



Kenny Smith
Manager, Rates and Tariff Admin.

10 Peachtree Place
Atlanta, GA, 30309
404 584 3704 tel
404 584 3817 fax
KRSMTIH@southernco.com

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August 30, 2019

Chairman Robin Morrison
Tennessee Public Utility Commission
C/o Sharla Dillon, Docket Room
460 James Robertson Parkway
Nashville, TN 37243-0505

19-00078

Re: Chattanooga Gas Company Annual Report of Actual Cost of Gas Purchased and
Applicable Indices for the twelve months ended June 30, 2019

Dear Chairman Morrison,

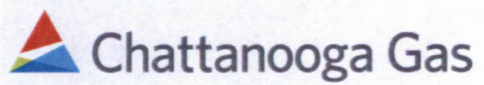
Pursuant to the provisions of the Performance Based Ratemaking Mechanism (PBRM) approved by the Commission's January 8, 2002 Order in Docket 01-00619, Chattanooga Gas Company (CGC) is filing an original and four copies of the report of actual gas cost and the applicable index cost for each month of the plan year ended June 30, 2019 (Attachment A). As shown on Attachment A, the commodity cost of gas purchased by CGC during the plan year was approximately 0.039% below the index cost and therefore was in compliance the CGC's tariff provision that provides that if the total commodity gas cost for the plan year does not exceed the total benchmark amount by one percentage point (1%), CGC's gas cost will be deemed prudent and the audit required by Tennessee Public Utility Commission Rule 1220-4-7-.05 is waived.

In its June 2018 report on the Review of Chattanooga Gas Company Performance Based Ratemaking Mechanism Transactions and Activities prepared in compliance with the Commission's Orders dated October 13, 2009 in Docket 07-00224 and dated May 25, 2017 in Docket 16-00098, Exeter Associates recommended that the Nora Lateral purchases be excluded from the PBRM, and that CGC be required to report to the Commission its efforts to reduce the costs associated with the Nora Lateral monthly baseload purchases. There were no Nora purchases during the 12 months ended June 30, 2019.

For the Commission's convenience, spreadsheets showing the volumes of gas, the indices, and the purchase prices for each month and each day are provided as Attachments B & C respectively. CGC considers the detailed information on Attachments B & C to be confidential and proprietary. As a result these Attachments are being filed under seal.

Copies of this filing and the underlying accounting documents needed for audit are being provided to the Staff in both hard copy and electronic format.

Should there be any questions, I will be pleased to discuss this filing in further detail. I can be reached at 404 584 3704.



Kenny Smith

Manager, Rates and Tariff Admin.

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Atlanta, GA. 30309
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KRSMITH@southernco.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenny Smith", written over a light blue rectangular background.

Kenny Smith
Manager, Rates and Tariff Admin.

Summary Sheet
 Gas Cost Over (Under) Benchmark
 July 1, 2018 through June 30, 2018

TETCO (ELA) Gas Daily Index adjusted for transport to city costs via ETNG														Cost Over (Under) Benchmark					
SONAT (FOM)	Tenn/Z0 (FOM)	Tenn/8000ea (FOM)	Tenn/8000ea (FOM)	Tenn ZS South Del. (FOM Nora)	SONAT (FOM-Storage)	Tenn/Z1 & Z0 (FOM Storage)	Tenn/Z1 (FOM City Gate)	SONAT (Gas Daily)	Tenn/Zone 0 (Gas Daily)	Tenn/Zone 0 (Gas Daily Storage)	Tenn/500L (Gas Daily Storage)	Tenn/800L (Gas Daily Storage & City Gate)	Tenn/800L (GDD-TETCO (ELA))	SONAT (Gas Daily City Gate)	SONAT (Gas Daily City Storage)	Tenn/500L (Gas Daily City Gate)	\$	%	
Jul-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.11	\$0.00	\$	(\$0.00)	\$0.00	\$8.33	0.0005%	
Aug-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,437.26)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.21	\$0.00	\$	\$0.00	\$0.00	(\$2,429.04)	0.1302%	
Sep-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$204.22)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$7.84)	\$0.00	\$	\$0.00	\$0.00	(\$212.16)	0.0143%	
Oct-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$235.05)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.10	\$0.00	\$	\$0.00	\$0.00	(\$231.63)	0.0081%	
Nov-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.53	\$0.00	\$0.00	\$4.62	(\$387.45)	\$0.00	\$	\$0.00	\$0.00	(\$358.30)	0.0101%	
Dec-18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$15.54	\$0.00	\$	\$0.00	\$0.00	\$15.55	0.0004%	
Jan-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.28	\$0.00	\$0.00	\$0.00	(\$10.52)	(\$5,081.68)	\$	\$0.00	\$0.00	(\$5,085.91)	0.1302%	
Feb-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$7.85	\$0.00	\$0.00	\$2.38	(\$1,605.56)	\$	\$0.00	\$0.00	(\$1,595.32)	0.1144%	
Mar-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$6.19	(\$0.00)	\$	\$0.00	\$0.00	\$6.18	0.0002%	
Apr-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.74	(\$0.00)	\$	\$0.00	\$0.00	\$4.74	0.0003%	
May-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$178.02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.89)	\$0.00	\$	\$0.00	\$0.00	(\$180.90)	0.0044%	
Jun-19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$3.24)	\$305.88	\$	\$0.00	\$0.00	\$302.75	0.0216%	
% Bench	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	(\$3,655.55)	\$0.00	\$10.83	\$7.88	\$0.00	\$4.62	(\$342.66)	(\$6,380.93)	0.0000%	\$0.01	\$0.00	(\$10,355.70)	-0.0392%

Total CGC Purchase Gas Cost	\$1,146,186	\$1,083,270	\$0.00	\$2,308,422.07	\$0.00	\$0.00	\$5,587,067.00	\$0.00	\$2,099,855.50	\$1,764,133.21	\$0.00	\$238,838.38	\$4,772,346.12	\$5,840,317.38	U	\$1,909,695.44	U	\$2,404,466.15
Total Benchmark Purchase Gas Cost	\$1,175,001.86	\$1,083,270.00	\$0.00	\$2,308,422.07	\$0.00	\$0.00	\$5,590,772.25	\$0.00	\$2,099,844.67	\$1,764,133.34	\$0.00	\$238,833.95	\$4,772,690.67	\$5,846,688.31	U	\$1,909,695.43	U	\$2,414,921.89
Purchase Excess/Below Benchmark	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,655.55)	\$0.00	\$10.83	\$7.88	\$0.00	\$4.62	(\$342.56)	(\$6,380.93)	\$0.00	\$0.01	\$0.00	(\$10,355.70)
% of Benchmark	U 0.0000%	U 0.0000%	U 0.0000%	U 0.0000%	U 0.0000%	U 0.0000%	U 0.064%	U 0.000%	U 0.000%	U 0.0004%	U 0.000%	U 0.0019%	U 0.0072%	U 0.0001%	U 0.0000%	U 0.0000%	U 0.0005%	U 0.0002%

Total CGC Purchase Gas Cost
 Total Benchmark Purchase Gas Cost