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP045	45338184	159001	8000	043373	53.55	THERMOSTATS	5657EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45338184	159001	8000	043373	367.71	POSTAGE	5657EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45339384	159001	8000	043373	53.55	THERMOSTATS	5668EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45339384	159001	8000	043373	367.71	POSTAGE	5668EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45341310	159001	8000	043373	57.12	ENVELOPES	5745EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45341310	159001	8000	043373	76.76	MAILING AND POSTAGE LABELS	5745EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45341310	159001	8000	043373	160.65	THERMOSTATS	5745EMP	0000102097	EMPLOYMENT HORIZONS
AP045	45341310	159001	8000	043373	1,120.98	US POSTAGE	5745EMP	0000102097	EMPLOYMENT HORIZONS
AP008	08047660	159001	8000	043373	2,509.35	Rebate processing - Chattanooga	2062-43	0006002055	INTEGRATED RESOURCE SOLUTIONS
AP029	29674866	159001	8000	043373	1,342.85	BLANKET REQUEST FOR DISTRIBUTI	5769EMP	0000102097	EMPLOYMENT HORIZONS
Total					\$ 67,346.96				
Total					\$ 67,346.96				
Less Thermostats					28,125.00				
Total Administrative					\$ 39,221.96				

CHATTANOOGA GAS COMPANY  
energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

ATTACHMENT B

energySmart Community Outreach and Customer Education  
Detailed Accounting  
Summary

Chattanooga Gas Company  
IMCR Credit Rider Sharing for Twelve Months Ended March 31, 2013  
Community Outreach and Customer Education Cost

<b>Cost April 1, 2012-March 31, 2013</b>	<b>Annual</b>	<b>Per Month</b>	<b>Number of Months</b>	<b>Recoverable Cost</b>
TN Aquarium (4/1/2012-12/31/2012)	\$14,333	\$1,194	9	\$10,750
Creative Discovery Museum (4/1/2012-12/31/2012)	\$12,000	\$1,000	9	\$9,000
Other Outreach and Education Costs 4/1/2012-3/31/2013				\$137,791
Total				\$157,541
Annual Limit				\$150,000
	Annual	Per Month		
Non-Ratepayer funds for 2nd Yr per docket 09-00183	\$50,000	\$4,167		
Number of Months April 1, 2011-May 31, 2011			2	
Non-Ratepayer funds April 1, 2011-May31, 2011				\$8,333
Non-Ratepayer funds for 3rd Yr per docket 09-00183	\$25,000	\$2,083		
Number of Months June 1, 2011-March 31, 2012			10	
Non-Ratepayer funds June 1, 2011-March 31, 2012				\$20,833
Non-Ratepayer funds April 1, 2011-March 31, 2012				\$29,167
Recoverable Cost April 1, 2011-March 31, 2012				\$120,833
Recoverable cost from prior year				8,159
				\$128,992
Three Yr TN Aquarium Sponsorship	Annual Payment	\$15,000		
Years		3		
Total		\$45,000		
Less: Credit toward River George Explorer Passes		\$ 2,000		
Adjusted Costs		\$43,000		
Annual Costs		\$14,333		
One Yr. Creative Discovery Museum Contract	Annual Payment	\$12,000		

CHATTANOOGA GAS COMPANY  
energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

ATTACHMENT B-1

energySmart Community Outreach and Customer Education  
Detailed Accounting  
By Month

CHATTANOOGA GAS COMPANY  
energySmart Community Outreach and Customer Education  
Detailed Accounting  
12 Months Ended March 31, 2013

ATTACHMENT B-1

Month	Year	Amount	Vendor Name	Purpose
10	2011	\$ 306.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
10	2011	180.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
10	2011	405.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
11	2011	1,173.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
11	2011	2,044.25	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
11	2011	2,150.50	JACKSON TELECASTERS, INC	Community Outreach & Customer Education WDEF-
11	2011	1,899.75	CITADEL BROADCASTING CHATTANOOGA	Community Outreach & Customer Education Promotion WDEF-FM
5	2012	5.41	Papa,Jana Hall	meals/entertainment energySmart Education at Aquarium Event
5	2012	67.31	Papa,Jana Hall	meals/entertainment energySmart Education at Aquarium Event
5	2012	639.11	Papa,Jana Hall	Kinko -Reprints for energySmart Education Aquarium Event
6	2012	1,964.29	FAIRWAY OUTDOOR ADVERTISING, LLC	Community Outreach & Customer Education Billboards
6	2012	272.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	561.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	702.50	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	416.50	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	3,035.71	FAIRWAY OUTDOOR ADVERTISING, LLC	Community Outreach & Customer Education Billboards
6	2012	3,400.00	JACKSON TELECASTERS, INC	Community Outreach & Customer Education WDEF
6	2012	1,989.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
6	2012	6,120.00	CLEAR CHANNEL BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	731.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
6	2012	2,669.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
6	2012	2,762.50	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
6	2012	161.50	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	2,397.60	FAIRWAY OUTDOOR ADVERTISING, LLC	Outdoor Advertising Community Outreach and Customer Education
6	2012	22,824.81	CHATTANOOGA TIMES FREE PRESS	energySmart Newspaper adds
6	2012	3,405.00	A J IMAGES, INC	energySmart Bill Inserts
6	2012	773.50	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
6	2012	250.75	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	340.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
6	2012	769.25	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
7	2012	765.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
7	2012	964.75	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
7	2012	1,143.25	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
7	2012	1,700.00	JACKSON TELECASTERS, INC	Air Time Community Outreach & Customer Education
7	2012	2,261.00	CLEAR CHANNEL BROADCASTING	Air Time Community Outreach & Customer Education
9	2012	382.50	ULTRA MEDIA, INC.	energySmart media planning and buying cost
9	2012	1,232.50	ULTRA MEDIA, INC.	energySmart media planning and buying cost
9	2012	2,932.50	ULTRA MEDIA, INC.	energySmart media planning and buying cost
11	2012	595.00	ULTRA MEDIA, INC.	energySmart media planning and buying cost
12	2012	1,615.00	ULTRA MEDIA, INC.	energySmart media planning and buying cost
12	2012	3,010.50	CHATTANOOGA TIMES FREE PRESS	energySmart Chattanooga Free Press Web advertising
12	2012	3,686.44	FAIRWAY OUTDOOR ADVERTISING, LLC	Outdoor Advertising Community Outreach and Customer Education
12	2012	382.50	ULTRA MEDIA, INC.	energySmart media planning and buying cost
1	2013	2,397.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
1	2013	2,754.00	WDEF-TV, INC	energySmart TV Spots
1	2013	141.10	A J IMAGES, INC	energySmart bill Insert transa
1	2013	2,116.50	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
1	2013	2,295.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
2	2013	3,940.68	FAIRWAY OUTDOOR ADVERTISING, LLC	Outdoor Advertising Community Outreach and Customer Education
2	2013	3,621.00	CLEAR CHANNEL BROADCASTING	
2	2013	2,116.50	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
2	2013	2,295.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
2	2013	2,397.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
2	2013	2,754.00	WDEF-TV, INC	Air Time Community Outreach & Customer Education
2	2013	3,010.50	CHATTANOOGA TIMES FREE PRESS	Radio-WRXX, WUSY, WKXI, WLND 78 energySmart Spots
2	2013	3,559.32	FAIRWAY OUTDOOR ADVERTISING, LLC	Billboard Advertising
3	2013	7,208.00	A J IMAGES, INC	4 color bill inserts
3	2013	2,397.00	BREWER BROADCASTING	Air Time Community Outreach & Customer Education
3	2013	2,754.00	WDEF-TV, INC	Air Time Community Outreach & Customer Education
3	2013	2,116.50	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
3	2013	2,295.00	CITADEL BROADCASTING CHATTANOOGA	Air Time Community Outreach & Customer Education
3	2013	3,825.00	CLEAR CHANNEL BROADCASTING	
3	2013	3,055.66	CHATTANOOGA TIMES FREE PRESS	
3	2013	3,813.56	FAIRWAY OUTDOOR ADVERTISING, LLC	Outdoor Advertising Community Outreach and Customer Education

**\$145,949.50**

CHATTANOOGA GAS COMPANY  
energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

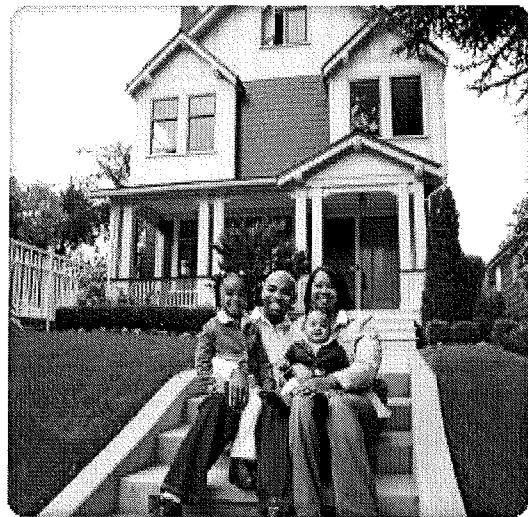
ATTACHMENT C

SAMPLES OF THE ENERGYSMART MESSAGING

## October is Energy Awareness Month!

Cut your energy use at home.

[Learn more](#)

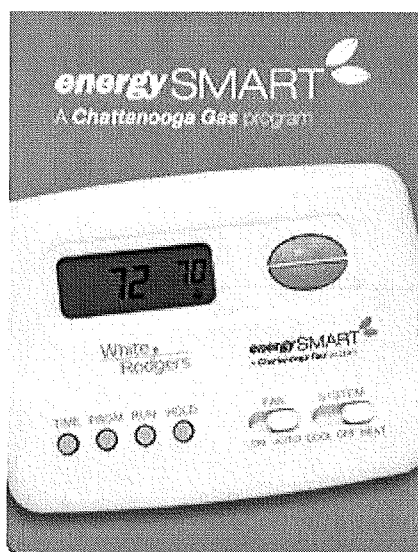


**Get a FREE Programmable Thermostat**  
and save up to 10% a year on your home energy costs.

Take control of  
your heating bills

[Learn more](#)

**energySMART**  
A Chattanooga Gas program



**Hurry! Claim Your  
FREE Programmable  
Thermostat Now.**

Offer ends May 31

[Learn more](#)



## A FAMILY NIGHT OUT...ON US

Dear %%FIRSTNAME%%,

Join us for Chattanooga Gas Free Family Nights at the Creative Discovery Museum!

Every second Thursday of each month, 5:30 – 8 p.m.

Gather up your family and come out to a free evening of art lessons, science demonstrations, energy education and more! While you're there, enter for a chance to win a free museum membership.

Families can make a splash in RiverPlay...create a masterpiece in Arts Alley... and dig the dinos in Excavation Station – all for free!

Sign up now or remember to bring a copy of your Chattanooga Gas bill -- or your account number if you are a paperless billing customer -- so you can apply for your free thermostat while you're at the museum!

**REQUEST YOURS TODAY!**



Another Way to Go Green  
*Paperless Billing*

Call Before You Dig!

What a great time to get

**811**

## A Resolution That's Easy to Keep

---

In 2013, make it your resolution to conserve energy. You'll reduce your carbon footprint and save money on your energy bills! It's easy to do, and even the smallest of changes can make a BIG difference!

### Stoves

- When you're cooking, adjust the flame to fit the bottom of the pot or pan. Turning up the flame beyond the bottom only wastes energy.

### Sinks and Showers

- Fix leaky faucets. Hot water leaking at a rate of 1 drip per second can waste up to 1,661 gallons of water over the course of a year, and waste up to \$35 in energy costs.

### Washers and Dryers

- Use a water-level setting that matches the size of the load you're washing.
- Don't over-dry clothes. Use the automatic moisture control if your dryer has one, or select the appropriate amount of time on the automatic timer.

### Water Heaters and Furnaces

- Lower the temperature setting on your water heater to 120 degrees.
- Clean or replace all filters at least once per month. Dirty filters restrict airflow and can cause your HVAC system to run longer, increasing energy use.
- Install a programmable thermostat to automatically adjust the temperature each day, and lower the temperature when no one is home.

## FREE PROGRAMMABLE THERMOSTAT

---

Let us help you make this resolution a reality with a **FREE programmable thermostat!** When used properly, a programmable thermostat can **save up to \$180** a year in energy costs.

Visit [chattanoogagas.com/energysmart](http://chattanoogagas.com/energysmart) today to sign up for yours!



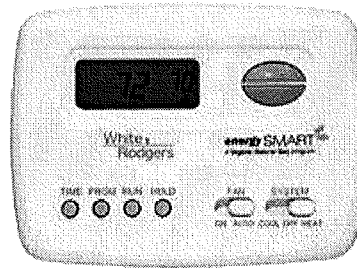
## FREE PROGRAMMABLE THERMOSTAT

Dear %%FIRSTNAME%%,

Chattanooga Gas is offering a FREE programmable thermostat through our energySMART program.

Regulating your heating and cooling with a programmable thermostat can help you better control your energy expenses. According to the U.S. Department of Energy, by using the recommended manufacturer settings, you can save up to \$180 a year on your heating and cooling bills.

Your FREE programmable thermostat will arrive within eight weeks, and includes simple installation and programming instructions.



GET YOURS TODAY!

### No Power? No Problem!

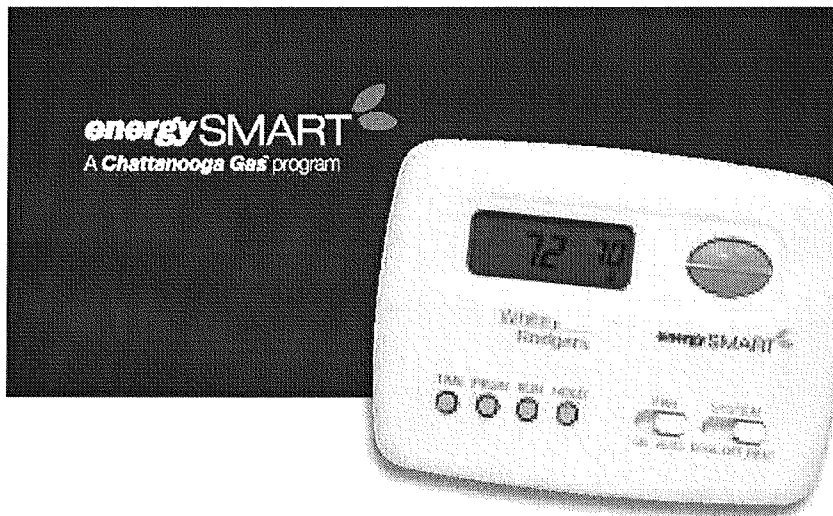
When severe weather hits and you lose power, remember that your natural gas appliances, like water heaters and ranges, will still work.

### Bill Payments Made Easy and Affordable

Paying your bill has never been easier with our

AutoDraft Plan and Budget





## HOW CAN YOU PASS UP FREE? THE ANSWER IS YOU CAN'T, OF COURSE!

Chattanooga Gas is offering a **FREE** programmable thermostat through our energySMART program.

Regulating your heating and cooling with a programmable thermostat can help you better control your energy expenses. According to the U.S. Department of Energy, by using the recommended manufacturer settings, you can save up to \$180 a year on your heating and cooling bills.

There are two ways to take advantage of this special offer:

- Visit [chattanoogagas.com/energysmart](http://chattanoogagas.com/energysmart) and apply online.
- Call 866.643.4169 (option 3).

Your **FREE** programmable thermostat will arrive within eight weeks, and includes simple installation and programming instructions.

### KEEP SAVING ENERGY

Energy conservation does not have to end with your free programmable thermostat. You can conserve energy and save on your energy bills by weatherizing your home, upgrading your water heater or heating system to a new energy efficient model. Energy efficient appliances can reduce your natural gas consumption and help you save money on your energy bill.



**Chattanooga Gas**  
An AGL Resources Company



**Natural Gas**  
Comfortable. Responsible.

## Una resolución fácil de mantener

En 2013, haga de conservar la energía una resolución. ¡Reducirá su huella de carbono y ahorrará dinero en sus facturas de energía! Es fácil de hacer, y hasta el más pequeño de los cambios puede lograr una **GRAN** diferencia.

### Cocinas

- Cuando cocine, ajuste la llama para que cubra la parte inferior de la olla o cacerola. Incrementar la llama tanto que sobrepase la parte inferior sólo le hará gastar energía.

### Lavamanos y duchas

- Repare los grifos con pérdidas. Una pérdida de agua caliente de 1 gota por segundo puede desperdiciar hasta 1,661 galones de agua durante un año y hasta \$35 de costo de energía.

### Lavadoras y secadoras

- Use la configuración de nivel de agua que corresponda al tamaño de la carga que va a lavar.
- No seque excesivamente la ropa. Use el control de humedad automático, si su lavadora tiene esa función, o seleccione el tiempo apropiado en el temporizador automático.

### Calentadores de agua y sistemas de calefacción

- Disminuya la configuración de temperatura en su calentador de agua hasta 120 grados.
- Limpie o reemplace todos los filtros al menos una vez al mes. Los filtros sucios obstruyen el flujo de aire y pueden hacer que su sistema HVAC (la calefacción, ventilación y aire acondicionado) funcione durante más tiempo, lo que aumenta el consumo de energía.
- Instale un termostato programable para ajustar la temperatura de manera automática cada día, y disminuya la temperatura cuando no haya nadie en casa.

## TERMOSTATO PROGRAMABLE GRATUITO

¡Permítanos ayudarle a hacer que esta resolución sea una realidad con el **termostato programable GRATUITO!** Si lo usa adecuadamente, el termostato programable puede ahorrar hasta \$180 de costo de energía por año.

¡Visite [chattanoogagas.com/energysmart](http://chattanoogagas.com/energysmart) para solicitar el suyo!

CHATTANOOGA GAS COMPANY

energySMART

REPORT TO  
THE TENNESSEE REGULATORY AUTHORITY  
DOCKET 09-00183

APRIL 1, 2012-MARCH 31, 2013

ATTACHMENT D

PROGRAM EVALUATION

CHATTANOOGA GAS COMPANY  
ATTACHMENT D  
energySmart Residential Programmable Thermostat Program  
Tentative Evaluation

**Assumptions**

Discount Rate	7.41%
Inflation Rate	2.22%
Measure Life	15 Years
Program Years	3 Years
Cost to the Participant	\$ 35
Non-Company Rebate	\$ 0
Annual Energy Savings in Therms	-11.8
Cost to the Utility per Participant	\$ 18.75
Overhead per Participant	\$ 7.88
Total Number of Participants (3 Years)	7,456
Total Program Cost (3 Years)	\$ 198,553

**PARTICIPANTS TEST**

<b>Benefits:</b>		
Bill Reductions, Primary Fuel (AC)	\$	328,140
Incentives	\$	131,320
Bill Reductions, Alternate Fuel (AC)	\$	0
Avoided Cost, Alternate Fuel Equipment	\$	0
Total Benefits	\$	459,459
<b>Costs:</b>		
Participant Costs	\$	245,130
Bill Increases, Primary Fuel (AC)	\$	0
Bill Increases, Alternate Fuel (AC)	\$	0
Total Costs	\$	245,130
Net Benefit	\$	214,329
Benefit/Cost Ratio		1.87

**RATE IMPACT MEASURE TEST**

<b>Benefits:</b>		
Avoided Cost, Primary Utility (MC)	\$	283,351
Revenue Gains, Primary Utility (AC)	\$	0
Avoided Cost, Alternate Fuel (MC)	\$	0
Revenue Gains, Alternate Utility (AC)	\$	0
Total Benefits	\$	283,351
<b>Costs:</b>		
Primary Utility Increased Cost (MC)	\$	0
Alternate Utility Increased Cost (MC)	\$	0
Revenue Loss, Primary Utility (AC)	\$	372,929
Utility Cost	\$	55,189
Incentives	\$	131,320
Revenue Loss, Alternate Utility (AC)	\$	0
Total Costs	\$	559,438
Net Benefit	\$	(276,087)
Benefit/Cost Ratio		0.51

MC = Calculation Based on Utility Marginal Cost  
AC = Calculation Based on Utility Average Cost

**TOTAL RESOURCE COST TEST**

<b>Benefits:</b>		
Avoided Cost, Primary Fuel Utility (MC)	\$	283,351
Avoided Cost, Alternate Fuel (MC)	\$	0
Avoided Cost, Alternate Fuel Equipment	\$	0
Total Benefits	\$	283,351
<b>Costs:</b>		
Utility Cost	\$	55,189
Participant Costs	\$	245,130
Primary Utility Increased Cost (MC)	\$	0
Alternate Utility Increased Cost (MC)	\$	0
Total Costs	\$	300,320
Net Benefit	\$	(16,969)
Benefit/Cost Ratio		0.94

**PROGRAM ADMINISTRATOR TEST**

<b>Benefits:</b>		
Avoided Cost, Primary Fuel Utility (MC)	\$	283,351
Avoided Cost, Alternate Fuel Utility (MC)	\$	0
Total Benefits	\$	283,351
<b>Costs:</b>		
Incentives	\$	131,320
Primary Utility Increased Cost (MC)	\$	0
Primary Utility Cost	\$	55,189
Alternate Utility Increased Cost (MC)	\$	0
Alternate Utility Cost	\$	0
Total Costs	\$	186,509
Net Benefit	\$	96,841
Benefit/Cost Ratio		1.52

MC = Calculation Based on Utility Marginal Cost  
AC = Calculation Based on Utility Average Cost