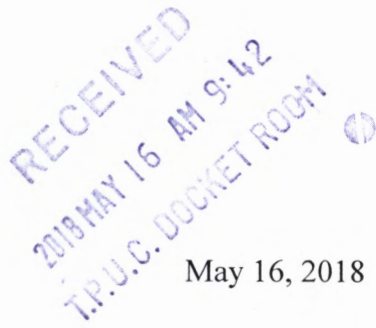


TENNESSEE PUBLIC UTILITY COMMISSION



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243



May 16, 2018

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VIA E-MAIL and U.S. MAIL

IN RE: Docket No. 18-00017, *Chattanooga Gas Company Petition For approval of An Adjustment In Rates And Tariff; The Termination Of The AUA Mechanism And The Related Tariff Changes And Revenue Deficiency Recovery; And An Annual Rate Review Mechanism.*

Gentlemen:

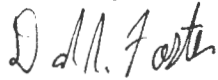
To assist the Commission in its evaluation of the above-captioned *Petition* filed February 15, 2018 it is requested that Chattanooga Gas Company complete the workbook on the enclosed CD. (Printed copy attached for convenience). A reference to all source documents shall be provided and all adjustments shall reference a workpaper providing detailed calculations and explaining in detail the reason for the adjustment.

Feel free to add any necessary additional line items to a worksheet, i.e. rate base or expense. If added please ensure that all formulas and worksheets are adjusted to account for the addition.

It is requested that all responses be provided no later than 2:00 p.m. May 31, 2018. In accordance with Commission rules, submit either (1) original and thirteen written copies of your response or (1) original and four written copies and an electronic version. Should

you have any questions or need clarification regarding any requested item, please contact me at (615) 770-6884.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Foster". The signature is written in a cursive, flowing style.

David Foster, Director
Utilities Division
cc: Docket File

Attachments

Chattanooga Gas Company
Index to Schedules
For the Twelve Months Ended June 30, 2019

	<u>Schedule No.</u>
Revenue Deficiency (Surplus)	1
Rate Base	2
Income Statement at Current Rates	3
Operation & Maintenance Expenses	4
Taxes Other Than Income Taxes	5
Excise and Income Taxes	6
Revenue Conversion Factor	7
Cost of Capital	8

Schedule 1

Chattanooga Gas Company
Revenue Deficiency (Surplus)
For the Twelve Months Ended June 30, 2019

Line No.		Attrition Year	A/
1	Rate Base	\$ 1	
2	Operating Income at Present Rates	-	
3	Earned Rate of Return (L 2 / L 1)	0.00%	
4	Fair Rate of Return	0.000%	
5	Required Operating Income (L 1 x L 4)	\$ -	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	-	
7	Gross Revenue Conversion Factor	1.645413	
8	Revenue Deficiency (Surplus)	<u>\$ 1</u>	

A/ Source

Chattanooga Gas Company
Rate Base
For the Twelve Months Ended June 30, 2019

Line No.	Additions:	Test Year A/	Adjustments	Ref.	Attrition Year
1	Utility Plant in Service				
2	Construction Work in Progress				
3	Other	-			-
4	Working Capital				
5	OPEBs				
6	Total Additions	<u>\$ -</u>			<u>\$ -</u>
	Deductions:				
7	Accumulated Depreciation				
8	Contributions in Aid of Construction				
9	Advances in Aid of Construction				
10	Accumulated Deferred Tax				
11	Other	-			-
12	Total Deductions	<u>\$ (1)</u>			<u>\$ (1)</u>
13	Rate Base	<u>\$ 1</u>			<u>\$ 1</u>

A/ Source

Chattanooga Gas Company
Income Statement at Current Rates
For the Twelve Months Ended June 30, 2019

Line No.		Test Year A/ Adjustments	Ref.	Attrition Year
1	Revenues - Sales, Forfeited Discounts & Other	\$ -		\$ -
2	Cost of Gas			
3	Gross Margin on Sales and Service			
4	AFUDC	-		-
5	Operating Margin	<u>\$ -</u>		<u>\$ -</u>
6	Other Operation and Maintenance	\$ -		\$ -
7	Interest on Customer Deposits			
8	Depreciation and Amortization Exp.			
9	Taxes Other Than Income	-		-
10	State Excise Tax	-		-
11	Federal Income Tax	-		-
12	Total Operating Expense	<u>\$ -</u>		<u>\$ -</u>
13	Net Operating Income for Return	<u>\$ -</u>		<u>\$ -</u>

A/ Source

Chattanooga Gas Company
Operation & Maintenance Expenses
For the Twelve Months Ended June 30, 2019

Line No.		Test Year A/	Adjustments	Ref.	Attrition Year
1	Payroll Expense				
2	Employee Benefits				
3	Benefits Capitalized				
4	Fleet Services and Facilities Expense				
5	Outside Services				
6	Bad Debt Expenses				
7	Sales Promotion Expense				
8	Customer Service and Account Expense				
9	Administrative and General Expenses				
10	Admin & Gen. Salaries & Exp. Capitalized				
11	Other Distribution and Storage Expense				
12	AGL Service Company Allocations				
13	Total O&M Expense	\$	-		\$ -

A/ Source

Chattanooga Gas Company
Taxes Other Than Income Taxes
For the Twelve Months Ended June 30, 2019

	Test Year A/	Adjustments	Ref.	Attrition Year
Property Taxes				
State Gross Receipts Tax				
Net Payroll Taxes				
State Franchise Tax				
Allocated Taxes Other Than Income				
TRA Inspection Fee				
Total Taxes Other Than Income Taxes	\$ -			\$ -

A/ Source

Chattanooga Gas Company
Excise and Income Taxes
For the Twelve Months Ended June 30, 2019

Line No.		Test Year A/ Adjustments	Ref.	Attrition Year
1	Operating Margin	\$ -		\$ -
2	Other Operation and Maintenance	-		-
3	Depreciation and Amortization Expense	-		-
4	Taxes Other Than Income	-		-
5	NOI Before Excise and Income Taxes	\$ -		\$ -
6	less Interest on Customer Deposits	-		-
7	less Interest Expense	-		-
8	Pre-tax Book Income	\$ -		\$ -
9	Schedule M Adjustments	-		-
10	Excise Taxable Income	\$ -		\$ -
11	Excise Tax Rate	6.50%		6.50%
12	Excise Tax	\$ -		\$ -
13	Pre-tax Book Income	\$ -		\$ -
14	Excise Tax	-		-
15	Schedule M Adjustments	-		-
16	FIT Taxable Income	\$ -		\$ -
17	FIT Rate	21.00%		21.00%
18	Subtotal FIT	\$ -		\$ -
19	Less: ITC Amortization	-		-
20	Federal Income Tax Expense	\$ -		\$ -

A/ Source

Chattanooga Gas Company
Revenue Conversion Factor
For the Twelve Months Ended June 30, 2019

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts		-
3	Balance		1.000000
4	Uncollectible Ratio		-
5	Balance		1.000000
6	State Excise Tax	0.065000	0.065000
7	Balance		0.935000
8	Federal Income Tax	0.210000	0.196350
9	Balance		0.738650
10	Revenue Conversion Factor (1 / Line 9)		<u>1.353821</u>

Chattanooga Gas Company
Cost of Capital
For the Twelve Months Ended June 30, 2019

Line No.		Ratio	Cost	Weighted Cost	Total Weighted Cost of Debt
1	Short Term Debt			0.000%	
2	Long Term Debt			0.00%	
3	Preferred Stock			0.00%	0.00%
4	Stockholder's Equity			0.00%	0.00%
5	Total	<u>0.00%</u>		<u>0.000%</u>	#DIV/0!