

TENNESSEE REGULATORY AUTHORITY



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460 James Robertson Parkway
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January 8, 2010

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

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

Dear Mr. Luna:

To further the Staff's investigation of the reasonableness of the proposed rates filed with this Authority on November 16, 2009, it is requested that you furnish additional information as requested on the attached Staff Data Request #1. Should you have questions regarding any item number in the attached request, please contact Pat Murphy (extension 178) or Paul Greene (extension 156) for clarification before responding.

It is requested that this information be provided no later than Monday, January 25, 2010 and that you reference Docket 09-00183 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Thank you for your attention to this matter.

Sincerely,

Darlene Standley, Chief
Utilities Division

Enclosure

C: Steven L. Lindsey
Archie Hickerson
Elizabeth Wade

TRA STAFF DATA REQUEST NO. 1

INSTRUCTIONS:

In responding to the following data requests, please repeat the question, followed by the Company's response in pdf format as required by the Docket Room. Additionally, all responses should be provided electronically in Word format or Excel format with working formulas on a CD properly labeled "Response to 5/29/09 Data Request – For Staff Use."

MFG RESPONSES:

1. Reference the Company's responses to Minimum Filing Requirements (MFR) Questions 18, 21, 24, 26, 30, 31, 32, 35, 36, 38, 42, 43, 44, 45, 52, 53, 56, 61, 67, 71, 79, 81, and 93. With regard to the previously filed pdf files provided in these responses, please provide all of the exhibits, schedules and workpapers in electronic format via CD with working formulas in the Excel files.
2. The Excel file provided for Staff use in response to MFR 25 contains cells that do not contain formulas or contain formula which results in "NAME?" Provide the Excel workbook originally filed in response to MFG 25 with working references and formulas which result in the amounts intended to be presented by the Company.

REVENUES:

3. On Exhibit MHS-1, p. 1 of 5 of Ms. Shield's Direct Testimony, Meter Sets in the test period are 1,214 and 801 in the attrition period. Explain the 34% forecasted decline, considering positive residential customer growth from 12 month-to-date June 30, 2008 to 12 month-to-date June 30, 2009 as calculated by Staff using 3.03 Monthly Reports provided by the Company.
4. Staff calculated test period revenues for each customer class, using customer counts and volumes from the "Monthly Schedule of Customers, Volumes, & Revenues" provided monthly by the Company, and tariff rates in effect during the test period. Staff then used Company test period billing determinants provided in Exhibit MHS-1 of Ms. Shield's Direct Testimony and tariff rates in effect during the test period to determine Company margin revenues (they were not provided on MHS-1). Explain the following Staff calculated variances:

Rate Class	Staff Calculation	Company Calculation	Variance
Residential	\$13,546,018	\$13,526,251	\$19,767

F1/T2 Industrial	\$1,745,616	\$1,700,695	\$44,921
Total F1/T2 + T1	\$1,014,362	\$989,036	\$25,326

5. Staff used the 3.03 Monthly Reports submitted by the Company from June 2007 to June 2009 to calculate the 13 end of month average customer growth for the test period shown in the chart below. Respond to the questions following the chart.

13 End of Month Average	Residential	Commercial	Industrial	Total
At June 30, 2008	53,084	8,094	245	61,423
At June 30, 2009	53,129	7,959	256	61,344
Customer Growth	.085%	-1.668%	4.490%	-0.129%

- Based upon the chart above, explain why negative adjustments are made to the number of residential test period bills on Ms. Shield's Direct Testimony Exhibit MHS-1, p. 2 of 5.
 - Based upon the chart above, explain why a negative adjustment is made to the number of industrial test period bills on Ms. Shield's Direct Testimony Exhibit MHS-1, p. 4 of 5.
6. Staff used the 3.03 Monthly Reports submitted by the Company to calculate total Dths used by each customer class for the 12 months ended June 30, 2008 and for the 12 months ended June 30, 2009. The results are shown in the chart below.

Respond to the question following the charts below.

Total Dths	Residential	Commercial	Industrial	Total
12 Month to Date 6/08	3,400,192	2,819,683	9,058,660	15,278,535
12 Month to Date 6/09	3,584,582	2,671,407	8,030,583	14,286,572

Staff used the 12 month to date June 30, 2008 and June 30, 2009 usage and average customers for the 12 month to date June 30, 2008 and June 30, 2009 (calculated in question 6) to determine average usage per customer in Dths as shown below.

Average Dths/Customer	Residential	Commercial	Industrial	Total
12 Month to Date 6/08	64.05	348.36	37,009	248.74
12 Month to Date 6/09	67.47	335.66	31,322	232.89
Percent Change	5.34%	-3.65%	-15.37%	-6.37%

- Given the calculations above, why did the Company project a decrease in residential terms of 1,003,870 (column (2) + column (4)) on Ms. Shield's Direct Testimony Exhibit MHS-1, p. 2 of 5?
7. Staff performed a fluctuation and analytical review on revenues reported on the Company's 3.03 Monthly Reports for the 24 months ended June 30, 2009 and noted

the following variances. Provide a detailed explanation, with accompanying workpapers, to explain the differences below:

Analytical Review				
Account Description		Between		Variance Amount
Other Operating Revenues		December 07	December 08	(123,420)
Other Operating Revenues		January 08	January 09	(426,746)
Other Operating Revenues		February 08	February 09	(559,386)
Other Operating Revenues		March 08	March 09	(497,733)
Other Operating Revenues		April 08	April 09	(354,272)
Other Operating Revenues		May 08	May 09	(410,731)

Fluctuation Review				
Account Description		Between		Variance Amount
Other Operating Revenues		July 08	August 08	(651,339)
Other Operating Revenues		September 08	October 08	(957,269)
Other Operating Revenues		November 08	December 08	(100,861)
Other Operating Revenues		March 09	April 09	(153,227)
Other Operating Revenues		April 09	May 09	(136,153)

EXPENSES:

8. Staff performed a fluctuation and analytical review on expenses reported on the Company's 3.03 Monthly Reports for the 24 months ended June 30, 2009 and noted the following variances. Provide a detailed explanation with accompanying workpapers to explain the differences below:

Analytical Review				
Customer Account Expense		July 07	July 08	173,952
Customer Account Expense		March 08	March 09	155,989
Administrative & General		December 07	December 08	128,124
Administrative & General		January 08	January 09	143,362
Administrative & General		June 08	June 09	101,408

Fluctuation Review				
Account Description		Between		Variance Amount
Customer Accounts Expense		June 08	July 08	117,720
Customer Accounts Expense		February 09	March 09	139,369
Administrative & General Expense		November 08	December 08	160,848
Administrative & General		February 09	March 09	133,525

Expense				
Shared Services Allocation		November 08	December 08	338,227