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April 30, 2018

Chairman David Jones
c/o Sharla Dillon
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Chattanooga Gas Company
TPUC Docket No. 18-00017

Dear Chairman Jones:

Chattanooga Gas Company's ("CGC") is hereby filing all of the remaining responses to the Consumer Protection and Advocate Division's ("CPAD") Supplement to First Discovery Requests, additions and amendments to prior responses to CPAD's Supplement to First Discovery Requests, and amendments and revisions to its responses to First Round of Discovery Requests. All of the enclosed have been provided previously to the CPAD.

Included herein on the public CD (set of 5 CDs enclosed) are the following:

Responses to CPAD's Supplement to First Discovery:

CPAD-1-298
CPAD-1-302
CPAD-1-315
CPAD-1-338
CPAD-1-341
CPAD-1-344
CPAD-1-353

Updates to previously filed Responses the CPAD Supplement to First Discovery:

CPAD-1-278 (Attachment Only)
CPAD-1-334

Updates to the following CPAD First Discovery:

CPAD-1-42
CPAD-1-147
CPAD-1-157
CPAD-1-162

April 30, 2018

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CPAD-1-184

CPAD-1-186

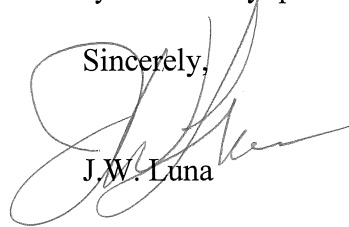
Included in the CD marked Confidential (set of 5 CDs enclosed) are confidential responses listed below:

CPAD-1-344 Confidential Attachment to Supplemental Response

As referenced in our letter dated April 25, 2018, attachments to CPAD-1-230 have previously been provided to CPAD and CRMA and are hereby being filed on separate CDs due to the voluminous size of the attachments. Attachments to CPAD-1-230 include both public and confidential documents and are labeled accordingly.

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

Sincerely,

A handwritten signature in black ink, appearing to read "J.W. Luna", is written over the typed name.

J.W. Luna

Enclosures

cc: Monica Smith-Ashford, Esq.
Vance Broemel, Esq.
Wayne Irvin, Esq.
Henry Walker, Esq.
Floyd Self, Esq.

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-298 SUPPLEMENTAL REQUEST

Question:

Refer to the spreadsheet included with the Company's response to MFG 69 regarding account balances. Specifically refer to the "MFG 69-12 Pg 2 of 11" tab of this spreadsheet that provides supporting data for the Company's forecasted Pension & OPEB balances and provide the following information.

- a. Reconcile the December 2017 balances on this spreadsheet with the December 2017 balances reported on the "MFG 69-12 Pg 1 of 11" tab.
- b. Identify where the Company takes the tax items on this schedule (Accounts 202011, 202013, 202015 and 202017) into account within the cost of service calculation.

Response:

- a. Please refer to CPAD-1-298a Attachment Supplement Request for further details.
- b. These items are included in the ADIT calculation in the Pension-Other line item within the amount of \$1,728,083. Refer to CPAD-1-298b Attachment Supplement Request for supporting documentation and amounts included in the filing. For mapping of ADIT, including Rate Base, see the following tabs: Extract of Rate Base RDJ 2-1, DR ADITs MFG 69-8 Pg 3 of 5, Extract of CPAD-1-159, and Extract of Proration. The Extract of Proration tab was included to provide the calculation of the Federal Depreciation components.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-302 SUPPLEMENT REQUEST

Question:

Refer to the spreadsheet included with the Company's response to MFG 69 regarding account balances. Specifically refer to the "MFG 69-12 Pg 6 of 11" tab of this spreadsheet that provides supporting data for the Company's forecasted Pension & OPEB balances at December 31, 2017 and provide the following information.

- a. Provide the source and support for the amounts shown for GL29 of AGL.
- b. Provide the source and support for the amounts allocated to Chattanooga along with the derivation of allocation formulas.
- c. Provide a schedule showing all amounts for all ledgers of all business units.
- d. Provide a copy of the "Statement of Financial Position" that the net amount of AGL Business Unit cost is reconciled with according the bottom line for the top and bottom halves of this spreadsheet.

Response:

- a. Refer to the 2017 Excess Plan tab within the CGC TPUC MFG Item 50-1 Confidential file.
- b. Refer to the response provided in part a. The amounts and allocations to the applicable business units are all provided by the Company's actuary, Mercer. The information the company has provided is all the information the Company has in support of the amounts.
- c. Refer to the response provided in part b.
- d. Refer to CPAD-1-302a Attachment Supplement Request. The differences are due to the recording of the current portion of pension amounts from Internal General Ledger Account 277060 (Pens Current Liab – Excess). The balance for 2017 was recorded for the current year but the prior year (2016) amounts were not reversed thus creating a reconciling item.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-315 SUPPLEMENTAL REQUEST

Question:

Refer to the spreadsheet included with the Company's response to MFG 69 regarding account balances. Specifically refer to the "MFG 69-3" tab of this spreadsheet that provides supporting data for the Company's forecasted Gas Inventory. Provide the source and support for the Company's inventory projection (volume, price and ending balance) by month from January 2018 through June 2019, which appear here as hard coded amounts.

Response:

Please see CPAD-1-315 Attachment Supplement Request. The file provides an analysis of forecasted Gas Inventory presented on MFG 69-3.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-341 Supplement Request

Question:

The Company's Response to CPAD 1-151 indicates that no legal costs associated with lawsuits have been charged to the Company either directly or indirectly in 2017. The Southern Company's 10K contains the following statement "Southern Company and its subsidiaries are subject to certain claims and legal actions arising in the ordinary course of business." Confirm that it is the position of the Company that none of the third party costs (including outside counsel, consultant and other experts) incurred in defending these claims have been allocated to the Company in 2017? If this is not confirmed, provide the following information for such costs allocated to the Company:

- a. Identification and summary of all existing litigation whose costs are subject to allocation to the Company.
- b. Total third-party costs incurred by Southern Company for outside counsel, expert witnesses and other consultants incurred in 2017, identified by the claim/litigation.
- c. For each legal claim identified above, identify how such costs were allocated to the Company along with the actual costs charged to the Company in 2017.

Response:

CPAD-1-151 requested the costs associated with current lawsuits. CGC is not a party to or associated with any current lawsuits whose associated legal costs and/or claim costs have been charged to CGC, either directly or indirectly. Accordingly, the response was "None." CGC was a party to a case that was dismissed in 2017. The case was for personal injury claim. The claimant alleged injury was a result of negligence by one or all the defendants due to an injury sustained when she fell as a result of an uncapped water pipe. The Company was dismissed from the case in September 2017. Legal expenses for this case were directly charged to the Company totaling \$1,969.

See CPAD-1-341 Attachment Supplement Request for claims against the services company in 2017 that were allocated to CGC.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-344 Supplement Request

Question:

Provide a listing of all assumptions relied upon in preparation of the 2018 AGSC budget along with all supporting documentation relied upon in the development of the budget. Such response should include the forecast of the underlying allocation ratios utilized in the budget.

Response:

Please see TPUC MFG Item No. 68 for details regarding the budget process for AGSC. This process document is also used by AGSC to prepare the annual budget.

Additionally, Southern Company Services provides their budgeted costs to AGSC during the budgeting process.

See CPAD-1-344 Attachment Supplement Request for the allocation ratios utilized in the rate case budget.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-353 SUPPLEMENTAL REQUEST

Question:

The Attachment to the Company's response to CPAD 1-13c, Exhibit I refers to "Account Codes" which include Cost Center, Account Number, Capital Project or O&M Project. Provide a listing and definition of all such terms applicable as of January 1, 2018.

Response:

Listings of the "Account Codes" may be found on the following:

Account Code Category	Attachment File Name
Cost Center	CPAD-1-353a Attachment Supplement Request
Account Numbers	CPAD-1-353b Attachment Supplement Request
Capital Projects	CPAD-1-353c Attachment Supplement Request
O&M Projects	CPAD-1-353d Attachment Supplement Request

- Cost Center – represents departments within AGSC where costs are accumulated and allocated to affiliates based on the services agreement.
- Account Numbers – general ledger account numbers where costs are recorded.
- Capital Projects – Projects where capital costs are accumulated until the asset is placed in service.
- O&M Projects – projects established to track expenses for a specific purpose. The costs are charged to the applicable affiliate based on the criteria established when the project is created.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-338 SUPPLEMENTAL REQUEST

Question:

Has the Company installed Automated Meter Infrastructure (AMI) and, if so, provide the date AMI assets were installed and provide a copy of all supporting documentation provided to management that was relied upon in approving the project.

Response:

The Company has automated meter reading ("AMR"), which was installed prior to and included in the Company's last rate case filing.

Documents provided to management associated with the review and approval of the AMR project are not readily identifiable and available.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-42 Updated

Question:

Provide the monthly accumulated depreciation (direct and allocated) by subaccount from January 2010 through December 2017 detailing the beginning monthly balance, accrual, retirements, cost of removal salvage, adjustments, and ending balance to each subaccount for each month in Excel format with all formulas intact.

Response:

Please refer to the following attachments pertaining to the direct accumulated depreciation by subaccount in the table below which was generated through the Company's PowerPlant system. Note that in the preparation of this response, the Company determined that there were immaterial variances for certain months for the periods specified below (indicated by an asterisk *) between the reports generated in PowerPlant as compared to the internal general ledger system which is due to the PowerPlant implementation. The Company will provide a supplemental response for the allocated accumulated portion.

	Periods	Attachment
1	1/1/2017 – 12/31/2017	Attachment CPAD-1-42a.xlsx
2	1/1/2016 – 12/31/2016	Attachment CPAD-1-42b.xlsx
3	1/1/2015 – 12/31/2015	Attachment CPAD-1-42c.xlsx
4	1/1/2014 – 12/31/2014	Attachment CPAD-1-42d.xlsx
5	1/1/2013 – 12/31/2013	Attachment CPAD-1-42e.xlsx
6	1/1/2012 – 12/31/2012*	Attachment CPAD-1-42f.xlsx
7	1/1/2011 – 12/31/2011*	Attachment CPAD-1-42g.xlsx
8	1/1/2010 – 12/31/2010*	Attachment CPAD-1-42h.xlsx

Updated Response (4-30-2018):

As indicated in the Company's previous response to CPAD-1-42, the following supplemental information for the allocated accumulated depreciation detailing the beginning monthly balance, accrual, retirements, cost of removal salvage, adjustments, and ending balance subaccount has been included in the attachments listed in the table below.

	Periods	Attachment
1	1/1/2017 – 12/31/2017	CPAD-1-42i Attachment Rev 4-30-2018.xlsx
2	1/1/2016 – 12/31/2016	CPAD-1-42j Attachment Rev 4-30-2018.xlsx
3	1/1/2015 – 12/31/2015*	CPAD-1-42k Attachment Rev 4-30-2018.xlsx

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
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Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

4	1/1/2014 – 12/31/2014	CPAD-1-42l Attachment Rev 4-30-2018.xlsx
5	1/1/2013 – 12/31/2013	CPAD-1-42m Attachment Rev 4-30-2018.xlsx
6	1/1/2012 – 12/31/2012	CPAD-1-42n Attachment Rev 4-30-2018.xlsx
7	1/1/2011 – 12/31/2011*	CPAD-1-42o Attachment Rev 4-30-2018.xlsx
8	1/1/2010 – 12/31/2010*	CPAD-1-42p Attachment Rev 4-30-2018.xlsx
* The Company determined that there were immaterial variances for certain months for the periods specified above (indicated by an asterisk *) between the reports generated in PowerPlant as compared to the internal general ledger system which is due to the PowerPlant implementation.		

Contact Person: Gary Tucker

NOTES (continued)

Southern Company and Subsidiary Companies 2017 Annual Report

5. INCOME TAXES

Southern Company files a consolidated federal income tax return and various state income tax returns, some of which are combined or unitary. Under a joint consolidated income tax allocation agreement, each Southern Company subsidiary's current and deferred tax expense is computed on a stand-alone basis and no subsidiary is allocated more current expense than would be paid if it filed a separate income tax return. PowerSecure and Southern Company Gas became participants in the income tax allocation agreement as of May 9, 2016 and July 1, 2016, respectively. In accordance with IRS regulations, each company is jointly and severally liable for the federal tax liability.

Federal Tax Reform Legislation

Following the enactment of the Tax Reform Legislation, the SEC staff issued Staff Accounting Bulletin 118 – "Income Tax Accounting Implications of the Tax Cuts and Jobs Act" (SAB 118), which provides for a measurement period of up to one year from the enactment date to complete accounting under GAAP for the tax effects of the legislation. Due to the complex and comprehensive nature of the enacted tax law changes, and their application under GAAP, Southern Company considers all amounts recorded in the financial statements as a result of the Tax Reform Legislation to be "provisional" as discussed in SAB 118 and subject to revision. Southern Company is awaiting additional guidance from industry and income tax authorities in order to finalize its accounting. The ultimate impact of the Tax Reform Legislation on deferred income tax assets and liabilities and the related regulatory assets and liabilities cannot be determined at this time. See Note 3 under "Regulatory Matters" for additional information.

Current and Deferred Income Taxes

Details of income tax provisions are as follows:

	2017	2016	2015
	<i>(in millions)</i>		
Federal —			
Current	\$ (62)	\$ 1,184	\$ (177)
Deferred	(6)	(342)	1,266
	(68)	842	1,089
State —			
Current	37	(108)	(33)
Deferred	173	217	138
	210	109	105
Total	\$ 142	\$ 951	\$ 1,194

Net cash payments (refunds) for income taxes in 2017, 2016, and 2015 were \$(410) million, \$(148) million, and \$(9) million, respectively.

NOTES (continued)**Southern Company and Subsidiary Companies 2017 Annual Report**

The tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases, which give rise to deferred tax assets and liabilities, are as follows:

	2017	2016
	<i>(in millions)</i>	
Deferred tax liabilities —		
Accelerated depreciation	\$ 10,267	\$ 15,392
Property basis differences	955	2,708
Leveraged lease basis differences	251	314
Employee benefit obligations	516	737
Premium on reacquired debt	54	89
Regulatory assets associated with employee benefit obligations	1,046	1,584
Regulatory assets associated with AROs	1,225	1,781
Other	697	907
Total	15,011	23,512
Deferred tax assets —		
Federal effect of state deferred taxes	326	597
Employee benefit obligations	1,307	1,868
Over recovered fuel clause	—	66
Other property basis differences	446	401
Deferred costs	69	100
ITC carryforward	2,420	1,974
Federal NOL carryforward	518	1,084
Unbilled revenue	57	92
Other comprehensive losses	84	152
AROs	1,197	1,732
Estimated Loss on Kemper IGCC	722	484
Deferred state tax assets	328	266
Regulatory liability associated with the Tax Reform Legislation (not subject to normalization)	465	—
Other	485	679
Total	8,424	9,495
Valuation allowance	(149)	(23)
Total deferred income taxes	6,736	14,040
Portion included in accumulated deferred tax assets	(106)	(52)
Accumulated deferred income taxes	\$ 6,842	\$ 14,092

The implementation of the Tax Reform Legislation significantly reduced accumulated deferred income taxes, partially offset by bonus depreciation provisions in the Protecting Americans from Tax Hikes Act. The Tax Reform Legislation also significantly reduced tax-related regulatory assets and increased tax-related regulatory liabilities.

At December 31, 2017, the tax-related regulatory assets to be recovered from customers were \$825 million. These assets are primarily attributable to tax benefits flowed through to customers in prior years, deferred taxes previously recognized at rates lower than the current enacted tax law, and taxes applicable to capitalized interest.

At December 31, 2017, the tax-related regulatory liabilities to be credited to customers were \$7.3 billion. These liabilities are primarily attributable to deferred taxes previously recognized at rates higher than the current enacted tax law and to unamortized ITCs.

In accordance with regulatory requirements, deferred federal ITCs for the traditional electric operating companies and the natural gas distribution utilities are amortized over the life of the related property with such amortization normally applied as a credit to

NOTES (continued)**Southern Company and Subsidiary Companies 2017 Annual Report**

reduce depreciation in the statements of income. Credits amortized in this manner amounted to \$22 million in 2017, \$22 million in 2016, and \$21 million in 2015. Southern Power's deferred federal ITCs are amortized to income tax expense over the life of the asset. Credits amortized in this manner amounted to \$57 million in 2017, \$37 million in 2016, and \$19 million in 2015. Also, Southern Power received cash related to federal ITCs under the renewable energy incentives of \$162 million for the year ended December 31, 2015. No cash was received related to these incentives in 2017 and 2016. Furthermore, the tax basis of the asset is reduced by 50% of the ITCs received, resulting in a net deferred tax asset. Southern Power has elected to recognize the tax benefit of this basis difference as a reduction to income tax expense in the year in which the plant reaches commercial operation. The tax benefit of the related basis differences reduced income tax expense by \$18 million in 2017, \$173 million in 2016, and \$54 million in 2015. See "Unrecognized Tax Benefits" below for further information.

Tax Credit Carryforwards

At December 31, 2017, Southern Company had federal ITC and PTC carryforwards (primarily related to Southern Power) which are expected to result in \$2.1 billion of federal income tax benefits. The federal ITC carryforwards begin expiring in 2034 but are expected to be fully utilized by 2027. The PTC carryforwards begin expiring in 2032 but are expected to be fully utilized by 2027. The acquisition of additional renewable projects could further delay existing tax credit carryforwards. The ultimate outcome of these matters cannot be determined at this time.

Additionally, Southern Company had state ITC carryforwards for the state of Georgia totaling approximately \$318 million, which will expire between 2020 and 2027 but are expected to be fully utilized.

Net Operating Loss

After carrying back portions of the federal NOL generated in 2016, Southern Company had a consolidated federal NOL carryforward of approximately \$2.3 billion at December 31, 2017. The federal NOL will begin expiring in 2037 but is expected to be fully utilized by 2019. The ultimate outcome of this matter cannot be determined at this time.

At December 31, 2017, the state NOL carryforwards for Southern Company's subsidiaries were as follows:

Jurisdiction	Approximate NOL Carryforwards	Approximate Net State Income Tax Benefit	Tax Year NOL Begins Expiring
	<i>(in millions)</i>		
Mississippi	\$ 2,890	\$ 114	2032
Oklahoma	986	47	2036
Georgia	524	23	2019
New York	229	13	2036
New York City	209	15	2036
Florida	304	13	2034
Other states	465	24	Various
Total	\$ 5,607	\$ 249	

NOTES (continued)**Southern Company and Subsidiary Companies 2017 Annual Report****Effective Tax Rate**

A reconciliation of the federal statutory income tax rate to the effective income tax rate is as follows:

	2017	2016	2015
Federal statutory rate	35.0 %	35.0 %	35.0 %
State income tax, net of federal deduction	12.5	2.1	1.9
Employee stock plans dividend deduction	(4.1)	(1.2)	(1.2)
Non-deductible book depreciation	3.1	0.9	1.2
AFUDC-Equity	(2.6)	(2.0)	(2.2)
Non-deductible equity portion on Kemper IGCC write-off	15.7	—	—
ITC basis difference	(1.7)	(5.0)	(1.5)
Federal PTCs	(12.1)	(1.2)	—
Amortization of ITC	(4.2)	(0.9)	(0.5)
Tax Reform Legislation	(25.6)	—	—
Other	(2.7)	(0.4)	0.2
Effective income tax rate	13.3 %	27.3 %	32.9 %

Southern Company's effective tax rate is typically lower than the statutory rate due to employee stock plans' dividend deduction, non-taxable AFUDC equity, and federal income tax benefits from ITCs and PTCs. However, in 2017, the effective tax rate was primarily lower due to the remeasurement of deferred income taxes resulting from the Tax Reform Legislation.

In March 2016, the FASB issued ASU 2016-09, which changed the accounting for income taxes for share-based payment award transactions. Entities are required to recognize all excess tax benefits and deficiencies related to the exercise or vesting of stock compensation as income tax expense or benefit in the income statement. The adoption of ASU 2016-09 did not have a material impact on Southern Company's overall effective tax rate. See Note 1 under "Recently Issued Accounting Standards" for additional information.

Legal Entity Reorganization

In September 2017, Southern Power began a legal entity reorganization of various direct and indirect subsidiaries that own and operate substantially all of its solar facilities, including certain subsidiaries owned in partnership with various third parties. The reorganization included the purchase of all of the redeemable noncontrolling interests, representing 10% of the membership interests, in Southern Turner Renewable Energy, LLC. The reorganization is expected to be substantially completed in the first quarter 2018 and is expected to result in estimated tax benefits totaling between \$50 million and \$55 million related to certain changes in state apportionment rates and net operating loss carryforward utilization that will be recorded in the first quarter 2018. The ultimate outcome of this matter cannot be determined at this time.

Unrecognized Tax Benefits

Changes during the year in unrecognized tax benefits were as follows:

	2017	2016	2015
		(in millions)	
Unrecognized tax benefits at beginning of year	\$ 484	\$ 433	\$ 170
Tax positions increase from current periods	10	45	43
Tax positions increase from prior periods	10	21	240
Tax positions decrease from prior periods	(196)	(15)	(20)
Reductions due to settlements	(290)	—	—
Balance at end of year	\$ 18	\$ 484	\$ 433

The tax positions increase from current and prior periods for 2017 and 2016 relate primarily to state tax benefits and charitable contribution carryforwards that were impacted as a result of the settlement of R&E expenditures associated with the Kemper County energy facility, as well as deductions for R&E expenditures associated with the Kemper County energy facility. The tax positions decrease from prior periods for 2017 and 2016, and the reductions due to settlements for 2017, relate primarily to the

NOTES (continued)**Southern Company and Subsidiary Companies 2017 Annual Report**

settlement of R&E expenditures associated with the Kemper County energy facility and federal income tax benefits from deferred ITCs. See Note 3 under "Kemper County Energy Facility" and "Section 174 Research and Experimental Deduction" herein for more information.

The impact on Southern Company's effective tax rate, if recognized, is as follows:

	2017	2016	2015
		(in millions)	
Tax positions impacting the effective tax rate	\$ 18	\$ 20	\$ 10
Tax positions not impacting the effective tax rate	—	464	423
Balance of unrecognized tax benefits	\$ 18	\$ 484	\$ 433

The tax positions impacting the effective tax rate primarily relate to state tax benefits and charitable contribution carryforwards that were impacted as a result of the settlement of R&E expenditures associated with the Kemper County energy facility and Southern Company's estimate of the uncertainty related to the amount of those benefits. The tax positions not impacting the effective tax rate for 2016 and 2015 relate to deductions for R&E expenditures associated with the Kemper County energy facility. See "Section 174 Research and Experimental Deduction" herein for more information. These amounts are presented on a gross basis without considering the related federal or state income tax impact.

Accrued interest for all tax positions other than the Section 174 R&E deductions was immaterial for all years presented.

Southern Company classifies interest on tax uncertainties as interest expense. Southern Company did not accrue any penalties on uncertain tax positions.

It is reasonably possible that the amount of the unrecognized tax benefits could change within 12 months. The settlement of federal and state audits could impact the balances significantly. At this time, an estimate of the range of reasonably possible outcomes cannot be determined.

The IRS has finalized its audits of Southern Company's consolidated federal income tax returns through 2016. Southern Company is a participant in the Compliance Assurance Process of the IRS. However, the pre-Merger Southern Company Gas 2014, 2015, and June 30, 2016 federal tax returns are currently under audit. The audits for Southern Company's state income tax returns have either been concluded, or the statute of limitations has expired, for years prior to 2011.

Section 174 Research and Experimental Deduction

Southern Company has reflected deductions for R&E expenditures related to the Kemper County energy facility in its federal income tax calculations since 2013 and filed amended federal income tax returns for 2008 through 2013 to also include such deductions. In December 2016, Southern Company and the IRS reached a proposed settlement, which was approved on September 8, 2017 by the U.S. Congress Joint Committee on Taxation, resolving a methodology for these deductions. As a result of this approval, Southern Company recognized \$176 million of previously unrecognized tax benefits and reversed \$36 million of associated accrued interest.

6. FINANCING**Securities Due Within One Year**

A summary of scheduled maturities of securities due within one year at December 31 was as follows:

	2017	2016
	(in millions)	
Senior notes	\$ 2,354	\$ 1,995
Other long-term debt	1,420	485
Revenue bonds (*)	90	76
Capitalized leases	31	32
Unamortized debt issuance expense/discount	(3)	(1)
Total	\$ 3,892	\$ 2,587

(*) Includes \$50 million in revenue bonds classified as short term at December 31, 2017 that were remarketed in an index rate mode subsequent to December 31, 2017. Also includes \$40 million in pollution control revenue bonds classified as short term since they are variable rate demand obligations supported by short-term credit facilities; however, the final maturity dates range from 2020 to 2028.

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
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Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-162

Question:

For any Southern Company book/tax timing differences that are not otherwise assigned or included within the CGC Deferred Tax balances:

- (a) Each individual book/tax timing difference and provide a complete discussion concerning the nature of the difference and how it arose.
- (b) The rationale for not including such timing difference within the Petition.

Response:

CGC objects to this request in that it seeks information and/or documents from other entities that are not within CGC's possession, custody, or control. Moreover, this request is not reasonably calculated to lead to the discovery of admissible evidence nor is the subject matter of the request relevant to the subject matter of this action as set forth in the Petition in that the deferred tax amounts on the books of Southern Company are not relevant to the determination of the revenue requirement of Chattanooga Gas Company.

Objections provided by Counsel.

Further Response (Rev. 4-26-2018):

Notwithstanding the foregoing and without waiving its objections, CGC states: See Footnote 5 in Southern Company's 10k, 2017 Annual Report, provided as CPAD-1-162 Rev 4-26-2018 Attachment.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-186

Question:

For all new issues of common stock since January 1, 2001, by CGC, AGL Resources, Inc., SCG, and TSC provide the date of the issue, the price per share, the number of shares issued, the total dollar amount realized from the issue, and whether the shares were sold to the public or distributed or sold internally. Include in your response all supporting source documentation, work papers, and calculations.

Response:

The information requested is provided in minimum filing guideline, CGC TPUC MFG Item 84 for the requested information through June 30, 2016. After the Southern Company acquisition of Southern Company Gas (formerly AGL Resources, Inc.), Southern Company Gas no longer issues equity externally. Increases in equity are provided by Southern Company through equity contributions. For a schedule of Southern Company Contributions by month, please see Attachment CPAD-1-186.

Further Response (Rev. 4-27-2018):

In the CPAD's April 18, 2018, follow up request to CGC counsel with respect to CGC's original response, CPAD counsel stated, "The response provided data for AGL and SCG. Provide the requested information for TSC." In addition to the foregoing information and attachment and as a further response to this request, please see Attachment CPAD-1-186 Rev 4-27-2018 that is being provided and which includes Southern Company information.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-1

CPAD-1-334

Question:

Refer to the spreadsheet included with the Company's response to MFG 23-1 regarding the trial balance for Chattanooga Gas Company. Provide an explanation of the content for "Account 135465 – Intercompany Plant Transit" which has a balance of \$-1,838,986 at December 31, 2017 and why this account is not included in rate base.

Response:

The (\$1,838,986) reflected in account 135465 – Intercompany Plant Transit at December 31, 2017 represents the value of asset transfers between utilities of AGL Resources.

The funds in the account are an element of CGC's Money Pool. Please see the table below:

GL Account Number	GL Account Description	December 31, 2017 Balance
135220	I/C Warranty - CGC & PHS	-725,199.17
135451	Interco Money Pool Utility	-15,922,499.01
135465	Intercompany Plant Transit	-1,838,986.27
136071	A/R Assoc Co - I/U Transfers	-467,041.98
136073	Intercompany Chargebacks	0.00
136990	Intercompany Transfers - Debit	18,953,726.43
	Total Intercompany Receivables	0.00
230990	Intercompany Trsfers - Credit	-18,953,726.43
	Total A/P Affiliate	-18,953,726.43
	Total Money Pool	-18,953,726.43

Please note that the entire money pool balance of (\$18,953,726.43) represents a short-term debt of CGC. Accordingly, the amount is not included in CGC's rate base.

Contact Person: Gary Tucker

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

800 427 5463 phone
www.chattanoogagas.com

September 29, 2006

Mrs. Pat Murphy
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville TN 37243-0505

Dear Mrs. Murphy,

Pursuant to the Tennessee Regulatory Authority's Rules 1220-4-7 and 1220-4-1-02(2)(b), Chattanooga Gas Company ("CGC") hereby files an original and three (3) copies of the following revisions to Chattanooga Gas Tariff No. 1 and the supporting Purchased Gas Adjustment (PGA) workpapers:

Eighty Eighth Revised Sheet No. 53 "Current Level of Purchased Gas Adjustment"

As shown on the enclosed supporting workpapers, the PGA is computed consistent with procedures used in previous filings. The purchase price of gas included in this filing is a projected blended rate of both flowing and stored gas. The purchased and sales volumes are based on the twelve months ended July 31, 2006 and the NYMEX futures prices posted September 27, 2006. The proposed decrease in the PGA factor for Residential Customers is approximately 14.17 % and Commercial Customers is approximately 14.99 %.

The current and the proposed PGA factors¹ for the various Customer Classes are as follows:

¹ The PGA factors included the Gas Charge Adjustment, the ACA, and other components provided in TRA Rule 1220-4-7.



Chattanooga Gas


	Current	Proposed
Residential R-1	\$1.0891/Therm	\$0.9348/Therm
Residential R-4	\$1.0299/Therm	\$0.8756/Therm
Commercial	\$1.0299/Therm	\$0.8756/Therm
Large Volume Firm		
Demand	\$4.3479/Dth	\$4.3479/Dth
Commodity	\$9.3796/Dth	\$7.7693/Dth
Interruptible		
Commodity	\$8.9741/Dth	\$7.4190/Dth
Natural Gas Vehicle	\$0.9789/Therm	\$0.8178/Therm

It is requested that acknowledgement of this filing be mailed to:

Archie Hickerson
Director -Regulatory Affairs
150 West Main Street
Suite 1510
Norfolk, VA 23510

If you or your staff have any questions, please call me at 757-616-7510.

Sincerely,


Archie R. Hickerson
Director-Regulatory Affairs

Cc: Mrs. Darlene Standley
Paul Greene

**COMPUTATION OF PURCHASED GAS ADJUSTMENT
TO BECOME EFFECTIVE**

11/1/2006

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- 3(a) Projected Stored Gas Inventory
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- 4a Detail of Rates for Calculation of Firm Commodity
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 - Current Level of Surcharges and Refund Credits No Changes
- 8 Schedule of Sales by Rate Class
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- 10 Revised Individual Tariff Summary - Base Margin Rate (10-1-04) and
 Current Cumulative PGA, Refunds and Surcharges
- 11(a) Tennessee Gas Pipeline Rates
- 11(b) East Tennessee Pipeline Rates
- 11(c) Southern Natural Gas Rates

CHATTANOOGA GAS COMPANY
 GAS TARIFF
 TRA NO. 1

Page 1

Eighty Eighth Revised Sheet No 53

CURRENT LEVEL OF PURCHASED GAS ADJUSTMENT (IN DOLLARS PER DT)

RATE TARIFF

Effective Date	I-1 Demand	I-1 Commodity	* L-1 Commodity	T-2 Demand	V-1 Commodity	All Other Commodity
BASE PGA a/:	6.7896	7.0971	7.6894	6.7896	7.3203	8.5386
12/1/2004	0.0000	1.4690	1.1988	0.0000	1.4690	1.4350
1/1/2005	(0.0058)	(1.3528)	(1.3013)	(0.0058)	(1.3530)	(1.3516)
3/1/2005	0.0000	(0.5682)	(0.6518)	0.0000	(0.5682)	(0.5543)
9/1/2005	0.2368	1.7938	1.9138	0.2368	1.8016	1.9032
10/1/2005	0.0000	2.8747	3.0898	0.0000	2.8747	2.8600
10/3/2005	0.0000	1.9204	1.9502	0.0000	1.9204	1.9216
12/1/2005	0.0000	(2.0825)	(2.1868)	0.0000	(2.0825)	(2.0783)
1/1/2006	0.0000	1.1241	1.4727	0.0000	1.1241	1.1256
2/1/2006	0.0000	(1.5661)	(2.4540)	0.0000	(1.5661)	(1.5824)
4/1/2006	0.0000	(1.1357)	(1.5481)	0.0000	(1.1357)	(1.1637)
6/1/2006	0.0000	1.4110	1.2229	0.0000	1.4110	1.4086
7/1/2006	0.0000	(1.4269)	(1.2432)	0.0000	(1.4269)	(1.4220)
11/1/2006	0.0000	(1.6103)	(1.5551)	0.0000	(1.6103)	(1.5437)
Current Cost	7.0206	7.9476	7.5973	7.0206	8.1784	9.4966

*NOTE

The L-1 commodity rate shall also be applicable to the air conditioning rate for rate schedules R-1, R-4 AND C-1.
 a/ PGA rate effective June 1, 2004

CHATTANOOGA GAS COMPANY
 COMPUTATION OF CURRENT COST OF GAS
 BASED ON VOLUMES FOR TWELVE MONTHS ENDI
 PGA Filing Effective Date:

July 31, 2006
 November 1, 2006

Filing Page 2

FIRM COST (D)

<u>Supplier</u>	<u>Current Rate</u>	<u>Total Volume DT</u>	<u>Monthly Charge</u>	<u>Number of Months</u>	<u>Gas Cost</u>
TENNESSEE					
FT Reservation Charge	\$4.70000	39,792	\$187,022	12	\$2,244,264
FS Storage - Production Area - Deliverability	\$2.02000	13,659	\$27,591	12	\$331,092
FS Storage - Production Area - Space	\$0.02480	2,042,390	\$50,651	12	\$607,812
FS Storage - Market Area - Deliverability	\$1.15000	7,741	\$8,902	12	\$106,824
FS Storage - Market Area - Space	\$0.01850	852,287	\$15,767	12	\$189,204
EAST TENNESSEE					
FT-A Demand	\$7.19100	46,350	\$333,303	12	\$3,999,636
CNG GSS Storage - Demand	\$0.00000	0	\$0	0	\$0
CNG GSS Storage - Capacity	\$0.00000	0	\$0	0	\$0
Note: (Contract for CNG storage cancelled)					
SOUTHERN					
FT Reservation Charge	\$11.96000	13,221	\$158,123	12	\$1,897,476
FT-NN Reservation Charge	\$11.96000	14,346	\$171,578	12	\$2,058,936
CSS Storage - Deliverability	\$1.57700	14,346	\$22,624	12	\$271,488
CSS Storage - Capacity	\$0.03040	710,484	\$21,599	12	\$259,188
TOTAL FIRM COST					\$11,965,920

COMMODITY COST (P)

<u>Supplier</u>		<u>Current Rate</u>	<u>Annual DT</u>	<u>Company Use</u>	<u>Total MCF Available</u>	<u>Current Annual Gas Cost</u>
EAST TENNESSEE						
FT	(a)	\$7.25856	6,506,954	(5,479)	6,501,475	\$47,191,359
Storage Injection	(a)(c)	\$6.96019	(2,307,352)	1,943	(2,305,409)	(\$16,046,079)
Storage Withdrawal	(a)(e)	\$6.94177	1,291,870	(1,088)	1,290,782	\$8,960,310
CNG Storage Injection	(a)(c)	\$0.00000	0	0	0	\$0
CNG Storage Withdrawal	(a)	\$0.00000	0	0	0	\$0
TOTAL EAST TENNESSEE			5,491,472	(4,624)	5,486,848	\$40,105,590
SOUTHERN						
FT	(b)	\$7.11702	3,095,718	(2,607)	3,093,111	\$22,013,732
CSS Storage Injection	(b)(c)	\$7.06451	(612,499)	516	(611,983)	(\$4,323,361)
CSS Storage Withdrawal	(b)(e)	\$7.06322	837,810	(705)	837,105	\$5,912,655
TOTAL SOUTHERN			3,321,029	(2,796)	3,318,233	\$23,603,026
LIQUEFIED NATURAL GAS						
Liquefaction and Turbine Fuel	(a)(d)	\$5.40851	(491,950)		(491,950)	(\$2,660,717)
Boiloff and Vaporization	(d)	\$9.97302	278,267		278,267	\$2,775,163
TOTAL LNG			(213,683)		(213,683)	114,446
TOTAL COMMODITY COST			8,598,818	(7,420)	8,591,398	\$63,823,062
Average Commodity Cost Per DT						\$7.4287
TOTAL COST						\$75,788,982

- (a) 1.000 BTU adjustment included in above ETNG rates.
- (b) 1.000 BTU adjustment included in above SNG rates.
- (c) Projected WACOG of ET and SNG purchases excl. transportation rate.
- (d) Projected LNG Weighted Average Cost / DT based on NYMEX futures. Storage Summary based on projected injections and withdrawals through through 7/31/07
- (e) Forecast WACOG of gas withdrawn from Storage based on NYMEX Futures. Storage Summary. Based on projected injections and withdrawals through through 7/31/07

Company use Factor -0.08420%

Filing Page 3

Chattanooga Gas Company
Summary Projected WACOG for Stored Gas Injections and Withdrawals
For 12 Months Ending July 31, 2007

	Average Balance 8/1/05- 7/31/06	Projected Average Balance 8/1/06-7/31/07
145-700 TGP FS # 3947	4,302,024.19	4,932,716.70
145-700 TGP FS # 3999	6,439,304.10	7,501,159.46
145-720 CSS Underground	3,927,363.28	4,071,662.82
LNG	7,958,144.40	8,871,737.55
	22,626,835.96	25,377,276.52

Projected Withdrawals	Volumes	WACOG	Cost
145-700 TGP FS # 3947	367,697	7.3954	2,719,282
145-700 TGP FS # 3999	924,173	6.7613	6,248,578
	1,291,870	6.9418	8,967,861
145-720 CSS Underground	837,810	7.0632	5,917,638
LNG	278,267	9.9730	2,775,163

Projected Injections	Volumes	WACOG	Cost
145-700 TGP FS # 3947	590,720	6.9694	4,116,959
145-700 TGP FS # 3999	1,433,016	6.8099	9,758,746
	2,023,736	6.8565	13,875,705

	Volumes	WACOG	Cost
145-720 CSS Underground	583,293	7.0039	4,085,310
	Volumes	WACOG	Cost
LNG	403,192	7.5093 a	3,027,701

a/ Includes cost of gas used in liquifaction

Chattanooga Gas Company
Projected Stored Gas Inventory FS # 3947
For 12 Months Ending 07/31/07

Month	Beginning Inventory	WACOG	Value	Total Withdrawal	WACOG	Value	Injection	Cost	Value	Out/Adjustment &	Cost	Value	Ending Inventory	WACOG	Inventory	Average
Oct-02	802,865	3,6557	2,935,047	7,741.00	3,65572	28,298.90	47,880	3,91314	187,381	-	-	-	802,865	3,65572	2,935,047	
Nov-02	843,004	3,6703	3,094,109	188,248.00	3,67034	650,633.67	-	-	-	-	-	-	843,004	3,67034	3,094,109	
Dec-02	654,758	3,6703	2,403,175	118,197.00	3,67034	433,822.86	9,642	4,40799	42,502	-	-	-	654,758	3,67034	2,403,175	
Jan-03	546,201	3,6834	2,011,854	215,686.00	3,68336	794,091.69	8,791	5,14498	28,791	-	-	-	546,201	3,68338	2,011,854	
Feb-03	338,208	3,7077	1,246,554	144,306.00	3,70769	535,041.47	-	-	-	-	-	-	338,208	3,70769	1,246,554	
Mar-03	181,502	3,7077	711,513	64,710.00	3,70769	351,155.03	-	-	-	-	-	-	181,902	3,70769	711,513	
Apr-03	141,968	4,3663	619,878	-	4,36632	-	44,776	6,75958	259,521	-	-	-	141,968	4,36632	619,878	
May-03	213,044	4,6623	993,285	-	4,66234	-	71,076	5,25362	373,406	-	-	-	213,044	4,66234	993,285	
Jun-03	225,220	4,7009	1,056,735	-	4,70099	-	12,176	5,37537	65,451	-	-	-	225,220	4,70099	1,056,735	
Jul-03	392,697	5,3055	2,083,459	-	5,30551	-	167,477	6,11859	1,024,723	-	-	-	392,697	5,30551	2,083,459	
Aug-03	456,009	5,3283	2,434,018	-	5,32831	-	64,112	5,46793	350,560	-	-	-	456,009	5,32831	2,434,018	
Sep-03	456,009	5,3283	2,434,018	-	5,32831	-	165,420	5,70689	858,794	-	-	-	456,009	5,32831	2,434,018	
Oct-03	622,229	5,2588	3,272,812	-	5,25882	-	172,488	4,50258	785,311	-	-	-	622,229	5,25882	3,272,812	1,946,035
Nov-03	794,727	5,1063	4,058,123	89,412.00	5,10631	465,585.41	-	-	-	-	-	-	794,727	5,10631	4,058,123	2,032,426
Dec-03	732,716	5,0876	3,725,194	162,165.00	5,08766	928,773.57	28,901	4,68958	123,636	-	-	-	732,716	5,08766	3,725,194	2,060,371
Jan-04	585,738	5,0880	2,626,626	200,165.00	5,08800	1,024,773.86	-	5,662	5,31618	-	-	-	585,738	5,08800	2,626,626	2,113,697
Feb-04	358,958	5,0880	1,516,858	108,330.00	5,08800	634,940.00	-	-	-	-	-	-	358,958	5,08800	1,516,858	2,189,248
Mar-04	217,710	5,0889	918,122	48,330.00	5,08980	245,994.80	-	5,07700	-	-	-	-	217,710	5,08890	918,122	2,097,446
Apr-04	169,380	5,0889	882,127	42,884.00	5,08880	218,275.21	-	5,08400	-	-	-	-	169,380	5,08880	882,127	2,056,854
May-04	126,968	5,0889	643,852	59,438.00	5,08690	302,553.39	-	5,10900	-	-	-	-	126,968	5,08890	643,852	2,050,527
Jun-04	67,058	5,0898	341,318	59,438.00	5,08980	-	174,110	6,96680	1,195,404	-	-	-	67,058	5,08980	341,318	2,150,527
Jul-04	241,168	6,3720	1,536,723	-	6,37200	-	184,063	6,36925	1,161,115	-	-	-	241,168	6,37200	1,536,723	2,187,255
Aug-04	425,321	6,3444	2,697,638	-	6,34441	-	110,360	6,14302	677,944	-	-	-	425,321	6,34441	2,697,638	2,194,555
Sep-04	535,591	6,3029	3,375,782	6,202.00	6,30291	39,080.95	-	-	-	-	-	-	535,591	6,30291	3,375,782	2,206,988
Oct-04	529,389	6,3029	3,376,691	6,201.00	6,30291	39,084.35	-	-	-	-	-	-	529,389	6,30291	3,376,691	2,276,435
Nov-04	596,008	6,2242	3,312,612	19,213.00	6,22425	119,586.43	73,320	5,66282	415,205	-	-	-	596,008	6,22425	3,312,612	2,310,281
Dec-04	577,285	6,2242	3,653,226	76,866.00	6,22425	119,586.43	-	-	-	-	-	-	577,285	6,22425	3,653,226	2,274,520
Jan-05	502,302	6,2345	3,131,565	109,318.00	6,23449	681,505.83	3,893	7,54560	29,376	-	-	-	502,302	6,23449	3,131,565	2,228,858
Feb-05	382,984	6,2345	1,464,256	1,084,245.76	6,23449	1,084,245.76	-	-	-	-	-	-	382,984	6,23449	1,464,256	2,196,737
Mar-05	219,073	6,2345	1,365,808	193,323.00	6,23449	1,025,269.63	-	-	-	-	-	-	219,073	6,23449	1,365,808	2,165,842
Apr-05	25,760	6,2345	160,538	62,344.00	6,23449	166,124.13	-	-	-	-	-	-	25,760	6,23449	160,538	2,062,951
May-05	(986)	(5,588)	(5,588)	-	0,00000	-	-	-	-	-	-	-	(986)	(5,588)	-	2,026,204
Jun-05	(986)	(5,588)	(5,588)	-	0,00000	-	118,140	6,28010	741,931	-	-	-	117,244	6,28045	1,876,247	2,036,654
Jul-05	117,244	6,2804	1,876,247	-	6,28045	-	162,073	6,19890	1,186,262	-	-	-	117,244	6,28045	1,876,247	2,056,317
Aug-05	117,244	6,2804	1,876,247	-	6,28045	-	144,883	6,17172	1,036,535	-	-	-	117,244	6,28045	1,876,247	2,079,520
Sep-05	487,112	7,2930	3,260,719	1,358,365.00	7,29308	1,358,365.00	-	-	-	-	-	-	487,112	7,29308	3,260,719	2,168,188
Oct-05	588,724	8,1597	3,800,135	17,953.00	8,15969	148,572.57	31,000	14,559238	1,581,959	-	-	-	588,724	8,15969	4,000,155	2,189,686
Nov-05	601,311	8,4892	4,156,622	46,701.00	8,48915	398,451.88	2,531	11,01657	27,880	-	-	-	601,311	8,48915	4,156,622	2,225,181
Dec-05	557,141	8,5008	4,736,050	48,594.00	8,50083	412,094.65	17,288	12,73591	220,148	-	-	-	557,141	8,50083	4,156,622	2,285,181
Jan-06	432,978	8,6644	4,653,626	97,155.00	8,66442	801,408.48	-	-	-	-	-	-	432,978	8,66442	4,653,626	2,480,891
Feb-06	349,178	8,6670	3,748,158	124,877.00	8,66701	1,082,310.37	7,717	10,22725	7,333	-	-	-	349,178	8,66701	3,748,158	2,527,591
Mar-06	276,868	8,6670	2,666,848	32,416.00	8,66701	280,949.84	-	-	-	-	-	-	276,868	8,66701	2,666,848	2,544,257
Apr-06	307,285	8,6670	2,968,898	-	8,66701	-	56,940	7,35471	418,777	-	-	-	307,285	8,66701	2,968,898	2,626,728
May-06	332,226	8,4421	2,804,675	-	8,44210	-	60,451	7,17449	433,705	-	-	-	332,226	8,44210	2,804,675	2,826,121
Jun-06	392,672	8,2470	3,328,380	-	8,24695	-	56,940	6,07061	345,661	-	-	-	392,672	8,24695	3,328,380	3,075,657
Jul-06	449,616	7,9713	3,956,062	-	7,97134	-	56,940	5,98339	352,051	-	-	-	449,616	7,97134	3,956,062	3,151,782
Aug-06	508,454	7,7413	4,395,092	-	7,74129	-	164,855	7,11145	508,454	-	-	-	508,454	7,74129	4,395,092	3,597,916
Sep-06	508,454	7,7413	4,395,092	-	7,74129	-	141,162	7,11145	418,777	-	-	-	508,454	7,74129	4,395,092	3,842,981
Oct-06	814,471	7,5871	5,102,450	17,965.00	7,58708	134,806.95	31,000	4,20700	1,300,231	-	-	-	814,471	7,58708	5,102,450	4,162,330
Nov-06	827,908	7,3809	5,102,450	48,701.00	7,38088	344,994.71	2,531	6,66900	14,348	-	-	-	827,908	7,38098	5,102,450	4,262,330
Dec-06	763,384	7,3564	5,102,450	48,701.00	7,35635	358,694.19	17,288	7,26990	124,616	-	-	-	763,384	7,35635	5,102,450	4,416,935
Jan-07	752,714	7,3841	5,102,450	97,155.00	7,38407	925,378.77	-	-	-	-	-	-	752,714	7,38407	5,102,450	4,462,330
Feb-07	658,108	7,3841	4,395,092	124,877.00	7,38405	816,383.77	7,717	7,84400	77,940	-	-	-	658,108	7,38405	4,395,092	4,516,935
Mar-07	539,168	7,3841	3,907,527	239,686.13	7,38405	358,694.19	-	-	-	-	-	-	539,168	7,38405	3,907,527	4,568,427
Apr-07	401,842	7,3832	3,708,132	-	7,38321	-	56,940	6,07061	403,646	-	-	-	401,842	7,38321	3,708,132	4,630,165
May-07	558,122	7,3932	4,111,779	-	7,39321	-	60,451	7,09800	427,328	-	-	-	558,122	7,39321	4,111,779	4,705,013
Jun-07	618,973	7,3945	4,539,107	-	7,39447	-	56,940	7,19300	407,861	-	-	-	618,973	7,39447	4,539,107	4,765,013
Jul-07	675,813	7,3200	4,946,968	-	7,32003	-	56,938	7,28100	427,223	-	-	-	675,813	7,32003	4,946,968	4,832,717
							598,720	6,96939171	4,116,959						5,374,191	
							2,719,282,41									
							357,697,00									
											</					

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Chattanooga Gas Company
Projected Stored Gas Inventory FS # 3999
For 12 Months Ending 07/31/07

Month	Beginning Inventory	WACOG	Value	Total Withdrawal	WACOG	Value	Injection	Cost	Value	Cash Out/Adjustments	Cost	Value	Ending Inventory	WACOG	Inventory	Average
Oct-02	471,898	3,6551	1,724,844	14,993	3,6551	53,705	590,617	3,8469	2,273,208				471,898	3,6551	Inventory	
Nov-02	1,047,822	3,7643	3,944,347	115,427	3,7643	434,505							1,047,822	3,7643	3,944,347	1,724,844
Dec-02	932,365	3,7643	3,944,347	82,800	3,7643	434,505							932,365	3,7643	3,944,347	3,944,347
Jan-03	865,656	3,7643	3,944,347	26,800	3,7643	1,076,387							865,656	3,7643	2,950,865	3,944,347
Feb-03	399,858	3,7643	1,505,197	26,800	3,7643	1,076,387							399,858	3,7643	1,505,197	1,505,197
Mar-03	278,185	3,6500	1,063,309	127,447	3,6500	479,752	8,046	5,8976	36,657	(2,272)	(0,97)	2,207,50	200,928	3,8500	1,163,863	1,163,863
Apr-03	200,928	3,6500	773,570	75,257	3,6500	288,739							200,928	3,6500	773,570	773,570
May-03	200,928	3,6500	773,570		3,6500								200,928	3,6500	773,570	773,570
Jun-03	200,928	3,5500	773,570		3,5500		324,724	6,0902	1,974,397	(16,186)	3,85	(62,315,94)	509,468	5,2715	2,685,641	2,685,641
Jul-03	509,468	5,2715	2,685,641		5,2715		418,600	5,4230	2,269,528			(2,027,334)	927,966	3,1551	2,927,833	2,927,833
Aug-03	327,968	3,1551	2,927,833		3,1551		283,600	4,7539	1,252,653				1,191,466	3,5087	4,180,485	4,180,485
Sep-03	1,914,466	3,5087	4,180,485		3,5087								1,191,466	3,5087	4,180,485	4,180,485
Oct-03	1,191,466	3,5087	4,180,485	63,765	3,5087	223,732	2,566	4,5911	11,873				1,191,466	3,5087	4,180,485	4,180,485
Nov-03	1,130,287	3,5112	3,968,628	272,211	3,5112	955,778	13,383	5,3113	71,081				1,130,287	3,5112	3,968,628	3,968,628
Dec-03	621,459	3,5497	2,206,004	158,152	3,5497	561,395							621,459	3,5497	2,206,004	2,206,004
Jan-04	475,296	3,6199	1,720,511	165,767	3,6199	386,161							475,296	3,6199	1,720,511	1,720,511
Feb-04	391,924	3,6510	1,430,898	223,554	3,6510	837,362							391,924	3,6510	1,430,898	1,430,898
Mar-04	286,157	3,6510	1,104,747	108,177	3,6510	460,791							286,157	3,6510	1,104,747	1,104,747
Apr-04	147,026	4,9691	730,594		4,9691		475,802	6,0900	3,294,478	200,000	4,62	924,000,00	56,803	3,6510	2,07,385	2,07,385
May-04	622,828	6,1444	3,950,072		6,1444		445,686	6,3033	2,905,196				622,828	6,1444	3,950,072	3,950,072
Jun-04	1,068,494	6,3681	6,804,238		6,3681		288,165	6,1617	1,775,704				1,068,494	6,3681	6,804,238	6,804,238
Jul-04	1,556,679	6,3242	8,579,942		6,3242		130,690	5,6592	739,205				1,556,679	6,3242	8,579,942	8,579,942
Aug-04	1,120,915	6,2541	6,111,296	6,201	6,2541	39,216							1,120,915	6,2541	6,111,296	6,111,296
Sep-04	1,245,404	6,2541	6,111,296		6,2541								1,245,404	6,2541	6,111,296	6,111,296
Oct-04	977,039	6,2935	4,142,890	288,237	6,2935	1,677,580							977,039	6,2935	4,142,890	4,142,890
Nov-04	784,967	6,3022	4,820,947	30,053	6,3022	187,954	29,925	7,5408	225,651				784,967	6,3022	4,820,947	4,820,947
Dec-04	977,039	6,2935	4,142,890	176,351	6,2935	1,109,865	36,665	6,4748	236,750				977,039	6,2935	4,142,890	4,142,890
Jan-05	764,967	6,3022	4,820,947	159,305	6,3022	1,003,966							764,967	6,3022	4,820,947	4,820,947
Feb-05	480,495	6,3022	3,028,168	262,859	6,3022	1,656,580							480,495	6,3022	3,028,168	3,028,168
Mar-05	217,636	6,3022	1,371,578	35,327	6,3022	222,637							217,636	6,3022	1,371,578	1,371,578
Apr-05	182,309	6,3022	1,148,941		6,3022		323,513	6,2794	2,091,461				182,309	6,3022	1,148,941	1,148,941
May-05	182,309	6,3022	1,148,941		6,3022		2,091,461	6,2794	2,091,461				182,309	6,3022	1,148,941	1,148,941
Jun-05	318,442	6,2792	1,995,554		6,2792		1,995,554	6,2792	1,995,554				318,442	6,2792	1,995,554	1,995,554
Jul-05	595,622	6,2792	3,968,362		6,2792		595,622	6,2792	3,968,362				595,622	6,2792	3,968,362	3,968,362
Aug-05	877,225	7,0728	6,204,402		7,0728		266,392	10,9134	2,909,812				877,225	7,0728	6,204,402	6,204,402
Sep-05	877,225	7,0728	6,204,402		7,0728		266,392	10,9134	2,909,812				877,225	7,0728	6,204,402	6,204,402
Oct-05	1,143,587	8,9527	9,111,315	39,158	8,9527	311,984	167,783	14,4878	2,430,805				1,143,587	8,9527	9,111,315	9,111,315
Nov-05	1,010,212	8,9527	9,039,431	70,759	8,9527	533,486	13,455	10,7279	144,953				1,010,212	8,9527	9,039,431	9,039,431
Dec-05	1,052,908	8,9760	9,450,898	54,635	8,9760	490,404	16,119	12,7279	205,181				1,052,908	8,9760	9,450,898	9,450,898
Jan-06	918,203	9,0614	8,329,292	183,394	9,0614	1,681,812	22,674	10,2025	231,330				918,203	9,0614	8,329,292	8,329,292
Feb-06	758,483	9,0555	6,998,811	272,387	9,0555	2,477,506	9,420	8,0350	76,699				758,483	9,0555	6,998,811	6,998,811
Mar-06	495,516	9,0764	4,496,994	303,840	9,0764	2,757,462	2,477,462	7,3498	1,181,784				495,516	9,0764	4,496,994	4,496,994
Apr-06	193,678	9,0549	1,753,719		9,0549		281,474	7,3498	1,821,661				193,678	9,0549	1,753,719	1,753,719
May-06	455,150	8,0754	3,675,503		8,0754		217,120	7,1996	1,556,661				455,150	8,0754	3,675,503	3,675,503
Jun-06	672,270	7,7828	5,232,164		7,7828		230,323	6,0462	1,892,574				672,270	7,7828	5,232,164	5,232,164
Jul-06	902,593	7,3397	6,624,738		7,3397		229,289	5,9729	1,869,587				902,593	7,3397	6,624,738	6,624,738
Aug-06	1,131,892	7,0628	7,894,325		7,0628		263,349	7,2098	1,897,114				1,131,892	7,0628	7,894,325	7,894,325
Sep-06	1,385,241	7,0894	9,891,439		7,0894								1,385,241	7,0894	9,891,439	9,891,439
Oct-06	1,385,241	7,0894	9,891,439		7,0894								1,385,241	7,0894	9,891,439	9,891,439
Nov-06	1,385,241	7,0894	9,891,439		7,0894								1,385,241	7,0894	9,891,439	9,891,439
Dec-06	1,385,241	7,0894	9,891,439		7,0894								1,385,241	7,0894	9,891,439	9,891,439
Jan-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
Feb-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
Mar-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
Apr-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
May-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
Jun-07	1,170,857	6,7293	6,729,018		6,7293								1,170,857	6,7293	6,729,018	6,729,018
Jul-07	1,154,247	6,9752	8,051,153		6,9752								1,154,247	6,9752	8,051,153	8,051,153
Twelve Months				924,473	6,7613	6,248,578	1,433,016	8,80994	9,756,746	(257,169)		(1768,400)				7,501,159

Jan-00
Transfers between CSS and TGP not projected May 05

Feb-03	Audit Adj.	#####	3,3731	(474,852)
Mar-03	Audit Adj.	138,504	3,44437	477,059
3-Jun	Cash Out Adjustment		22,762	133,730
			4,8128	(59,029)
			10,517	7,1023

August 05 Injection limited to not exceed actual inventory level at end of August 06
September 05 Injection limited to not exceed actual inventory level at end of August 06.

Chattanooga Gas Company
Projected Stored Gas Inventory CSS
For 12 Months Ending 07/31/07

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Month	Beginning Inventory	WACOG	Value	Withdrawal	WACOG	Value	Injection	Cost	Value	Cash Out/Adjustments	Cost	Value	Ending Inventory	WACOG	Inventory	Average
Oct-02	628,811	3,46224	2,170,055.92	59,606	3,46224	185,407.22	76,883.00	3,8464	295,948.02	1,555	3,78	5,846.58	628,511	3,462240	2,170,055.92	
Nov-02	653,320	3,38315	2,201,444.20	100,480	3,38315	312,474.00	77,448.00	4,00258	304,481.00	1,414	3,78	5,846.58	653,320	3,383150	2,201,444.20	
Dec-02	678,330	3,30315	2,232,888.00	100,480	3,30315	312,474.00	77,448.00	4,00258	304,481.00	1,414	3,78	5,846.58	678,330	3,303150	2,232,888.00	
Jan-03	693,829	3,22310	2,260,125.00	259,448	3,22310	3,827.88	119,289.07	4,15901	3,75954	1,561,918.51	4,88	5,846.58	693,829	3,223100	2,260,125.00	
Feb-03	415,591	3,73505	1,551,918.51	143,542	3,73505	1,430,542	15,289.00	5,71912	105,251.73	(10,655)	3,77	(40,810.34)	415,591	3,735050	1,551,918.51	
Mar-03	279,393	3,88632	1,080,222.84	137,773	3,88632	532,874.55	41,099.00	7,1419	293,629.16	(2,448)	3,87	(6,650.33)	279,393	3,886320	1,080,222.84	
Apr-03	180,223	4,81331	831,424.13	38,039	4,81331	188,258.98	214.00	5,1808	1,108.84	10,039	5,05	55,241.95	180,223	4,813310	831,424.13	
May-03	155,337	4,64844	721,515.73	48,187	4,64844	263,820.97	15,600.00	6,1972	81,078.84	48,822	5,07	237,390.47	155,337	4,648440	721,515.73	
Jun-03	128,571	4,51278	618,162.18	68,068	4,51278	342,545.01	11,730.00	6,0044	704,736.58	40,517	7,10	74,701.35	128,571	4,512780	618,162.18	
Jul-03	228,971	5,33365	1,283,067.07	86,892	5,33365	467,455.05	183,477.00	6,5205	597,701.77	46,786	3,37	281,073.42	228,971	5,333650	1,283,067.07	
Aug-03	578,424	5,47217	2,724,038.02	108,648	5,47217	108,648	30,040.00	4,4896	456,040.00	34,433	4,77	194,678.88	578,424	5,472170	2,724,038.02	
Sep-03	578,424	5,47217	2,724,038.02	108,648	5,47217	108,648	30,040.00	4,4896	456,040.00	34,433	4,77	194,678.88	578,424	5,472170	2,724,038.02	
Oct-03	578,424	5,47217	2,724,038.02	108,648	5,47217	108,648	30,040.00	4,4896	456,040.00	34,433	4,77	194,678.88	578,424	5,472170	2,724,038.02	
Nov-03	513,435	4,98851	2,563,670.99	59,441	4,98851	290,776.32	15,008.00	4,6188	138,402.54	38,475	4,41	169,646.89	513,435	4,988510	2,563,670.99	
Dec-03	495,457	4,98851	2,563,670.99	59,441	4,98851	290,776.32	15,008.00	4,6188	138,402.54	38,475	4,41	169,646.89	495,457	4,988510	2,563,670.99	
Jan-04	506,735	4,26908	2,163,391.25	242,788	4,26908	1,203,887.28	14,098.00	6,3383	82,088.04	250,000	3,51	877,925.00	506,735	4,269080	2,163,391.25	
Feb-04	342,479	4,48213	1,529,187.88	187,147	4,48213	841,653.62	28,491.00	6,3383	52,004.47	111,515	4,05	39,398.38	342,479	4,482130	1,529,187.88	
Mar-04	295,238	4,35501	1,284,541.59	110,671	4,35501	462,726.35	42,467.00	6,3383	228,464.39	(6,005)	4,55	(26,119.35)	295,238	4,355010	1,284,541.59	
Apr-04	271,911	4,42138	1,003,882.53	16,434	4,42138	75,847.89	143,100.00	6,0398	39,881.25	(190,377)	4,82	(822,945.43)	271,911	4,421380	1,003,882.53	
May-04	7,543	5,90623	44,550.67	9,511	5,90627	12,662.48	143,100.00	6,0398	39,881.25	1,139	6,83	7,781.19	7,543	5,906270	44,550.67	
Jun-04	149,633	6,78824	1,071,241.34	9,511	6,78824	84,659.08	109,287.00	8,1301	690,582.74	2,034	6,32	12,855.18	149,633	6,788240	1,071,241.34	
Jul-04	231,423	6,68655	1,659,021.16	8,480	6,68654	51,559.88	99,087.00	8,1301	610,283.80	3,246	6,16	20,014.28	231,423	6,686550	1,659,021.16	
Aug-04	596,378	6,35520	3,788,898.43	71,489	6,35521	454,241.14	2,182.00	6,5882	17,070.88	42,723	5,67	242,239.41	596,378	6,355200	3,788,898.43	
Sep-04	587,601	6,30178	3,578,898.43	123,328	6,30177	777,185.50	2,182.00	6,5882	17,070.88	42,723	5,67	242,239.41	587,601	6,301780	3,578,898.43	
Oct-04	587,601	6,30178	3,578,898.43	123,328	6,30177	777,185.50	2,182.00	6,5882	17,070.88	42,723	5,67	242,239.41	587,601	6,301780	3,578,898.43	
Nov-04	587,601	6,30178	3,578,898.43	123,328	6,30177	777,185.50	2,182.00	6,5882	17,070.88	42,723	5,67	242,239.41	587,601	6,301780	3,578,898.43	
Dec-04	587,601	6,30178	3,578,898.43	123,328	6,30177	777,185.50	2,182.00	6,5882	17,070.88	42,723	5,67	242,239.41	587,601	6,301780	3,578,898.43	
Jan-05	376,883	6,39102	2,207,439.75	79,118	6,39102	951,653.74	42,923.00	6,3442	298,585.58	148,270	6,33	941,581.88	376,883	6,391020	2,207,439.75	
Feb-05	492,081	6,37427	2,400,988.39	151,885	6,37427	988,156.28	17,028.00	6,4785	114,153.97	1,092	6,55	7,156.78	492,081	6,374270	2,400,988.39	
Mar-05	323,115	6,30060	2,061,784.32	158,471	6,30061	1,011,187.32	-	6,5838	10,847.00	(5,888)	6,39	(30,282.02)	323,115	6,300600	2,061,784.32	
Apr-05	158,658	6,30060	1,074,504.67	59,218	6,30062	329,724.83	129,418.00	6,1719	472,771.14	(379)	6,12	108,875.70	158,658	6,300600	1,074,504.67	
May-05	172,716	6,19502	1,125,822.81	18,025	6,19502	127,635.80	129,418.00	6,1719	472,771.14	(379)	6,12	108,875.70	172,716	6,195020	1,125,822.81	
Jun-05	300,470	6,22208	1,689,888.27	24,485	6,22208	148,474.48	189,765.00	6,1719	530,080.57	17,881	6,32	168,301.50	300,470	6,222080	1,689,888.27	
Jul-05	300,470	6,22208	1,689,888.27	24,485	6,22208	148,474.48	189,765.00	6,1719	530,080.57	17,881	6,32	168,301.50	300,470	6,222080	1,689,888.27	
Aug-05	300,470	6,22208	1,689,888.27	24,485	6,22208	148,474.48	189,765.00	6,1719	530,080.57	17,881	6,32	168,301.50	300,470	6,222080	1,689,888.27	
Sep-05	592,831	6,89303	3,878,288.31	108,228	6,89303	732,225.41	32,400.00	11,0028	353,623.24	(7,818)	6,89	(53,880.18)	592,831	6,893030	3,878,288.31	
Oct-05	480,727	7,16784	3,445,773.98	118,483	7,16783	604,338.60	33,070.00	12,9070	372,133.84	152,164	6,82	152,164	480,727	7,167830	3,445,773.98	
Nov-05	547,488	7,33595	4,289,955.02	77,597	7,33594	897,389.48	28,117.00	14,9772	472,135.84	(5,881)	7,84	(46,081.43)	547,488	7,335950	4,289,955.02	
Dec-05	492,137	8,09315	3,978,015.04	44,709	8,09314	981,808.48	49,131.00	12,7769	627,878.48	105,518	9,25	575,726.08	492,137	8,093150	3,978,015.04	
Jan-06	602,075	8,67040	4,220,228.28	110,679	8,67035	959,804.67	33,204.00	11,6689	388,824.28	47,734	11,65	559,087.78	602,075	8,670400	4,220,228.28	
Feb-06	572,537	8,09175	3,203,945.62	130,504	8,09174	1,188,657.18	23,838.00	8,4165	206,030.85	2,278	9,45	(86,598.42)	572,537	8,091750	3,203,945.62	
Mar-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Apr-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
May-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Jun-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Jul-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Aug-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Sep-06	498,154	8,52171	4,283,121.07	136,604	8,52169	1,417,688.44	23,838.00	8,4165	206,030.85	(10,557)	9,05	(86,598.42)	498,154	8,521710	4,283,121.07	
Oct-06	572,754	7,65359	4,572,133.61	118,483	7,65358	894,515.62	32,140.00	12,7038	792,291.89	31,888	7,20	228,184.61	572,754	7,653590	4,572,133.61	
Nov-06	659,445	8,63327	4,283,121.07	171,597	8,63323	1,548,881.51	26,117.00	14,9772	472,135.84	(5,881)	5,67	(46,081.43)	659,445	8,633270	4,283,121.07	
Dec-06	659,445	8,63327	4,283,121.07	171,597	8,63323	1,548,881.51	26,117.00	14,9772	472,135.84	(5,881)	5,67	(46,081.43)	659,445	8,633270	4,283,121.07	
Jan-07	684,102	8,37370	4,678,515.80	118,678	8,37365	745,981.08	33,204.00	7,6440	253,811.38	47,734	7,74	394,879.70	684,102	8,373700	4,678,515.80	
Feb-07	684,102	8,37370	4,678,515.80	118,678	8,37365	745,981.08	33,204.00	7,6440	253,811.38	47,734	7,74	394,879.70	684,102	8,373700	4,678,515.80	
Mar-07	590,871	8,88880	3,884,978.73	158,604	8,88881	1,078,870.45	28,491.00	7,5790	199,654.49	2,278	7,71	17,572.49	590,871	8,888800	3,884,978.73	
Apr-07	420,177	8,91573	2,002,832.27	14,983	8,91574	103,465.12	27,827.00	7,0880	197,286.80	(10,557)	7,58	(80,011.50)	420,177	8,915730	2,002,832.27	
May-07	444,675	8,93111	2,002,832.27	14,983	8,93111	103,465.12	27,827.00	7,0880	197,286.80	(10,557)	7,58	(80,011.50)	444,675	8,931110	2,002,832.27	
Jun-07	571,487	8,95183	3,													

Chattanooga Gas Company
Purchased Stored Gas Inventory/LNG
For 12 Months Ending 07/31/07

Month	Beginning Inventory	WACOG	Value	Vaporization	Boil Off	Withdrawal	Total WACOG	Value	Liquification	Turbine Fuel 35%	Cost Rate	Turbine Fuel 0.0700	Total Cost	Vol.	Cost	Value	Ending Inventory	WACOG	Inventory	Average
Oct-02	947,363	4,73563	4,486,364	2,271	33,688	35,959	4,7356	170,194	113,860	4,427,91	4,1647	-	474,275	65,943	4,68183	312,076.86	947,363	4,73563	4,486,364	
Nov-02	1,025,304	4,67222	4,700,445	-	24,753	24,753	4,6722	115,061	84,156	-	4,5383	-	381,828	1,120,658	4,67222	4,700,445	1,025,304	4,67222	4,700,445	
Dec-02	1,054,707	4,66183	4,635,546	-	25,663	25,663	4,6618	121,176	-	-	-	-	-	1,253,968	4,66183	4,635,546	1,054,707	4,66183	4,635,546	
Jan-03	1,058,714	4,66183	4,635,546	141,993	25,831	167,824	4,6618	782,387	-	-	-	-	-	1,562,205	4,66183	4,635,546	1,058,714	4,66183	4,635,546	
Feb-03	880,890	4,66183	4,635,546	74,439	23,608	98,047	4,6618	457,079	-	-	-	-	-	480,199	4,66183	4,635,546	880,890	4,66183	4,635,546	
Mar-03	792,843	4,66183	4,635,546	61,366	27,454	88,820	4,6618	414,054	-	-	-	-	-	-	4,66183	4,635,546	792,843	4,66183	4,635,546	
Apr-03	704,023	4,66183	4,635,546	2,037	26,671	30,708	4,6618	143,156	-	-	-	-	-	-	4,66183	4,635,546	704,023	4,66183	4,635,546	
May-03	673,315	4,66183	4,635,546	18,936	18,936	37,872	4,6618	88,276	-	-	-	-	-	-	4,66183	4,635,546	673,315	4,66183	4,635,546	
Jun-03	654,379	4,66183	4,635,546	23,746	23,746	47,492	4,6618	98,740	-	-	-	-	-	-	4,66183	4,635,546	654,379	4,66183	4,635,546	
Jul-03	715,868	4,66183	4,635,546	3,503,573	31,839	35,338	4,6618	155,822	127,756	58,640.00	9,2165	5,421	251,562	65,943	4,68183	312,076.86	715,868	4,66183	4,635,546	
Aug-03	811,800	4,66183	4,635,546	4,477,707	30,361	30,361	4,6618	167,464	166,605	76,471.70	4,9872	20,589	1,253,968	1,120,658	4,66183	4,635,546	811,800	4,66183	4,635,546	
Sep-03	948,004	4,64907	4,649,007	6,544,230	33,564	33,564	4,6491	186,286	213,610	98,046.60	4,9846	10,347	480,199	-	-	-	948,004	4,64907	4,649,007	
Oct-03	1,128,090	4,64907	4,649,007	6,544,230	28,821	28,821	4,6491	110,501	72,026	33,934.88	-	-	-	-	-	-	1,128,090	4,64907	4,649,007	
Nov-03	1,171,884	4,64907	4,649,007	7,213,805	16,020	17,051	4,6491	183,976	-	-	8,9400	-	-	-	-	-	1,171,884	4,64907	4,649,007	
Dec-03	1,153,943	4,64907	4,649,007	2,165	24,473	26,638	4,6491	183,976	-	-	8,9400	-	-	-	-	-	1,153,943	4,64907	4,649,007	
Jan-04	1,127,305	4,64907	4,649,007	50,314	24,979	75,293	4,6491	187,460	-	-	8,9400	-	-	-	-	-	1,127,305	4,64907	4,649,007	
Feb-04	1,038,612	4,64907	4,649,007	7,126	24,950	32,076	4,6491	187,460	-	-	8,9400	-	-	-	-	-	1,038,612	4,64907	4,649,007	
Mar-04	1,006,536	4,64907	4,649,007	8,385	16,415	24,800	4,6491	187,460	-	-	8,9400	-	-	-	-	-	1,006,536	4,64907	4,649,007	
Apr-04	972,678	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	972,678	4,64907	4,649,007	
May-04	956,283	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	956,283	4,64907	4,649,007	
Jun-04	936,616	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	936,616	4,64907	4,649,007	
Jul-04	917,599	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	917,599	4,64907	4,649,007	
Aug-04	898,373	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	898,373	4,64907	4,649,007	
Sep-04	880,394	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	880,394	4,64907	4,649,007	
Oct-04	862,584	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	862,584	4,64907	4,649,007	
Nov-04	844,770	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	844,770	4,64907	4,649,007	
Dec-04	826,960	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	826,960	4,64907	4,649,007	
Jan-05	809,150	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	809,150	4,64907	4,649,007	
Feb-05	791,340	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	791,340	4,64907	4,649,007	
Mar-05	773,530	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	773,530	4,64907	4,649,007	
Apr-05	755,720	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	755,720	4,64907	4,649,007	
May-05	737,910	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	737,910	4,64907	4,649,007	
Jun-05	720,100	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	720,100	4,64907	4,649,007	
Jul-05	702,290	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	702,290	4,64907	4,649,007	
Aug-05	684,480	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	684,480	4,64907	4,649,007	
Sep-05	666,670	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	666,670	4,64907	4,649,007	
Oct-05	648,860	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	648,860	4,64907	4,649,007	
Nov-05	631,050	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	631,050	4,64907	4,649,007	
Dec-05	613,240	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	613,240	4,64907	4,649,007	
Jan-06	595,430	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	595,430	4,64907	4,649,007	
Feb-06	577,620	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	577,620	4,64907	4,649,007	
Mar-06	559,810	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	559,810	4,64907	4,649,007	
Apr-06	542,000	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	542,000	4,64907	4,649,007	
May-06	524,190	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	524,190	4,64907	4,649,007	
Jun-06	506,380	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	506,380	4,64907	4,649,007	
Jul-06	488,570	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	488,570	4,64907	4,649,007	
Aug-06	470,760	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	470,760	4,64907	4,649,007	
Sep-06	452,950	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	452,950	4,64907	4,649,007	
Oct-06	435,140	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	435,140	4,64907	4,649,007	
Nov-06	417,330	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	417,330	4,64907	4,649,007	
Dec-06	399,520	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	399,520	4,64907	4,649,007	
Jan-07	381,710	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	381,710	4,64907	4,649,007	
Feb-07	363,900	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	363,900	4,64907	4,649,007	
Mar-07	346,090	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	346,090	4,64907	4,649,007	
Apr-07	328,280	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	328,280	4,64907	4,649,007	
May-07	310,470	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	310,470	4,64907	4,649,007	
Jun-07	292,660	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	292,660	4,64907	4,649,007	
Jul-07	274,850	4,64907	4,649,007	16,415	16,415	32,830	4,6491	187,460	-	-	8,9400	-	-	-	-	-	274,850	4,64907	4,649,007	

Twelve Months

Jan-00

Inventory Adjustment LNG Fire

Filing Page 4a

CHATTANOOGA GAS COMPANY
DETAIL OF RATES USED TO COMPUTE PURCHASED GAS ADJUSTMENT
EFFECTIVE: November 1, 2006

TENNESSEE NATURAL GAS COMPANY

	DT	RATE	TOTAL
FIRM TRANSPORTATION (FT)			
Reservation Charges - Supplier 1		\$0.00000	\$0
Supplier 2		\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
TGP Commodity - Supplier 1	387,928	\$6.89896	\$2,676,301
Supplier 2		\$6.89896	
SPOT Commodity - Supplier 1	0	\$6.89896	\$0
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
Total	387,928	\$6.89896	\$2,676,301
TGP Fuel	-6,595		
TGP Transport	381,333	\$0.06201	\$23,646
Total TGP	381,333	\$7.08028	\$2,699,947
ET - Supplier 1 - Reservation Charges	155,310	\$0.21500	\$33,392
ET - Supplier 1 - Commodity	154,318	\$6.89896	\$1,064,634
Total	154,318		\$1,098,026
Total TGP and ET	535,651	\$7.09038	\$3,797,973
ETN Fuel	-11,891		
ETN Transport	523,760	\$0.00720	\$3,771
Rate/MMBTU	523,760	\$7.25856	\$3,801,744
Rate/DT		\$7.25856	

FS STORAGE INJECTION

Total Purchases	387,928	\$6.85648	\$2,659,822
Fuel	-5,780		
Injection Charge	382,148	\$0.00000	\$0
Rate/MMBTU	382,148	\$6.96019	\$2,659,822
Rate/DT		\$6.96019	

SOUTHERN NATURAL GAS COMPANY

	DT	RATE	TOTAL
FIRM TRANSPORTATION (FT)			
Reservation Charges - Supplier 1	0	\$0.00000	\$0
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
Commodity - Supplier 1	257,977	\$6.89896	\$1,779,769
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
Total	257,977	\$6.89896	\$1,779,769
Fuel	-6,707		
Transport	251,269	\$0.03390	\$8,518
Rate/MMBTU	251,269	\$7.11702	\$1,788,287
Rate/MCF		\$7.11702	

CSS STORAGE INJECTION

Total Purchases	257,977	\$7.00387	\$1,806,834
Fuel @ .76%	-1,961		
Injection Charge	256,016	\$0.00700	\$1,792
Rate/MMBTU	256,016	\$7.06451	\$1,808,626
Rate/DT		\$7.06451	

Filing Page 4b

CHATTANOOGA GAS COMPANY

DETAIL OF RATES USED TO COMPUTE INTERRUPTIBLE PURCHASED GAS ADJUSTMENT

EFFECTIVE: November 1, 2006

TENNESSEE NATURAL GAS COMPANY

	DT	RATE	TOTAL
INTERRUPTIBLE TRANSPORTATION (IT)			
Reservation Charges - Supplier 1	0	\$0.00000	\$0
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
TGP Commodity - Supplier 1	387,928	\$6.89896	\$2,676,301
Supplier 2	0	\$6.89896	\$0
SPOT Commodity - Supplier 1	0	\$6.89896	\$0
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
Total	387,928	\$6.89896	\$2,676,301
TGP Fuel	-6,595		
TGP IT Transport	381,333	\$0.26110	\$99,566
Total TGP	381,333	\$7.27937	\$2,775,867
	0		
ET - Supplier 1 - Reservation Charges	155,310	\$0.21500	\$33,392
ET - Supplier 1 - Commodity	154,318	\$6.89896	\$1,064,634
Total	154,318		\$1,098,026
Total TGP and ET	535,651	\$7.23212	\$3,873,893
ETN Fuel	-11,891		
ETN INT Transport	523,760	\$0.24050	\$125,964
Rate/MMBTU	523,760	\$7.63681	\$3,999,857
Rate/DT		\$7.63681	

SOUTHERN NATURAL GAS COMPANY

	DT	RATE	TOTAL
INTERRUPTIBLE TRANSPORTATION (IT)			
Reservation Charges - Supplier 1	0	0	\$0
Supplier 2	0	0	\$0
Supplier 3	0	0	\$0
Commodity - Supplier 1	257,977	\$6.89896	\$1,779,769
Supplier 2	0	\$0.00000	\$0
Supplier 3	0	\$0.00000	\$0
Total	257,977	\$6.89896	\$1,779,769
Fuel	-6,707		
SNG INT Transport	251,269	\$0.43190	\$108,523
Rate/MMBTU	251,269	\$7.51502	\$1,888,292
Rate/DT		\$7.51502	

TOTAL SYSTEM VOLUMES	775,029		
WEIGHTED SYSTEM INT RATE/DT	775,029	\$7.5973	\$5,888,149

\$/DT based on weighted average NYMEX futures prices.

CHATTANOOGA GAS COMPANY
 DETAIL OF RATES AND SURCHARGES USED TO COMPUTE PURCHASED GAS ADJUSTMENT
 EFFECTIVE: November 1, 2006

		Tariff	Effective
		Rate	Rate
TENNESSEE			
FT-A Demand	Zone 1 - 1	\$ 4.70	\$4.70000
Total FT-A Deman			\$4.70000
FT-A Commodity	Zone 0 - 1	28% 0.0669	\$0.01873
	Zone 1 - 1	72% 0.0572	<u>\$0.04118</u>
Total FT-A Commodity			0.05991
ACA			0.00210
GRI			N/A
TCSM			
TCRA			N/A
Total FT-A Comm			\$0.06201
IT Commodity	Zone 1 - 1	0.2590	\$0.25900
ACA			0.00210
GRI			N/A
TCSM			0.00000
TCRA			N/A
Total IT Commodi			\$0.26110

EAST TENNESSEE

FT-A Demand	7.21	\$7.21000
TCRA (Article 25)		-0.05000
GRI (Article 33) (High L		0.03100
Total FT-A Deman		\$7.19100
FT-A Commodity	0.0011	\$0.00110
TCRA (Article 25)		0.00000
GRI (Article 33)		0.00400
ACA (Article 34)		0.00210
Total FT-A Comm		\$0.00720
IT Commodity	0.2381	\$0.23810
GRI (Article 33)		0.00400
TCRA IT		-0.00160
Total IT Commodi		\$0.24050

		Tariff	Effective
		Rate	Rate
SOUTHERN			
FT Demand	Zone 3	11.91	\$11.91000
GRI			0.05000
Southern Energy			0.00000
Total FT Demand			\$11.96000
FT Commodity	Prod - 3	0.0290	\$0.02900
GSR			\$0.0000
Storage Receiving Surcharge			\$0.0030
ACA			0.00190
GRI			0.00000
Total FT Commodity			\$0.03390
IT Commodity	Prod - 3	0.4270	\$0.42700
GSR			\$0.0000
Storage Receiving Surcharge			\$0.0030
ACA			0.00190
GRI			0.00000
Total IT Commodity			\$0.43190
Southern CSS Storage Service			
Injection Charge			0.00700
Withdrawal Charge			0.00700
Tennessee FS Storage Service			
FS-PA		0%	
Injection Rate		0.0053	
Withdrawal Rate		0.0053	
FS-MA		0%	
Injection Rate		0.0102	
Withdrawal Rate		0.0102	
FS-PA/MA Injection Avera			0.00000
FS-PA/MA Withdrawal Av			0.00000
CNG GSS Storage Service			
Injection Rate		0.0000	
Withdrawal Rate		0.0000	
Tennessee Storage Injection			
Average		0%	0.00000

CHATTANOOGA GAS COMPANY
 COMPUTATION OF PURCHASED GAS ADJUSTMENT AND ALLOCATION TO RATE CLASSES
 BASED ON VOLUMES FOR TWELVE MONTHS ENDED: July 31, 2006

RATES TO BE EFFECTIVE: November 1, 2006

Rate Schedule	Monthly Contract Demand	Annual Commodity DT Sales	PROJECTED GAS COST		Total	CURRENT (D)	(D)	(P)	Total
			Demand	Commodity		*Demand Per Unit			
I-1	11,739	893,695	988,946	7,102,722	8,091,668	7.0206		7.9476	7.9476
L-1		52,632		399,863	399,863			7.5973	7.5973
T-2**	0		0		0	7.0206			
ALL OTHER	130,294	7,086,485	10,976,974	56,320,478	67,297,452		1.5490	7.9476	9.4966
V-1							0.2308	7.9476	8.1784
Total Cost Adjustment	142,033	8,032,812 8,591,398	\$11,965,920	\$63,823,062	\$75,788,982				

100% LOAD FACTOR
 DEMAND COST/DT

* Total Demand Cost = Total Firm Cost / 142033 X 365 Days = \$0.2308

* Unit Cost based on 140,863 annual contract demand units.

** All Demand Units for I-1/T-2 Customers are billed under the I-1 rate.

CHATTANOOGA GAS COMPANY
 GAS TARIFF
 TRA NO. 1

Revised 5-18-06

Seventy Seventh Sheet No. 55

CURRENT LEVEL OF SURCHARGES AND REFUND CREDITS

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

RATES Billing Unit:	I-1 Demand DT	I-1 Commodity DT	L-1 Commodity DT	T-1 Commodity DT	T-2 Demand DT	T-2 Commodity DT	R-1 Residential Therm	R-4 Multi-Family Therm	C-1 General Therm	A/C Therm	V-1 Therm
IMCR Refund 6/1/2006*	(2.7756)	0.0000	0.0000	0.0000	(2.7756)	0.0000	0.0007	(0.0585)	(0.0585)	0.0000	0.0000
ACA 01-06 **	0.1029	(0.1783)	(0.1783)	0.0000	0.1029	0.0000	(0.0156)	(0.0156)	(0.0156)	(0.0178)	0.0000
TOTAL	(2.6727)	(0.1783)	(0.1783)	0.0000	(2.6727)	0.0000	(0.0149)	(0.0741)	(0.0741)	(0.0178)	0.0000

*IMCR refund made effective May 1, 2005 terminated Effective May 31,2006.

** Effective January 1, 2006 for a period of 12 months or shorter as may be required. ACA01-05 Effective Jan 1, 2005 terminated.

EFFECTIVE: June 1, 2006

MCF SALES BY RATE CLASS AND OFF-SYSTEM REVENUE CREDIT ESTIMATE
 TWELVE MONTHS ENDED: July 31, 2006

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Month	I-1	L-1	All Other	TOTAL	T-1, T-2 & T-3	TOTAL	SUMMER	WINTER
Jan-06	62,897	4,077	1,345,695	1,412,669	717,418	2,130,087	1,412,669	1,412,669
Feb-06	23,085	3,572	1,176,935	1,203,592	746,510	1,950,102	1,203,592	1,203,592
Mar-06	17,949	5,202	1,109,122	1,132,273	743,153	1,875,426	1,132,273	1,132,273
Apr-06	13,146	4,574	685,485	703,205	664,142	1,367,347	703,205	703,205
May-06	15,729	5,030	304,441	325,200	744,826	1,070,026	325,200	325,200
Jun-06	12,301	4,917	254,200	271,418	714,113	985,531	271,418	271,418
Jul-06	13,497	3,847	212,841	230,185	678,566	908,751	230,185	230,185
Aug-05	141,213	5,272	211,643	358,128	589,084	947,212	358,128	358,128
Sep-05	138,693	3,290	211,228	353,211	522,502	875,713	353,211	353,211
Oct-05	199,382	3,290	215,343	418,015	526,384	944,399	418,015	418,015
Nov-05	20,148	3,784	386,895	410,827	677,577	1,088,404	410,827	410,827
Dec-05	235,655	5,777	972,657	1,214,089	592,279	1,806,368	1,214,089	1,214,089
TOTAL	893,695	52,632	7,086,485	8,032,812	7,916,554	15,949,366	1,956,157	6,076,655
								8,032,812

Month	R - 1	R - 4	C - 1	Off-System Revenue Credit	T-1*	T-2	T-3	DEMAI I - 1	T - 2	TOTAL
Jan-06	713,533	3,056	629,106	\$0.00	439,360	273,951		13,012	0	13,012
Feb-06	619,789	1,300	555,846	\$0.00	477,233	265,267		13,072	0	13,072
Mar-06	566,169	1,241	541,712	\$0.00	468,883	270,481		12,505	0	12,505
Apr-06	324,522	808	360,155	\$0.00	447,913	213,184		12,609	0	12,609
May-06	111,661	471	192,309	\$0.00	504,976	237,221		12,517	0	12,517
Jun-06	90,696	437	163,067	\$0.00	492,982	215,130		12,518	0	12,518
Jul-06	70,595	350	141,896	\$0.00	463,101	209,307		12,518	0	12,518
Aug-05	72,263	237	139,143	\$0.00	435,930	148,854		9,300	0	9,300
Sep-05	70,982	316	139,930	\$0.00	387,675	131,596		9,725	0	9,725
Oct-05	75,331	276	139,736	\$0.00	370,467	151,888		9,951	0	9,951
Nov-05	184,421	551	201,923	\$0.00	417,038	256,972		10,008	0	10,008
Dec-05	547,535	1,031	424,091	\$0.00	309,056	279,002		13,128	0	13,128
TOTAL	3,447,497	10,074	3,628,914	\$0.00	5,214,614	2,653,863		140,863	0	140,863

* SS-1 and Discounted Volumes are included in T-1 Transportation and L-1 Sales.

CHATTANOOGA GAS COMPANY
MCF VOLUMES PURCHASED (BY PIPELINE) AND COMPUTATION OF AVERAGE BTU ADJUSTMENT
FOR GAS TRANSPORTED ON EAST TENNESSEE AND SOUTHERN
TWELVE MONTHS ENDED:
July 31, 2006

JULY 31, 2006

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SOUTHERN														
217662.16														
Month	FT Purchases	IT Purchases	CSS Inj.	CSS W/D	CSS CASHOUT	BTU ADJ	MMBTHU VOLUMES	ET & SNG	Total Purchases	End User	Total	CSS Inj.	CSS W/D	CSS CASHOUT
									MMBTHU Volumes	Throughtput				
Jan-06	322,169		(33,204)	110,676	47,734	1,000	322,169	1,241,725	713,311	1,655,036	33,204	110,676	47,734	1,000
Feb-06	221,815		(24,839)	130,507	49,794	1,000	221,815	2,041,398	752,500	1,576,699	24,839	130,507	49,794	1,000
Mar-06	126,232		(26,367)	156,604	(10,557)	1,000	126,232	887,335	739,584	1,576,699	26,367	156,604	(10,557)	1,000
Apr-06	137,460		(27,827)	14,868	11,634	1,000	137,460	681,097	973,817	973,817	27,827	14,868	11,634	1,000
May-06	182,393		(104,530)	8,868	438	1,000	182,393	742,197	986,162	986,162	104,530	8,868	438	1,000
Jun-06	187,394		(65,765)	5,132	18,629	1,000	187,394	708,112	1,462,89	960,185	65,765	5,132	18,629	1,000
Jul-06	113,465		(77,542)	34,036	9	1,000	113,465	672,408	669,841	669,841	77,542	34,036	9	1,000
Aug-06	234,368		(108,087)	29,928	31,398	1,000	234,368	585,794	959,466	959,466	108,087	29,928	31,398	1,000
Sep-06	129,242		(32,140)	106,226	(7,818)	1,000	129,242	518,271	873,665	873,665	32,140	106,226	(7,818)	1,000
Oct-06	305,001		(93,070)	118,489	(9,839)	1,000	305,001	738,806	522,555	1,281,161	33,070	118,489	(9,839)	1,000
Nov-06	487,240		(28,117)	77,587	(5,881)	1,000	487,240	1,156,240	674,010	1,830,304	28,117	77,587	(5,881)	1,000
Dec-06	944,751		(49,731)	44,708	7,142	1,000	944,751	1,952,185	688,058	2,540,243	49,731	44,708	7,142	1,000
TOTAL	3,095,718		(612,498)	837,810	86,170	1,000	3,095,718	7,888,467	16,767,138	16,767,138	612,498	837,810	86,170	1,000
TOTAL MCF														
8,688,671														
9,602,672														

East TN	6,506,854	67.8%
Souther	3,085,718	32.2%
	<u>9,602,672</u>	
	12	
Monthly Avg	800,223	

	East TN			Southern			NYMEX		
	Purchases	Futures	Total	Purchases	Futures	Total	8/27/06	9/1/06	9/1/06
Jan-06	537,191	322,169	859,360	7,644	Lib-07	6,569,648	10.33	(2.69)	8,680,626.24
Feb-06	591,291	221,815	803,106	7,714	Jan-07	6,195,160	10.36	(2.89)	8,323,390.58
Mar-06	257,167	126,232	383,399	7,579	Feb-07	2,905,781	10.19	(2.61)	3,900,388.41
Apr-06	495,004	137,480	632,484	7,089	Mar-07	4,483,637	8.35	(1.26)	6,511,241.26
May-06	434,286	182,393	616,689	7,009	May-07	3,359,375	8.19	(1.12)	5,567,701.18
Jun-06	340,746	187,554	528,340	7,163	Jun-07	4,734,489	8.30	(1.13)	7,567,975.22
Jul-06	406,612	113,455	520,067	7,281	Jul-07	3,776,206	8.15	(1.07)	5,532,941.22
Aug-06	453,446	224,398	667,814	7,331	Aug-07	6,391,044	8.42	0.812	5,570,488.07
Sep-06	566,410	129,240	695,650	7,420	Sep-07	5,146,568	6.70	0.702	4,661,158.35
Oct-06	489,890	305,001	804,889	7,401	Oct-06	5,361,535	7.06	(2.65)	6,665,678.38
Nov-06	524,011	467,240	1,011,251	5,669	Nov-06	5,132,782	8.38	(2.25)	8,448,440.88
Dec-06	1,230,861	648,719	1,879,581	7,209	Dec-06	13,580,404	8.41	(2.91)	18,920,563.02
TOTAL	6,206,854	3,056,718	9,263,572	6,889		66,238,447	8.41	(2.507)	88,923,563.02

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Revised

CHATTANOOGA GAS COMPANY GAS TARIFF--- TRA NO. 1						
Effective:		11/1/2008		REFUNDS &		BILLING CUMULATIVE
		BASE RATE	PGA	SURCHARGES	RATE	PGA/Refund
R-1 Residential General Service	WINTER (NOV - APR) Base Use Charge/Bill First 25 Therms Next 25 Therms Over 50 Therms SUMMER (MAY - OCT) Base Use Charge/Bill First 25 Therms Next 25 Therms Over 50 Therms	\$7.50 \$0.29385 \$0.20265 \$0.17732 \$7.50 \$0.21279 \$0.15199 \$0.04560	\$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497	(0.0149) (0.0149) (0.0149) (0.0149) (0.0149) (0.0149) (0.0149) (0.0149)	\$7.5000 \$1.2286 \$1.1374 \$1.1121 \$7.5000 \$1.1476 \$1.0868 \$0.9804	\$0.8348 \$0.9348 \$0.9348 \$0.9348 \$0.9348 \$0.9348 \$0.9348 \$0.9348
Air Conditioning	SUMMER (MAY - OCT) Over 50 Therms	\$0.04560	\$0.7597	(0.0178)	\$0.7875	\$0.7419
Standby Service Demand Charge	Rate Per Therm of Input per Mo	\$0.30000	\$0.7021	(0.2673)	\$0.7348	\$0.4348
R-4 Multi-Family Housing Service	WINTER (NOV - APR) Base Use Charge/Unit Commodity Charge/Therm SUMMER (MAY - OCT) Base Use Charge/Bill Commodity Charge/Therm	\$6.00 \$0.18311 \$6.00 \$0.16277	\$0.9497 \$0.9497 \$0.9497 \$0.9497	(0.0741) (0.0741) (0.0741) (0.0741)	\$6.0000 \$1.0587 \$6.0000 \$1.0383	\$0.8756 \$0.8756 \$0.8756 \$0.8756
Air Conditioning	SUMMER (MAY - OCT) Flat Rate / Therm	\$0.04560	\$0.7597	(0.0178)	\$0.7875	\$0.7419
C-1 Commercial & Industrial General Service	WINTER (NOV - APR) Base Use Charge/Bill First 3,000 Therms Next 2,000 Therms Next 10,000 Therms Over 15,000 Therms SUMMER (MAY - OCT) Base Use Charge/Bill First 3,000 Therms Next 2,000 Therms Next 10,000 Therms Over 15,000 Therms	\$20.00 \$0.27667 \$0.25253 \$0.24599 \$0.12727 \$15.00 \$0.21722 \$0.17244 \$0.16077 \$0.12727	\$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497 \$0.9497	(0.0741) (0.0741) (0.0741) (0.0741) (0.0741) (0.0741) (0.0741) (0.0741) (0.0741) (0.0741)	\$20.0000 \$1.1522 \$1.1281 \$1.1216 \$1.0028 \$15.0000 \$1.0928 \$1.0480 \$1.0363 \$1.0028	\$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756 \$0.8756
Air Conditioning	SUMMER (MAY - OCT) Flat Rate / Therm	\$0.04560	\$0.7597	(0.0178)	\$0.7875	\$0.7419
Standby Service Demand Charge	Rate Per Therms of Input per M	\$0.30000	\$0.7021	(0.2673)	\$0.7348	\$0.4348
I-1 Large Volume Firm Service	Base Use Charge Demand Charge / Demand Unit Commodity Charge / Dth First 1,500 Dths Next 2,500 Dths Next 11,000 Dths Over 15,000 Dths	\$300.00 \$3.00 \$0.8945 \$0.7644 \$0.4335 \$0.2664	\$7.0206 \$7.9476 \$7.9476 \$7.9476 \$7.9476 \$7.9476	(2.6727) (0.1783) (0.1783) (0.1783) (0.1783) (0.1783)	\$300.0000 \$7.3479 \$8.6638 \$8.5337 \$8.2028 \$8.0357	\$4.3479 \$7.7693 \$7.7693 \$7.7693 \$7.7693 \$7.7693
L-1 Interruptible Service	Base Use Charge Commodity Charge/Dth First 1,500 Dths Next 2,500 Dths Next 11,000 Dths Over 15,000 Dths	\$300.00 \$0.8945 \$0.7644 \$0.4335 \$0.2664	\$7.5973 \$7.5973 \$7.5973 \$7.5973	(0.1783) (0.1783) (0.1783) (0.1783)	\$300.0000 \$8.3135 \$8.1834 \$7.8525 \$7.6854	\$7.4190 \$7.4190 \$7.4190 \$7.4190
T-1 Interruptible Transportation Service	Customer Charge Transportation Charge/Dth First 1,500 Dths Next 2,500 Dths Next 11,000 Dths Over 15,000 Dths	\$300.00 \$0.8945 \$0.7644 \$0.4335 \$0.2664		0.0000 0.0000 0.0000 0.0000	\$300.0000 \$0.8945 \$0.7644 \$0.4335 \$0.2664	\$0.0000 \$0.0000 \$0.0000 \$0.0000
T-2 Interruptible Transportation Service with Firm Backup	Customer Charge Demand Charge/Demand Unit Transportation Charge/Dth First 1,500 Dths Next 2,500 Dths Next 11,000 Dths Over 15,000 Dths	\$300.00 \$3.00 \$0.8945 \$0.7644 \$0.4335 \$0.2664	\$7.0206	(2.6727) 0.0000 0.0000 0.0000 0.0000	\$300.0000 \$7.3479 \$0.8945 \$0.7644 \$0.4335 \$0.2664	\$4.3479 \$0.0000 \$0.0000 \$0.0000 \$0.0000
T-3 Low Volume Transport General Service	WINTER (NOV - APR) Base Use Charge/Bill First 3,000 Therms Next 2,000 Therms Next 10,000 Therms Over 15,000 Therms SUMMER (MAY - OCT) Base Use Charge/Bill First 3,000 Therms Next 2,000 Therms Next 10,000 Therms Over 15,000 Therms	\$20.00 \$0.27667 \$0.25253 \$0.24599 \$0.12727 \$15.00 \$0.21722 \$0.17244 \$0.16077 \$0.12727		0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000	\$20.00 \$0.27667 \$0.25253 \$0.24599 \$0.12727 \$15.00 \$0.21722 \$0.17244 \$0.16077 \$0.12727	\$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000 \$0.0000
V-1 Natural Gas Vehicle Service	Base Use Charge / Bill Flat Rate / Therms	\$17.50 \$0.0456	\$0.8178	0.0000	\$17.5000 \$0.8634	\$0.8178

TENNESSEE GAS PIPELINE
FERC GAS TARIFF RATES

Filing Page 11(a)

EFFECTIVE 08/01/03

SERVICE	CGC Volume (DTs)	Rate Components
FT-A Demand	39,792	\$4.7000
Demand Surcharges:		
Firm Settlement Surcharge		\$0.0000
Canadian Demand GSR		\$0.0000
FT-A Commodity (Zone 0-1)		\$0.0669
FT-A Commodity (Zone 1-1)		\$0.0572
IT (Zone 0-1)		\$0.3190
IT (Zone 1-1)		\$0.2590
IT (Zone 1-3)		\$0.4259
Volumetric Surcharges:		
ACA		\$0.0021
GRI		\$0.0040 *
	Apr-Oct	Nov-Mar
Fuel (Zone 0-1)	0.0279	2.44%
Fuel (Zone 1-1)	0.0191	1.70%
Fuel (Zone 1-3)	0.0499	4.29%
	0.50%	0.50%
Underground Storage:		
FS-PA-Deliverability	13,659	\$2.0200
FS-PA-Capacity	2,042,390	\$0.0248
FS-PA-Injection		\$0.0053
FS-PA-Withdrawal		\$0.0053
FS-PA-Overrun		\$0.2427
FS-PA-Injection Fuel		1.49%
FS-MA-Deliverability	7,741	\$1.1500
FS-MA-Capacity	852,287	\$0.0185
FS-MA-Injection		\$0.0102
FS-MA-Withdrawal		\$0.0102
FS-MA-Overrun		\$0.1380
FS-MA-Injection Fuel		1.49%

Filing Page 11(b)

EAST TENNESSEE NATURAL GAS F
FERC GAS TARIFF RATES

EFFECTIVE 08/01/03

SERVICE	CGC Volume (DTs)	Rate Components
FT-A DEMAND	46,350	\$7.2100
DEMAND SURCHARGES:		
GRI DEMAND		\$0.0310
TCRA DEMAND		-\$0.0500
FT-A COMMODITY		\$0.0011
IT		\$0.2381
VOLUMETRIC SURCHARGES:		
GRI		\$0.0040
ACA		\$0.0021
TCRA COMMODITY		\$0.0000
TCRA IT		-\$0.0016
FUEL (WINTER)		2.22%
FUEL (SUMMER)		1.58%

SOUTHERN NATURAL GAS PIPELIN
FERC GAS TARIFF RATES

Effective 3/1/05

SERVICE	CGC Volume	Rate Components	Total Rate Including Surcharges	Total Rate Discount
FT-A DEMAND (CGC)	13,221 Dt	\$11.9100	\$11.9600 (CGC)	
FT-A DEMAND (DISCOUNT)		\$10.2800		
FT-NN DEMAND (CGC)	14,346 Dt	\$11.9100	\$11.9600 (CGC)	
DEMAND SURCHARGES:				
GRI (CGC)		\$0.0500		
GRI AGLC)		\$0.0310		
ACCOUNT 858	22,000 Dt	\$0.0000 *	\$0 6	\$0
SOUTHERN ENERGY	22,000 Dt	\$0.0000 *	\$0 6	\$0
FT COMMODITY (ZONE P-P)		\$0.0120	0.01690	
FT COMMODITY (ZONE P-3)		\$0.0290	\$0.0319	
FT COMMODITY (ZONE 1-3)		\$0.0240	\$0.0289	
FT COMMODITY (ZONE 2-3)		\$0.0200	\$0.0249	
IT COMMODITY (ZONE P-P)		\$0.1740	\$0.1789	
IT COMMODITY (ZONE P-3)		\$0.4270	\$0.4319	
IT COMMODITY (ZONE 1-3)		\$0.3420	\$0.3469	
IT COMMODITY (ZONE 2-3)		\$0.3170	\$0.3219	
VOLUMETRIC SURCHARGES:				
GSR		\$0.0000		
GSR (DISCOUNT)		\$0.0000		
GRI		\$0.0000		
ACA		\$0.0019		
Storage Rec. Surcharge		\$0.0030		
GATHERING		\$0.0430		
FUEL (ZONE P-P)		1.50%		
FUEL (ZONE P-3)		2.60%		
FUEL (ZONE 1-3)		1.10%		
FUEL (ZONE 2-3)		0.30%		
FUEL (INTRAZONE)		1.50%		
FUEL (BACKHAUL)		0.60%		
UNDERGROUND STORAGE:				
CSS - DELIVERABILITY	14,346 Dt	\$1.5770		
CSS - CAPACITY	710,484 Dt	\$0.03040		
CSS - INJECTION		\$0.0070		
CSS - WITHDRAWAL		\$0.0070		
CSS - INJECTION FUEL		0.76%		
CSS - WITHDRAWAL FUEL		0.76%		
ISS		0.08220		

NYMEX Henry Hub gas futures contract, Sep 27

	Settlement	High	Low	+/-	Volume
Oct 2006	4.201	4.450	4.070	-32.5	52771
Nov 2006	5.669	5.750	5.490	-13.6	26518
Dec 2006	7.209	7.280	7.050	-11.1	7428
Jan 2007	7.844	7.780	7.580	-16.6	3747
Feb 2007	7.714	7.850	7.650	-18.8	1723
Mar 2007	7.579	7.680	7.520	-12.8	2922
Apr 2007	7.089	7.180	7.000	-9.8	2602
May 2007	7.069	7.110	7.010	-2.6	808
Jun 2007	7.163	7.210	7.120	-2.8	248
Jul 2007	7.261	7.300	7.220	-2.9	105
Aug 2007	7.331	7.370	7.280	-2.6	580
Sep 2007	7.401	7.450	7.400	-2.9	57
Oct 2007	7.506	7.560	7.440	-3.4	789
Nov 2007	8.054	8.080	7.980	-3.6	163
Dec 2007	8.589	8.620	8.520	-3.6	2336
Jan 2008	8.951	8.980	8.890	-3.9	1120
Feb 2008	8.951	9.030	8.890	-3.9	37
Mar 2008	8.721	8.760	8.655	-3.4	1209
Apr 2008	7.261	7.300	7.200	-1.4	1148
May 2008	7.111	7.180	7.180	-1.4	562
Jun 2008	7.186	7.280	7.280	-1.4	1134
Jul 2008	7.268	7.360	7.360	-1.4	33
Aug 2008	7.821	7.400	7.400	-1.4	53
Sep 2008	7.401	7.400	7.400	-1.4	53
Oct 2008	7.511	7.600	7.500	-1.4	6714
Nov 2008	7.981	7.980	7.955	-1.4	6523
Dec 2008	8.391	8.390	8.385	-1.4	111
Jan 2009	8.711	8.725	8.705	-1.4	271
Feb 2009	8.711	8.705	8.705	-1.4	32
Mar 2009	8.471	8.485	8.465	-1.4	192
Apr 2009	7.031	7.031	7.031	-3.4	272
May 2009	6.881	6.970	6.970	-3.4	129
Jun 2009	6.981	7.050	7.050	-3.4	12
Jul 2009	7.011	7.120	7.100	-3.4	12
Aug 2009	7.081	8.485	8.465	-3.4	13
Sep 2009	7.171	7.300	7.280	-3.4	13

Contract data for Tuesday

Volume of contracts traded: 124,282

Front-months open interest:

OCT: 29,266 ; NOV: 115,140; DEC: 56,768

Total open interest: 945,956