

**BEFORE
THE TENNESSEE REGULATORY AUTHORITY**

Petition of Chattanooga Gas Company for)	
Approval of an Adjustment in Rates and)	
Tariff; the Termination of the AUA)	
Mechanism and the Related Tariff)	Docket No. 18-00017
Changes and Revenue Deficiency)	
Recovery; and an Annual Rate Review)	
Mechanism)	
)	

EXHIBIT

OF

**THE CONSUMER PROTECTION AND ADVOCATE DIVISION
OF THE
TENNESSEE ATTORNEY GENERAL'S OFFICE**

July 3, 2018

CHATTANOOGA GAS COMPANY
INDEX TO SCHEDULES
For the 12 Months Ending December 31, 2019

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CHATTANOOGA GAS COMPANY
Results of Operations
For the 12 Months Ending December 31, 2019

Line No.		CGC Initial Filing E/	CGC Revised Filing E/	CPAD	Difference
1	Rate Base	\$ 159,856,708	\$ 157,443,031	\$ 135,732,910 A/	\$ -21,710,121
2	Operating Income At Current Rates	7,364,093	7,779,277	10,160,715 B/	2,381,438
3	Earned Rate Of Return	4.61%	4.94%	7.49%	2.54%
4	Fair Rate Of Return	7.83%	7.83%	5.93% C/	-1.90%
5	Required Operating Income	12,521,416	12,332,355	8,048,963	-4,283,393
6	Operating Income Deficiency (Surplus)	5,157,323	4,553,078	-2,111,753	-6,664,831
7	Gross Revenue Conversion Factor	<u>1.356361</u>	<u>1.356361</u>	<u>1.347191</u> D/	<u>-0.009170</u>
8	Revenue Deficiency (Surplus)	\$ <u>6,995,192</u>	\$ <u>6,175,618</u>	\$ <u>-2,844,934</u>	\$ <u>-9,020,552</u>

- A/ CPAD Exhibit, Schedule 2.
B/ CPAD Exhibit, Schedule 6.
C/ CPAD Exhibit, Schedule 13.
D/ CPAD Exhibit, Schedule 14.
E/ CGC MFG 25 and MFG 25 Rev 5-31-2018, Exhibit RDJ 2-1.

CHATTANOOGA GAS COMPANY
Average Rate Base
For the 12 Months Ending December 31, 2019

Line No.		Test Period A/	Adjustments	Attrition Period A/
Additions:				
1	Utility Plant in Service	\$ 280,739,167	\$ 19,960,310	\$ 300,699,477
2	Construction Work in Progress	4,963,770	1,617,108	6,580,878
3	Pension & OPEB Assets	0	0	0
4	Materials & Supplies	403,477	-102,865	300,612
5	Prepayments	46,418	-5,765	40,653
6	Gas Inventory	9,501,909	0	10,168,496
7	Deferred Rate Case Expense	67,551	192,814	260,365
8	Working Capital	<u>150,692</u>	<u>0</u>	<u>150,692 B/</u>
9	Total Additions	\$ <u>295,872,984</u>	\$ <u>21,661,602</u>	\$ <u>318,201,173</u>
Deductions:				
10	Accumulated Depreciation	\$ 124,528,465	\$ 7,422,945	\$ 131,951,410
11	Accumulated Deferred Income Taxes	40,781,225	-15,266,959	25,514,266 C/
12	Regulatory Liability - Excess Deferrals	1,107,211	20,967,094	22,074,305 D/
13	Regulatory Liability - Deferred Tax Savings	0	428,512	428,512
14	Customer Advances for Construction	166,690	-166,690	0
15	Reserve for Uncollectibles	180,938	-354	180,584
16	Reserve for Health Insurance	31,616	2,236	33,852
17	Other Reserves	72,013	4,655	76,668
18	Customer Deposits	1,695,508	180,225	1,875,733
19	Accrued Interest on Customer Deposits	<u>651,094</u>	<u>-318,161</u>	<u>332,933</u>
20	Total Deductions	\$ <u>169,214,760</u>	\$ <u>13,253,503</u>	\$ <u>182,468,263</u>
21	Rate Base	\$ <u>126,658,224</u>	\$ <u>8,408,099</u>	\$ <u>135,732,910</u>

A/ CPAD Rate Base Workpaper RB-1-1.00.

B/ CPAD Exhibit, Schedule 4.

C/ CPAD Workpaper, Attachment DD 12-1.

D/ CPAD Workpaper, Attachment DD 11-1.

CHATTANOOGA GAS COMPANY
Comparative Rate Base
For the 12 Months Ending December 31, 2019

Line No.		<u>CGC Initial Filing</u> A/	<u>CGC Revised Filing</u> B/	<u>CPAD</u> C/	<u>Difference</u>
Additions:					
1	Utility Plant in Service	\$ 301,415,025	\$ 301,415,025	\$ 300,699,477	\$ -715,548
2	Construction Work in Progress	12,375,743	12,457,439	6,580,878	-5,876,561
3	Pension & OPEB Assets	9,005,964	9,009,690	0	-9,009,690
4	Materials & Supplies	403,477	403,477	300,612	-102,865
5	Prepayments	46,418	46,418	40,653	-5,765
6	Gas Inventory	9,710,633	9,710,633	10,168,496	457,863
7	Deferred Rate Case Expense	762,623	762,623	260,365	-502,258
8	Working Capital	<u>2,184,306</u>	<u>1,521,871</u>	<u>150,692</u>	<u>-1,371,179</u>
9	Total Additions	<u>\$ 335,904,189</u>	<u>\$ 335,327,176</u>	<u>\$ 318,201,173</u>	<u>\$ -17,126,003</u>
Deductions:					
10	Accumulated Depreciation	\$ 127,903,439	\$ 127,903,439	\$ 131,951,410	\$ 4,047,971
11	Accumulated Deferred Income Taxes	24,809,455	25,514,266	25,514,266	0
12	Regulatory Liability - Excess Deferrals	21,105,662	22,177,646	22,074,305	-103,341
13	Regulatory Liability - Deferred Tax Savings	0	0	428,512	428,512
14	Customer Advances for Construction	0	0	0	0
15	Reserve for Uncollectibles	180,021	239,893	180,584	-59,309
16	Reserve for Health Insurance	31,616	31,616	33,852	2,236
17	Other Reserves	72,013	72,013	76,668	4,655
18	Customer Deposits	1,612,342	1,612,342	1,875,733	263,391
19	Accrued Interest on Customer Deposits	<u>332,933</u>	<u>332,933</u>	<u>332,933</u>	<u>0</u>
20	Total Deductions	<u>\$ 176,047,481</u>	<u>\$ 177,884,148</u>	<u>\$ 182,468,263</u>	<u>\$ 4,584,115</u>
21	Rate Base	<u>\$ 159,856,708</u>	<u>\$ 157,443,028</u>	<u>\$ 135,732,910</u>	<u>\$ -21,710,118</u>

A/ CGC Exhibit RDJ 2-1, Schedule 1 and CGC Exhibit RDJ 2-2, Schedule 2.

B/ CGC TPUC MFG 25 Rev 5-31-2018, Exhibit RDJ 2-1 and Exhibit RDJ 2-2.

C/ CPAD Exhibit, Schedule 2.

CHATTANOOGA GAS COMPANY
Lead Lag Results
For the 12 Months Ending December 31, 2019

Line No.		<u>CPAD</u>	
1	Revenue Lag	43.76	A/
2	Expense Lag	<u>40.30</u>	B/
3	Net Lag	3.46	
4	Daily Cost of Service	\$ <u>190,161</u>	B/
5	Lead Lag Study	\$ 657,261	
6	Tax Collections Withheld	<u>-506,569</u>	C/
7	Net Cash Working Capital Provided	<u><u>\$ 150,692</u></u>	

A/ CPAD Rate Base Workpaper RB-41-1.00.

B/ CPAD Exhibit, Schedule 5.

C/ CPAD Workpaper, Attachment DD 5-1.

CHATTANOOGA GAS COMPANY
Working Capital Expense Lag
For the 12 Months Ending December 31, 2019

Line No.		Amount A/	Lag B/	Dollar Days
	Operating & Maintenance Expenses:			
1	Purchased Gas Expense	\$ 42,765,421	40.94	\$ 1,750,816,336
2	O&M Labor	2,983,448	14.01 C/	41,798,106
3	Pension Expense	23,318	0.00	0
4	Post-Retirement Benefits Other Than Pension	0	0.00	0
5	Miscellaneous Employee Benefits	-136,472	4.47	-610,030
6	401K Benefits	122,846	12.07	1,482,751
7	Health/Life Insurance Expense	615,670	8.98	5,528,717
8	Allocated Cost	3,117,375	21.94	68,395,208
9	Uncollectible Expense	121,863	43.76	5,332,725
10	Other Operating Expense	4,116,129	31.49	129,616,902
	Taxes:			
11	Taxes Other Than Income Tax	3,833,418	171.16 D/	656,127,825
12	State Income Tax - Current	0	37.88	0
13	State Income Tax Deferred	376,800	0.00	0
14	Federal Income Tax - Current	0	37.88	0
15	Federal Income Tax - Deferred	-308,120	0.00	0
	Other:			
16	Depreciation Expense	7,848,702	0.00	0
17	Interest on Customer Deposits	114,315	0.00	0
18	Interest Expense - Short Term Debt	366,479	-51.36	-18,822,354
19	Interest Expense - Long Term Debt	3,447,616	45.76	157,762,904
20	Total Working Capital Requirement	\$ 69,408,808	40.30	\$ 2,797,429,090
21	Daily Working Capital Requirement	\$ 190,161		
22	Return on Equity	6,346,620		
23	Total Cost of Service	\$ 75,755,428		

A/ CPAD Exhibit, Schedule 6.

B/ CPAD Rate Base Workpaper RB-41-1.00.

C/ CGC MFG 72-1; Base Payroll lag, excludes consideration of Incentive Compensation lag.

D/ CGC MFG 72 Revised; "TOT Summary Calculation" tab.

CHATTANOOGA GAS COMPANY
Income Statement at Current Rates
For the 12 Months Ending December 31, 2019

Line No.		Test Period	Adjustments	Attrition Amount
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	\$ 65,732,896 A/	\$ 9,007,197	\$ 74,740,093 B/
2	Other Revenues	718,331 D/	-43,210	675,121 C/
3	AFUDC	161,689 D/	178,525	340,214 C/
4	Total Operating Revenue	\$ 66,612,916	\$ 9,142,512	\$ 75,755,428
	Operating & Maintenance Expenses:			
5	Purchased Gas Expense	\$ 39,763,604 A/	\$ 3,001,817	\$ 42,765,421 C/
6	Operations & Maintenance - Labor	2,781,798 K/	201,650	2,983,448 H/
7	Operations & Maintenance - NonLabor	7,027,105 K/	953,624	7,980,729 H/
8	Total Operating & Maintenance Expenses	\$ 49,572,507	\$ 4,157,091	\$ 53,729,598
	Other Expenses:			
9	Depreciation Expense	\$ 6,943,506 E/	\$ 905,196	\$ 7,848,702 F/
10	Interest on Customer Deposits	-317,818 G/	432,133	114,315 G/
11	General Taxes	3,527,995 I/	305,423	3,833,418 I/
12	State Excise Taxes	5,999 L/	370,801	376,800 J/
13	Federal Income Taxes	-154,194 L/	-153,926	-308,120 J/
14	Total Other Expenses	\$ 10,005,488	\$ 1,859,627	\$ 11,865,115
15	Total Operating Expenses	\$ 59,577,995	\$ 6,016,717	\$ 65,594,713
16	Utility Operating Income	\$ 7,034,921	\$ 3,125,795	\$ 10,160,715

- A/ CPAD Revenue Workpaper R-1-1.04.
B/ CPAD Exhibit, Schedule 8.
C/ CPAD Revenue Workpaper R-1-1.01.
D/ CPAD Rate Base Workpaper R-60-1.00.
E/ CPAD Rate Base Workpaper RB-60-6.00.
F/ CPAD Rate Base Workpapers RB-60.00 and RB-61-1.01.
G/ CPAD Rate Base Workpaper R-50-1.00.
H/ CPAD Exhibit, Schedule 9.
I/ CPAD Exhibit, Schedule 10.
J/ CPAD Exhibit, Schedule 11.
K/ CPAD Workpaper, Attachment DD 9.
L/ Company response to CPAD-1-2a, Accounts 427200 and 427400.

CHATTANOOGA GAS COMPANY
Comparative Income Statement at Current Rates
For the 12 Months Ending December 31, 2019

Line No.		CGC Initial Filing A/	CGC Revised Filing B/	CPAD C/	Difference
	Operating Revenues:				
1	Gas Sales & Transportation Revenues	\$ 70,623,501	\$ 69,644,006	\$ 74,740,093	\$ 5,096,087
2	Other Revenues	612,767	612,767	675,121	62,354
3	AFUDC	900,355	900,355	340,214	-560,141
4	Total Operating Revenue	\$ 72,136,623	\$ 71,157,128	\$ 75,755,428	\$ 4,598,300
	Operating & Maintenance Expenses:				
5	Purchased Gas Expense	\$ 38,791,279	\$ 37,973,978	\$ 42,765,421	\$ 4,791,443
6	Operations & Maintenance - Labor	7,166,815	3,537,716	2,983,448	-554,268
7	Operations & Maintenance - NonLabor	6,497,788	10,001,510	7,980,729	-2,020,781
8	Total Operating & Maintenance Exp.	52,455,882	51,513,204	53,729,598	2,216,394
	Other Expenses:				
9	Depreciation Expense	\$ 8,035,649	\$ 8,035,649	\$ 7,848,702	\$ -186,947
10	Interest on Customer Deposits	96,740	96,740	114,315	17,575
11	General Taxes	3,523,947	3,523,947	3,833,418	309,471
12	State Excise Taxes	283,685	284,891	376,800	91,909
13	Federal Income Taxes	376,627	-76,582	-308,120	-231,538
14	Total Other Expenses	12,316,648	11,864,645	11,865,115	470
15	Total Operating Expenses	\$ 64,772,530	\$ 63,377,849	\$ 65,594,713	\$ 2,216,864
16	Utility Operating Income	\$ 7,364,093	\$ 7,779,279	\$ 10,160,715	\$ 2,381,436

A/ CGC Exhibit RDJ 2-1, Schedule 1 and CGC Exhibit RDJ 2-2, Schedule 2.
B/ CGC TPUC MFG 25 Rev 5-31-2018, Exhibit RDJ 2-1 and Exhibit RDJ 2-2.
C/ CPAD Exhibit, Schedule 6.

CHATTANOOGA GAS COMPANY
Comparative Revenue Summary
For the 12 Months Ending December 31, 2019

Line No.	Customer Class	CGC Initial Filing A/	CGC Revised Filing B/	CPAD C/	Difference
Sales & Transportation Margin:					
1	Residential (R-1)	\$ 14,332,354	\$ 14,335,536	\$ 14,340,557	\$ 5,021
2	Multi-Family Housing (R-4)	26,108	26,108	28,029	1,921
3	Commercial (C-1)	3,543,718	3,544,307	3,504,507	-39,800
4	Commercial (C-2)	8,057,726	8,055,736	8,270,624	214,888
5	Industrial (F-1/T-2)	2,143,429	2,143,423	2,003,400	-140,023
6	Industrial (I-1)	36,133	36,129	36,274	145
7	Industrial (T-1)	1,099,653	1,099,657	1,082,153	-17,504
8	Industrial (T-1/T-2)	1,201,231	1,201,232	1,290,946	89,714
9	Industrial (T-3)	1,251,745	1,120,183	1,276,880	156,697
10	Special Contract	<u>140,247</u>	<u>140,247</u>	<u>141,302</u>	<u>1,055</u>
11	Total Margin	\$ 31,832,344	\$ 31,702,558	\$ 31,974,672	\$ 272,114
12	Gas Cost	<u>38,791,279</u>	<u>37,973,978</u>	<u>42,765,421</u>	<u>4,791,443</u>
13	Total Revenue	\$ <u>70,623,623</u>	\$ <u>69,676,536</u> D/	\$ <u>74,740,093</u>	\$ <u>5,063,557</u>

A/ MFG 25, CGC 2018 Rate Case Revenue Model, "Attrition Year" tab.

B/ Revised MFG 25, 2018-06-11 CGC 2018 Rate Case Revenue Model, "Attrition Year" tab.

C/ CPAD Revenue Workpaper R-1-1.00.

D/ CGC's total revenue on this schedule does not tie to the revenue on Schedule 7, due to errors in the Company's calculations.

CHATTANOOGA GAS COMPANY
Comparative O&M Expense Summary
For the 12 Months Ending December 31, 2019

Line No.	Expense	CGC Initial Filing A/	CGC Revised Filing B/	CPAD C/	Difference
1	Payroll Expense	\$ 3,594,761	\$ 3,537,716	\$ 2,983,448	\$ -554,268
2	Employee Benefits	647,170	647,170	728,437	81,267
3	Benefits Capitalized	-59,257	-59,257	-103,075	-43,818
4	Fleet Services & Facilities Expense	728,185	728,185	822,931	94,746
5	Outside Services	2,087,933	2,087,933	1,878,336	-209,597
6	Bad Debt Expense	204,108	127,970	121,863	-6,107
7	Sales Promotion Expense	71,891	71,891	52,574	-19,317
8	Customer Service & Account Expense	6,482	6,482	4,831	-1,651
9	Administrative & General Expense	771,489	771,489	829,853	58,364
10	A&G Salaries Capitalized	-74,525	-66,719	-69,690	-2,971
11	Other Distribution & Storage Expense	804,148	804,148	597,294	-206,854
12	AGL Service Company Allocations	4,882,218	4,882,218	3,117,375	-1,764,843
13	Total O&M Expense	\$ 13,664,603	\$ 13,539,226	\$ 10,964,177	\$ -2,575,049

- A/ CGC TPUC MFG Item 25-1, Tab COSS IS Summary MFG 25-1.
B/ CGC TPUC MFG 25 Rev 5-31-2018, Page 4 of 7.
C/ CPAD Workpaper, Attachment DD 9-1.
D/ CPAD Workpaper, Attachment DD 9-2.
E/ CPAD Workpaper, Attachment DD 9-3.
F/ CPAD Workpaper, Attachment DD 9-4.
G/ CPAD Workpaper, Attachment DD 9-4.
H/ CPAD Rate Base Workpaper RB-46-2.00.
I/ CPAD Workpaper, Attachment DD 9-6.
J/ CPAD Workpaper, Attachment DD 9-7.
K/ CPAD Workpaper, Attachment DD 9-8.
L/ CPAD Workpaper, Attachment DD 9-9.
M/ CPAD Workpaper, Attachment DD 9-10.
N/ CPAD Workpaper, Attachment DD 9-11.

CHATTANOOGA GAS COMPANY
Taxes Other than Income Taxes
For the 12 Months Ending December 31, 2019

Line No.		CGC Initial Filing A/	CGC Revised Filing B/	CPAD C/	Difference
1	Property Taxes	\$ 1,980,447	\$ 1,975,518	\$ 2,039,886	\$ 64,368
2	TPUC Inspection Fee	315,074	315,074	391,525	76,451
3	Payroll Taxes	367,292	214,815	355,971	141,156
4	Franchise Tax	409,292	409,287	141,050	-268,237
5	Gross Receipts Tax	451,841	451,841	904,986	453,145
6	Allocated & Other Taxes	<u>0</u>	<u>157,412</u>	<u>0</u>	<u>-157,412</u>
7	Total	\$ <u>3,523,946</u>	\$ <u>3,523,947</u>	\$ <u>3,833,418</u>	\$ <u>309,471</u>

A/ CGC MFG Items 25-1, 25-2.
B/ CGC MFG Upated; "Other Taxes" tab.
C/ CPAD Workpaper, Attachment DD 10-1.

CHATTANOOGA GAS COMPANY
Excise and Income Taxes
For the 12 Months Ending December 31, 2019

Line No.		CPAD
1	Operating Revenues	\$ 75,755,428 A/
	Operating Expenses:	
2	Purchased Gas Expense	\$ 42,765,421 A/
3	O&M Expenses	10,964,177 A/
4	Depreciation Expense	7,848,702 A/
5	Interest on Customer Deposits	114,315 A/
6	General Taxes	3,833,418 A/
7	Total Operating Expenses	\$ 65,526,033
8	NOI Before Excise and Income Taxes	\$ 10,229,395
9	AFUDC	-340,214 A/
10	Interest Expense	-3,814,095 B/
11	Net Income Before Income Taxes	\$ 6,075,086
	Tennessee Excise Tax Calculation:	
12	Net Income Before Income Taxes	\$ 6,075,086
13	Excise Tax Rate	6.50%
14	Excise Tax Expense	\$ 394,881
15	Less After-Tax Excess Deferred Tax Liability Amortization	18,081 C/
16	Net Excise Tax Expense	\$ 376,800
17	Excise Tax - Current	\$ 0 D/
18	Excise Tax - Deferred	\$ 376,800 D/
	Federal Income Tax Calculation:	
19	Net Income Before Income Taxes	\$ 6,075,086
20	Net Excise Tax Expense	376,800
21	Net Income Before Federal Income Tax	\$ 5,698,287
22	FIT Rate	21.00%
23	Federal Income Tax Expense	\$ 1,196,640
24	Less After-Tax Excess Deferred Tax Liability Amortization - Protected	-21,351 C/
25	Less After-Tax Excess Deferred Tax Liability Amortization - Tax Cut & Jobs Act	-1,230,266 C/
26	Less 2018 Tax Savings Amortization	-253,143 C/
27	Net Federal Income Tax Expense	\$ -308,120
28	Federal Income Tax - Current	\$ 0 D/
29	Federal Income Tax - Deferred	\$ -308,120 D/

A/ CPAD Exhibit, Schedule 6.

B/ CPAD Exhibit, Schedule 13.

C/ CPAD Workpaper, Attachment DD 11.

D/ All Pre-tax book income assumed to be deferred.

CHATTANOOGA GAS COMPANY
Income Statement at Proposed Rates
For the 12 Months Ending December 31, 2019

Line No.		Current Rates A/	Rate Increase B/	Proposed Rates
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	\$ 74,740,093	\$ -2,844,934	\$ 71,895,159
2	Other Revenues	675,121	-24,939	650,182
3	AFUDC	340,214	0	340,214
4	Total Operating Revenue	\$ 75,755,428	\$ -2,869,873	\$ 72,885,555
	Operating & Maintenance Expenses:			
5	Purchased Gas Expense	\$ 42,765,421	\$ 0	\$ 42,765,421
6	Operations & Maintenance - Labor	2,983,448	0	2,983,448
7	Operations & Maintenance - NonLabor	7,980,729	-10,937	7,969,792
8	Total Operating & Maintenance Expenses	\$ 53,729,598	\$ -10,937	\$ 53,718,661
	Other Expenses:			
9	Depreciation Expense	\$ 7,848,702	\$ 0	\$ 7,848,702
10	Interest on Customer Deposits	114,315	0	114,315
11	General Taxes	3,833,418	0	3,833,418
12	State Excise Taxes	376,800	-185,831	190,969
13	Federal Income Taxes	-308,120	-561,351	-869,471
14	Total Other Expenses	\$ 11,865,115	\$ -747,182	\$ 11,117,933
15	Total Operating Expenses	\$ 65,594,713	\$ -758,119	\$ 64,836,594
16	Utility Operating Income	\$ 10,160,715	\$ -2,111,754	\$ 8,048,961

A/ CPAD Exhibit, Schedule 6.

B/ CPAD Exhibit, Schedule 1.

CHATTANOOGA GAS COMPANY
Rate of Return Summary
For the 12 Months Ending December 31, 2019

Line No.	Class of Capital	CPAD		A/
		Percent of Total	Cost Rate	Weighted Cost Rate
1	CGC Short-Term Debt	6.30%	3.01%	0.19%
2	CGC Long-Term Debt	44.47%	4.73%	2.10%
3	Parent Short-Term Debt			0.08%
4	Parent Long-Term Debt			0.44%
5	Common Equity		9.00%	3.12%
6	Total	100.00%		5.93%
Interest Expense Short-Term Debt:				
7	Rate Base			\$ 135,732,910 B/
8	Short-Term Weighted Debt Cost			0.27%
9	Short-Term Debt Interest Expense			\$ 366,479
Interest Expense Long-Term Debt:				
10	Rate Base			\$ 135,732,910 B/
11	Long-Term Weighted Debt Cost			2.54%
12	Long-Term Debt Interest Expense			\$ 3,447,616
13	Total Interest Expense			\$ 3,814,095

A/ Klein Exhibit, Page 2 of 17.

B/ CPAD Exhibit, Schedule 2.

CHATTANOOGA GAS COMPANY
Revenue Conversion Factor
For the 12 Months Ending December 31, 2019

Line No.		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.008766 A/	<u>0.008766</u>
3	Balance		1.008766
4	Uncollectible Ratio	0.003811 B/	<u>0.003844</u>
5	Balance		1.004922
6	State Excise Tax	0.065000 C/	<u>0.065320</u>
7	Balance		0.939602
8	Federal Income Tax	0.210000 C/	<u>0.197316</u>
9	Balance		<u><u>0.742285</u></u>
10	Revenue Conversion Factor (Line 1 / Line 9)		<u><u>1.347191</u></u>

A/ CPAD Revenue Workpaper R-60-2.00.
B/ CPAD Revenue Workpaper R-46-2.00.
C/ Statutory Rates.

CHATTANOOGA GAS COMPANY
CPAD Proposed Margin Change
For the 12 Months Ending December 31, 2019

Line No.	Customer Class	Current Rates	A/	Proposed Rates	Margin Change	B/	Percent Change
1	Residential (R-1)	\$ 14,340,557		\$ 13,064,611	\$ -1,275,946		-8.90%
2	Multi-Family Housing (R-4)	28,029		25,535	-2,494		-8.90%
3	Commercial (C-1)	3,504,507		3,192,695	-311,812		-8.90%
4	Commercial (C-2)	8,270,624		7,534,748	-735,876		-8.90%
5	Industrial (F-1/T-2)	2,003,400		1,825,148	-178,252		-8.90%
6	Industrial (I-1)	36,274		33,047	-3,227		-8.90%
7	Industrial (T-1)	1,082,153		985,869	-96,284		-8.90%
8	Industrial (T-1/T-2)	1,290,946		1,176,085	-114,861		-8.90%
9	Industrial (T-3)	1,276,880		1,163,270	-113,610		-8.90%
10	Special Contract	<u>141,302</u>		<u>128,730</u>	<u>-12,572</u>		<u>-8.90%</u>
11	Total Sales & Transportation Margin	\$ 31,974,672		\$ 29,129,738	\$ -2,844,934		-8.90%
12	Other Revenues	<u>675,121</u>		<u>650,182</u>	<u>-24,939</u>		<u>-3.69%</u>
13	Total Margin	\$ <u>32,649,793</u>		\$ <u>29,779,920</u>	\$ <u>-2,869,873</u>		<u>-8.79%</u>

A/ CPAD Exhibit, Schedule 8.

B/ CPAD Exhibit, Schedule 12.