AGL Resources
Atlanta Gas Light
Chattanooga Gas
Elizabethtown Gas
Elkton Gas
Florida City Gas
Virginia Natural Gas
Sequent Energy Management

800 477 5463 phone
www.chattanoogagas.com

2207 Olan Mills Drive
Chattanooga TN 37421

August 29, 2011

Chairman Eddie Roberson
Tennessee Regulatory Authority
Attention Sharla Dillon
460 James Robertson Parkway
Nashville, TN 37243-0505

DOCKET NO.
11-00147

Re: Chattanooga Gas Company Report of Transactions in the Deferred Gas Cost Account in compliance with Tennessee Regulatory Authority Administrative Rule 1220-4-7-.03(2).

Dear Chairman Roberson,

Attached is an original and thirteen copies of the Summary of the Transactions in Chattanooga Gas Company's Deferred Gas Cost Account for the twelve months ended June 30, 2011 and the computation of ACA factor effective October 1, 2011 (Attachment A) as required by Tennessee Regulatory Authority Administrative Rule 1220-4-7-.03(2).

The resulting ACA factors are:

Rate Schedule	ACA Commodity Factor
R-1/R-4	($.06100/Therm)
C-1	($.06100/Therm)
A/C	($.05545/Therm)
I-1	($.55450/Dth)

Services with two part (Demand and Commodity Rates

	ACA Demand Factor	ACA Commodity Factor
C-2	$.21430/Dth	($.05545/Therm)
F-1	$.21430/Dth	($.55450/Dth)
T-2/T-3	$.21430/Dth	

Chattanooga Gas

Copies of the underlying accounting documents needed for the audit are being provided to the Staff.

Also enclosed are an original and thirteen copies of Chattanooga Gas Company Tariff No. 1 Ninety First Revised Sheet No. 55.

If you or the TRA Staff have any questions please call me at 404 584 4570.

Sincerely,

Archie R. Hickerson
Director-Regulatory Affairs and Planning

C: Ms. Amanda Hwang
Mrs. Pat Murphy

CHATTANOOGA GAS COMPANY
ANALYSIS OF DEFERRED GAS COST
JULY 1, 2010 THRU JUNE 30, 2011

	2010 JULY	2010 AUGUST	2010 SEPTEMBER	2010 OCTOBER	2010 NOVEMBER	2010 DECEMBER	2011 JANUARY	2011 FEBRUARY	2011 MARCH	2011 APRIL	2011 MAY	2011 JUNE	TOTAL
BEG. BALANCE-COMMODITY	($5,142,944.53)	($5,075,691.86)	($5,411,244.25)	($5,721,516.59)	($5,557,568.14)	($5,242,931.17)	($4,978,144.76)	($4,528,319.46)	($4,490,797.77)	($4,609,552.38)	($4,390,817.76)	($4,331,665.99)	($5,142,944.53)
COST OF GAS PURCHASED - COMMODITY													
Spot Market & Transportation	$2,514,512 12	$2,486,835 73	$1,853,058 65	$2,795,711.97	$2,560,531 51	$5,897,122 08	$5,044,105.27	$5,034,738 80	$1,252,915.92	$2,399,610.88	$3,106,521.39	$2,391,974 37	$37,337,638.69
Other Suppliers -End Users	$29,814.48	$1,815 30	$22,091 84	($52,295.46)	$19,917 62	($803,103 61)	($117,496 56)	$24,305.16	$40,660.08	$24,313 47	$24,807.53	$23,885 94	($761,284.41)
Supplier Refund													$0.00
Storage Withdrawals	$111,909.79	$54,311 17	$96,213 01	$892,204.04	$1,411,365 38	$2,453,991.28	$3,544,768.28	$1,896,757.92	$2,971,640.94	$296,241 38	$178,303.33	$303,896.28	$14,211,602.60
LNG Sendout													$0.00
LNG BoilOff / Vaporization	$167,129.76	$231,493.42	$285,754.49	$317,196 15	$238,921.00	$539,534.66	$632,111.41	$253,370 30	$192,840.79	$185,520 59	$209,154 38	$450,717 75	$3,703,744.70
Inventory Adjustment				($47,331 77)		$727,189 89		($465,283 71)					$214,574.41
Consulting Fees													$0.00
Taxes													$0.00
TOTAL	$2,823,366.15	$2,774,455.62	$2,257,117.99	$3,905,484 93	$4,230,735.51	$8,814,734.10	$9,103,488.40	$6,743,888 47	$4,458,057.73	$2,905,686 32	$3,518,786.63	$3,170,474 34	$54,706,276.19
Storage Injections	($2,031,771.26)	($2,336,790 91)	($1,462,698 03)	($1,820,714 56)	($188,976.69)	($345,513.01)	($290,608.18)	($1,683,927.59)	($460,225 58)	($1,145,074 84)	($1,772,319.64)	($2,029,143 86)	($15,667,764.15)
Off-System Sales													$0.00
LNG Liquefaction & Fuel				($704,042 08)	($855,946.60)	($512,565.93)	($772,561.02)	($313,932 69)	($845,775.88)	$0.00	($597,483 58)		($4,602,307.78)
TOTAL PURCHASED	$791,594 89	$437,664.71	$794,419.96	$1,380,728.29	$3,185,812 22	$7,956,655.16	$8,040,319.20	$4,746,028 19	$3,152,056.27	$1,760,611.48	$1,148,983 41	$1,141,330.48	$34,536,204.26
COST OF GAS RECOVERED - COMMODITY													
Actual Billings	$1,083,015.54	$1,164,908.58	$1,067,969 71	$1,202,931 54	$2,129,378 88	$5,960,806.13	$8,449,516.55	$7,077,224.22	$4,395,000.77	$2,978,347.19	$1,684,686.60	$1,380,333.52	$38,574,119.22
Current Month Unbilled	$524,535.89	$260,021 97	$407,009 42	$552,194 51	$1,539,465.62	$4,021,168 14	$4,240,214 14	$2,779,384 50	$2,207,806.94	$1,184,448.54	$858,262 26	$570,373.82	$19,144,885.75
Prior Month Unbilled	($723,643.92)	($524,535.89)	($260,021 97)	($407,009 42)	($552,194 51)	($1,539,465.62)	($4,021,168.14)	($4,240,214.14)	($2,779,384 50)	($2,207,806 94)	($1,184,448 54)	($858,262 26)	($19,298,155.85)
ACA Refund	$0 00												$0.00
2009 - 2010	($121,716.70)	($130,794 70)	($120,184 62)	($153,856.28)	($276,239.62)	($773,123 94)	($1,095,817 37)	($917,831 16)	($556,266 61)	($377,207.13)	($213,210.13)	($174,693.42)	($4,910,941.68)
													$0.00
ACA Surcharges													
													$0.00
													$0.00
													$0.00
													$0.00
Company Use Gas Consumption	$9.12	$9 12	$9.12	$24.73	$66 63	$309.77	$583 83	$554 98	$177.24	$91.41	$65.59	$13 96	$1,915.50
													$0.00
TOTAL RECOVERY	$762,199.93	$769,609 08	$1,094,781 66	$1,194,285.08	$2,840,477.00	$7,669,694 48	$7,573,329.00	$4,699,118 39	$3,267,333.84	$1,577,873 07	$1,145,355.78	$917,765.62	$33,511,622.94
SS-1 (Negotiated Margin Loss)	$0 00	$0.00	$0 00	$0 00	$0 00	$0.00	$0.00	$0.00	$0 00	$0 00	$0.00	$0 00	$0.00
WNA Underrecovery/Overrecovery	$0 00												$0.00
Uncollected Gas Costs	$51,676 71	$10,573.98	$5,144 35	($7,241 76)	($16,092 25)	($8,352 27)	($4,308 89)	$2,808 89	$8,829.96	$48,168.21	$67,320.14	$30,449.24	$188,976.31
Interest adjustment													$0.00
													$0.00
													$0.00
MONTHLY ACTIVITY - COMMODITY	$81,071.67	($321,370 39)	($295,217.35)	$179,201.45	$329,242 97	$278,608.41	$462,681.31	$49,718 69	($106,447.61)	$230,906 62	$70,947.77	$254,014.10	$1,213,357.63
ENDING BALANCE	($5,061,872 86)	($5,397,062 25)	($5,706,461.59)	($5,542,315 14)	($5,228,325 17)	($4,964,322 76)	($4,515,463.46)	($4,478,600.77)	($4,597,245.38)	($4,378,645.76)	($4,319,869.99)	($4,077,651.89)	($3,929,586.89)
AVERAGE ENDING BALANCE	($5,102,408 69)	($5,236,377.05)	($5,558,852 92)	($5,631,915 87)	($5,392,946.66)	($5,103,626.97)	($4,746,804.11)	($4,503,460.11)	($4,544,021.58)	($4,494,099.07)	($4,355,343 88)	($4,204,658.94)	($2,345,435.65)
INTEREST	($13,819.00)	($14,182.00)	($15,055.00)	($15,253.00)	($14,606.00)	($13,822.00)	($12,856.00)	($12,197.00)	($12,307.00)	($12,172.00)	($11,796.00)	($11,388.00)	($159,453.00)
CUMM END. BAL -COMMODITY	($5,075,691.86)	($5,411,244.25)	($5,721,516.59)	($5,557,568.14)	($5,242,931.17)	($4,978,144.76)	($4,528,319.46)	($4,490,797.77)	($4,609,552.38)	($4,390,817.76)	($4,331,665.99)	($4,089,039.89)	($4,089,039.89)
BEGINNING BALANCE - DEMAND	($366,043.48)	$21,253.18	$506,349.49	$946,264.05	$1,311,487.31	$1,304,657.31	$51,041.42	($1,378,730.37)	($1,799,676.56)	($1,860,663.88)	($1,599,164.84)	($1,116,235.85)	($366,043.48)
COST OF GAS PURCHASED - DEMAND													
Pipeline Demand	$909,433.05	$979,692 33	$979,419 11	$909,433 05	$979,419.11	$979,419.11	$842,764.90	$989,006.61	$979,150 70	$833,052.16	$979,419.11	$1,113,473.47	$11,473,682.71
TOTAL GAS PURCHASED	$909,433.05	$979,692 33	$979,419.11	$909,433.05	$979,419.11	$979,419.11	$842,764.90	$989,006.61	$979,150.70	$833,052 16	$979,419.11	$1,113,473 47	$11,473,682.71
Company Use													$0.00
TOTAL	$909,433.05	$979,692.33	$979,419.11	$909,433.05	$979,419 11	$979,419.11	$842,764.90	$989,006.61	$979,150 70	$833,052 16	$979,419.11	$1,113,473.47	$11,473,682.71
COST OF GAS RECOVERED - DEMAND													
Actual Billings	$438,489.24	$429,652.69	$435,342.48	$490,166.58	$733,023.17	$1,577,985.31	$2,288,366.31	$1,933,872 03	$1,219,737.89	$895,606 25	$583,592 15	$486,264.57	$11,512,096.67
													$0.00
Current Month Unbilled	$197,543.68	$155,250.17	$152,147.67	$209,883.83	$489,076.69	$1,194,537.31	$1,247,406.11	$778,780.56	$631,982 64	$330,894 65	$257,997.50	$139,012 46	$5,784,513.27
Prior Month Unbilled	($224,558 09)	($197,543.68)	($155,250 17)	($152,147.67)	($209,883.83)	($489,076.69)	($1,194,537.31)	($1,247,406 11)	($778,780 56)	($631,982 64)	($330,894 65)	($257,997 50)	($5,870,058.90)
ACA Refund													
2009 - 2010	$109,887.80	$107,642.08	$108,920 81	($900 14)	($22,689 11)	($48,838.12)	($70,753.61)	($59,851.87)	($38,012 14)	($27,904.33)	($18,137.07)	($15,102 69)	$24,261.61
Standby Charge	$307.76	$307.76	$307.76	$260 19	$260.19	$260 19	$260 19	$260.19	$260 19	$260.19	$260.19	$260 19	$3,284.89
ACA Surcharges													$0.00
													$0.00
TOTAL RECOVERY	$521,670.39	$495,309 02	$541,468.55	$547,262 79	$989,787.11	$2,234,868 00	$2,270,741.69	$1,405,654 80	$1,035,188 02	$566,874.12	$492,818 12	$352,437.03	$11,454,078.84
MONTHLY ACTIVITY - DEMAND	$387,762 66	$484,383.31	$437,950.56	$362,170 26	($10,368.00)	($1,255,448.89)	($1,427,976 79)	($416,648.19)	($56,037.32)	$266,178.04	$486,600.99	$761,036 44	[illegible]
ENDING BALANCE	$21,719.18	$505,636.49	$944,300.05	$1,308,434.31	$1,301,119.31	$49,208.42	($1,376,935.37)	($1,795,378.56)	($1,855,713.88)	($1,594,485.84)	($1,112,563.85)	($355,199.41)	[illegible]
AVERAGE ENDING BALANCE	($172,162 15)	$263,444.83	$725,324.77	$1,127,349 18	$1,306,303.31	$676,932 86	($662,946.98)	($1,587,054.47)	($1,827,695.22)	($1,727,574 86)	($1,355,864.35)	($735,717.63)	[illegible]
INTEREST	($466.00)	$713.00	$1,964.00	$3,053.00	$3,538.00	$1,833.00	($1,795.00)	($4,298.00)	($4,950.00)	($4,679.00)	($3,872.00)	($1,993.00)	[illegible]
CUMM END. BAL -DEMAND	$21,253.18	$506,349.49	$946,264.05	$1,311,487.31	$1,304,657.31	$51,041.42	($1,378,730.37)	($1,799,676.56)	($1,860,663.88)	($1,599,164.84)	($1,116,235.85)	($357,192.41)	[illegible]
ENDING BALANCE - TOTAL	($5,054,438.68)	($4,904,894.76)	($4,775,252.55)	($4,246,080.84)	($3,938,273.87)	($4,927,103.35)	($5,907,049.83)	($6,290,474.33)	($6,470,216.27)	($5,989,982.61)	($5,447,901.85)	($4,446,232.31)	[illegible]
MTHLY INTEREST RATE	0.2708%	0 2708%	0.2708%	0.2708%	0 2708%	0 2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0 2708%	0.2708%
YRLY INTEREST RATE	3 25%	3.25%	3.25%	3.25%	3.25%	3 25%	3 25%	3.25%	3 25%	3.25%	3 25%	3 25%	

CHATTANOOGA GAS COMPANY
COMPUTATION OF ACA FACTOR
EFFECTIVE October 1, 2011

ALLOCATION OF ACA REFUND/SURHCARGE TO RATE CALSSIFICATION
BASED ON VOLUMES 12 MONTHS ENDED JUNE 30, 2011

RATE SCHEDULE	Contract Demand	Annual Commodity DT Sales	Demand	Commodity	TOTAL	Demand Per Unit DT	Demand Per Commodity Unit DT	Commodity Per Unit DT	TOTAL Per Commodity Unit DT
Firm Indsutrial (F-1&T-2)	11,262	221,387	($28,957)	($122,761)	($151,718)	($0.2143)		($0.5545)	
Interruptible Industrial (I-1)		182,783	$0	($101,355)	($101,355)			($0.5545)	
Med Com & Ind (C-2)	28,247	2,544,186	($72,629)	($1,410,778)		($0.2143)		($0.5545)	
T-3	3,859		($9,923)	$0		($0.2143)			
ALL OTHER (R-1, R-4, C-1)	95,551	4,425,785	($245,685)	($2,454,145)	($2,699,830)		($0.0555)	($0.5545)	($0.6100)
V-1									
TOTAL	138,918	7,374,141	($357,192)	($4,089,040)	($4,446,232)				

CHATTANOOGA GAS COMPANY
MCF SALES BY RATE CLASS
TWELVE MONTHS ENDED: June 30, 2011

Month	F-1	I-1	All Other	TOTAL	T-1, T-2 & T-3	TOTAL	SUMMER	WINTER		
Jan-11	13,006	27,656	1,607,681	1,648,343	811,015	2,459,358		1,648,343	1,648,343	22.4%
Feb-11	12,949	20,368	1,347,295	1,380,612	681,604	2,062,216		1,380,612	1,380,612	18.7%
Mar-11	11,079	18,947	806,716	836,742	762,419	1,599,161		836,742	836,742	11.3%
Apr-11	13,514	14,876	538,628	567,018	645,395	1,212,413		567,018	567,018	7.7%
May-11	12,298	15,700	292,716	320,714	697,349	1,018,063	320,714		320,714	4.3%
Jun-11	32,564	14,174	216,037	262,775	621,828	884,603	262,775		262,775	3.6%
Jul-10	7,910	3,658	173,215	184,783	560,333	745,116	184,783		184,783	2.5%
Aug-10	8,276	4,922	167,408	180,606	630,047	810,653	180,606		180,606	2.4%
Sep-10	7,913	7,988	166,555	182,456	598,633	781,089	182,456		182,456	2.5%
Oct-10	11,112	9,833	210,682	231,627	637,798	869,425	231,627		231,627	3.1%
Nov-10	7,249	17,618	390,657	415,524	662,219	1,077,743		415,524	415,524	5.6%
Dec-10	83,517	27,043	1,052,381	1,162,941	707,694	1,870,635		1,162,941	1,162,941	15.8%
TOTAL	221,387	182,783	6,969,971	7,374,141	8,016,334	15,390,475	1,362,961	6,011,180	7,374,141	100%

DEMAN

Month	R - 1	R - 4	C - 1	C-2	T-1*	T-2	T-3	F - 1/T-2	T - 3	C-2	TOTAL Demand Determinates
Jan-11	926,483	1,812	197,582	481,804	608,046	127,227	75,742	11,643	4,322	28,612	44,577
Feb-11	753,003	1,434	168,153	424,705	520,024	105,950	55,630	11,620	4,154	28,749	44,523
Mar-11	430,705	955	88,357	286,699	606,495	104,647	51,277	11,505	4,079	28,317	43,901
Apr-11	281,558	681	49,170	207,219	523,125	85,338	36,932	11,505	4,079	28,496	44,080
May-11	126,672	399	21,481	144,164	578,696	85,084	33,569	11,505	4,079	28,982	44,566
Jun-11	84,752	463	14,521	116,301	536,600	58,991	26,237	10,705	4,079	27,990	42,774
Jul-10	62,671	299	13,014	97,231	461,193	74,867	24,273	11,009	3,418	27,348	41,775
Aug-10	58,605	345	14,840	93,618	524,750	78,545	26,752	11,019	3,440	26,637	41,096
Sep-10	60,327	334	10,544	95,350	497,985	72,727	27,921	10,983	3,467	28,033	42,483
Oct-10	87,651	387	12,374	110,270	525,755	75,931	36,112	10,983	3,481	28,472	42,936
Nov-10	213,403	536	24,791	151,927	523,812	91,390	47,017	11,129	3,637	28,425	43,191
Dec-10	613,039	1,057	103,387	334,898	556,809	79,508	71,377	11,534	4,074	28,897	44,505
TOTAL	3,698,869	8,702	718,214	2,544,186	6,463,290	1,040,205	512,839	135,140	46,309	338,958	520,407
							AVERAGE	11,262	3,859	28,247	

CURRENT LEVEL OF SURCHARGES AND REFUND CREDITS

AMOUNTS INDICATED BELOW APPLY TO THE BILLING DETERMINANTS
OF EACH INDIVIDUAL TARIFF

	F-1	F-1	I-1	T-2	T-3	R-1	R-4	C-1	C-2	C-2	A/C	V-1
RATES	Commercial and Industrial Large Volume Firm Sales Service	Commercial and Industrial Large Volume Firm Sales Service	Commercial and Industrial Interruptible Sales Service	Interruptible Transportati on Service With Firm Gas Supply Backup	Low Volume Transport	Residential	Multi-Family	Small Commercial and Industrial	Medium Commercial and Industrial Demand	Medium Commercial and Industrial Commodity	Residential and Commercial Air Conditioning	Natural Gas Vehicle Service
	Demand	Commodity	Commodity	Demand	Demand							
Billing Unit:	DT	DT	DT	DT	DT	Therm	Therm	Therm	DT	Therm	Therm	Therm
IMCR Refund 7/1/2011*	(2.0398)	0.0000	0.0000	(2.0398)	(2.0398)	(0.0530)	(0.0530)	(0.0530)	(2.0398)	0.0000	0.0000	0.0000
ACA 10--11**	(0.2143)	(0.5545)	(0.5545)	(0.2143)	(0.2143)	(0.0610)	(0.0610)	(0.0610)	(0.2143)	(0.0555)	(0.0555)	0.0000
Chattanooga Franchise Adj Credit ***		(0.0258)	(0.0258)			(0.0026)	(0.0026)	(0.0026)		(0.0026)	(0.0026)	
Alignment an						(0.0074)		0.0093				
TOTAL	(2.2541)	(0.5803)	(0.5803)	(2.2541)	(2.2541)	(0.1239)	(0.1165)	(0.1072)	(2.2541)	(0.0580)	(0.0580)	0.0000

	I-1/T-1/T-2/T-3 Commodity DT
Chattanooga Franchise Adj Credit	(0.0258)

*IMCR refund made effective July 1, 2010 terminated Effective June 30,2011
** Effective October 1, 2011. ACA 10-10 Effective October 1, 2010 terminated September 30, 2011.
***Effective July 1, 2011
****Effective August 1, 2011