Chattanooga Gas Company

6125 Preservation Drive
Chattanooga, TN 37416
Telephone 1-800-427-5463

REC'D TN
REGULATORY AUTH.

'01 MAR 30 PM 1 37

OFFICE OF THE
EXECUTIVE SECRETARY

March 30,2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson, Parkway
Nashville, TN 37243-0505

Dear Mr. Waddell:

In accordance with the Tennessee Regulatory Authority's June 2, 1999 Order in Docket No. 96-01174 and the Main Extension provisions included in the Authority approved Rules and Regulations of the Chattanooga Gas Company, (TRA No. 2, First Revised Sheet No. 2 J, paragraph C (2)), Chattanooga Gas Company hereby files revised Appendix A to the Residential Main Rules to be effective July 1, 2001.

We appreciate your returning a receipted copy as evidence of this filing. Please call me at 404 584 3855 if you have questions or wish to discuss this filing.

Sincerely,

Archie R. Hickerson
Manager-Rates

C: Mr. Mike Horne
Mr. Dan McCormac
Mr. E. H. Burton
Mrs. Billye Sanders

System Wide Average Installation Costs of Certain Mains and Services
Chattanooga Gas Company

Mains (Steel and Plastic)

Size	FY 2000	FY 1999	FY 1998	Three-Year Average
2" and under	$7.62	$8.70	$9.07	**$8.46**
4"	$15.16	$15.98	$9.84	**$13.66**

Services (Steel and Plastic)

Size	FY 2000	FY 1999	FY 1998	Three-Year Average
1-1/4" and under	$10.91	$10.75	$10.47	**$10.71**
2"	$7.76	$11.76	$10.46	**$9.99**

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/30/99

METERS

YEAR	INVEST-MENT	PROPERTY TAX 9.36%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	15 YEARS AT 9.08% ANNUITY
1	1000.00	93.60	66.67	38.80	52.00	33.11	284.17	4.26	288.44	0.9168	264.43
2	933.33	87.36	66.67	36.21	48.53	30.90	269.67	4.05	273.72	0.8404	230.04
3	866.67	81.12	66.67	33.63	45.07	28.69	255.17	3.83	259.00	0.7705	199.56
4	800.00	74.88	66.67	31.04	41.60	26.49	240.67	3.61	244.28	0.7063	172.55
5	733.33	68.64	66.67	28.45	38.13	24.28	226.17	3.39	229.56	0.6476	148.65
6	666.67	62.40	66.67	25.87	34.67	22.07	211.67	3.18	214.85	0.5936	127.54
7	600.00	56.16	66.67	23.28	31.20	19.86	197.17	2.96	200.13	0.5442	108.92
8	533.33	49.92	66.67	20.69	27.73	17.66	182.67	2.74	185.41	0.4989	92.51
9	466.67	43.68	66.67	18.11	24.27	15.45	168.17	2.52	170.69	0.4574	78.07
10	400.00	37.44	66.67	15.52	20.80	13.24	153.67	2.31	155.97	0.4193	65.40
11	333.33	31.20	66.67	12.93	17.33	11.04	139.17	2.09	141.26	0.3844	54.30
12	266.67	24.96	66.67	10.35	13.87	8.83	124.67	1.87	126.54	0.3524	44.59
13	200.00	18.72	66.67	7.76	10.40	6.62	110.17	1.65	111.82	0.3231	36.13
14	133.33	12.48	66.67	5.17	6.93	4.41	95.67	1.44	97.10	0.2962	28.76
15	66.67	6.24	66.67	2.59	3.47	2.21	81.17	1.22	82.38	0.2715	22.37
		748.80	1000.00	310.40	416.00	264.85	2740.05	41.10	2781.15		1673.83

TO CONVERT THE $1673.83 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: **$208.63**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$17.39**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0671% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:		
PROP TAX:	2.65%	
O&M CHG:	6.71%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/30/99

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 3.69%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	15 YEARS AT 9.08% ANNUITY
1	1000.00	36.90	66.67	38.80	52.00	33.11	227.47	3.41	230.89	0.9168	211.67
2	933.33	34.44	66.67	36.21	48.53	30.90	216.75	3.25	220.00	0.8404	184.90
3	866.67	31.98	66.67	33.63	45.07	28.69	206.03	3.09	209.12	0.7705	161.13
4	800.00	29.52	66.67	31.04	41.60	26.49	195.31	2.93	198.24	0.7063	140.03
5	733.33	27.06	66.67	28.45	38.13	24.28	184.59	2.77	187.36	0.6476	121.33
6	666.67	24.60	66.67	25.87	34.67	22.07	173.87	2.61	176.48	0.5936	104.77
7	600.00	22.14	66.67	23.28	31.20	19.86	163.15	2.45	165.60	0.5442	90.12
8	533.33	19.68	66.67	20.69	27.73	17.66	152.43	2.29	154.72	0.4989	77.19
9	466.67	17.22	66.67	18.11	24.27	15.45	141.71	2.13	143.84	0.4574	65.79
10	400.00	14.76	66.67	15.52	20.80	13.24	130.99	1.96	132.95	0.4193	55.75
11	333.33	12.30	66.67	12.93	17.33	11.04	120.27	1.80	122.07	0.3844	46.93
12	266.67	9.84	66.67	10.35	13.87	8.83	109.55	1.64	111.19	0.3524	39.19
13	200.00	7.38	66.67	7.76	10.40	6.62	98.83	1.48	100.31	0.3231	32.41
14	133.33	4.92	66.67	5.17	6.93	4.41	88.11	1.32	89.43	0.2962	26.49
15	66.67	2.46	66.67	2.59	3.47	2.21	77.39	1.16	78.55	0.2715	21.33
		295.20	1000.00	310.40	416.00	264.85	2286.45	34.30	2320.75		1379.01

TO CONVERT THE $1379.01 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: **$171.89**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$14.32**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0104% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%	
O&M CHG:	1.04%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP.	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/31/99

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 3.69%	DEPREC-IATION 6.67%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	15 YEARS AT 9.08% ANNUITY
1	1000.00	36.90	66.67	38.80	52.00	33.11	227.47	3.41	230.89	0.9168	211.67
2	933.33	34.44	66.67	36.21	48.53	30.90	216.75	3.25	220.00	0.8404	184.90
3	866.67	31.98	66.67	33.63	45.07	28.69	206.03	3.09	209.12	0.7705	161.13
4	800.00	29.52	66.67	31.04	41.60	26.49	195.31	2.93	198.24	0.7063	140.03
5	733.33	27.06	66.67	28.45	38.13	24.28	184.59	2.77	187.36	0.6476	121.33
6	666.67	24.60	66.67	25.87	34.67	22.07	173.87	2.61	176.48	0.5936	104.77
7	600.00	22.14	66.67	23.28	31.20	19.86	163.15	2.45	165.60	0.5442	90.12
8	533.33	19.68	66.67	20.69	27.73	17.66	152.43	2.29	154.72	0.4989	77.19
9	466.67	17.22	66.67	18.11	24.27	15.45	141.71	2.13	143.84	0.4574	65.79
10	400.00	14.76	66.67	15.52	20.80	13.24	130.99	1.96	132.95	0.4193	55.75
11	333.33	12.30	66.67	12.93	17.33	11.04	120.27	1.80	122.07	0.3844	46.93
12	266.67	9.84	66.67	10.35	13.87	8.83	109.55	1.64	111.19	0.3524	39.19
13	200.00	7.38	66.67	7.76	10.40	6.62	98.83	1.48	100.31	0.3231	32.41
14	133.33	4.92	66.67	5.17	6.93	4.41	88.11	1.32	89.43	0.2962	26.49
15	66.67	2.46	66.67	2.59	3.47	2.21	77.39	1.16	78.55	0.2715	21.33
		295.20	1000.00	310.40	416.00	264.85	2286.45	34.30	2320.75		1379.01

TO CONVERT THE $1379.01 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: **$171.89**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$14.32**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0104% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%	
O&M CHG:	1.04%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	15	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/30/99

METERS

YEAR	INVEST-MENT	PROPERTY TAX 9.36%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	10 YEARS AT 9.08% ANNUITY
1	1000.00	93.60	100.00	38.80	52.00	33.11	317.51	4.76	322.27	0.9168	295.44
2	900.00	84.24	100.00	34.92	46.80	29.80	295.76	4.44	300.19	0.8404	252.30
3	800.00	74.88	100.00	31.04	41.60	26.49	274.01	4.11	278.12	0.7705	214.28
4	700.00	65.52	100.00	27.16	36.40	23.17	252.25	3.78	256.04	0.7063	180.85
5	600.00	56.16	100.00	23.28	31.20	19.86	230.50	3.46	233.96	0.6476	151.50
6	500.00	46.80	100.00	19.40	26.00	16.55	208.75	3.13	211.88	0.5936	125.78
7	400.00	37.44	100.00	15.52	20.80	13.24	187.00	2.81	189.81	0.5442	103.30
8	300.00	28.08	100.00	11.64	15.60	9.93	165.25	2.48	167.73	0.4989	83.69
9	200.00	18.72	100.00	7.76	10.40	6.62	143.50	2.15	145.65	0.4574	66.62
10	100.00	9.36	100.00	3.88	5.20	3.31	121.75	1.83	123.58	0.4193	51.82
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		514.80	1000.00	213.40	286.00	182.09	2196.29	32.94	2229.23		1525.59

TO CONVERT THE $1525.59 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: **$238.55**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$19.88**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0671% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%	
O&M CHG:	6.71%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/30/99

MAIN

YEAR	INVEST-MENT	PROPERTY TAX 3.69%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	10 YEARS AT 9.08% ANNUITY
1	1000.00	36.90	100.00	38.80	52.00	33.11	260.81	3.91	264.72	0.9168	242.68
2	900.00	33.21	100.00	34.92	46.80	29.80	244.73	3.67	248.40	0.8404	208.76
3	800.00	29.52	100.00	31.04	41.60	26.49	228.65	3.43	232.07	0.7705	178.81
4	700.00	25.83	100.00	27.16	36.40	23.17	212.56	3.19	215.75	0.7063	152.40
5	600.00	22.14	100.00	23.28	31.20	19.86	196.48	2.95	199.43	0.6476	129.14
6	500.00	18.45	100.00	19.40	26.00	16.55	180.40	2.71	183.11	0.5936	108.70
7	400.00	14.76	100.00	15.52	20.80	13.24	164.32	2.46	166.79	0.5442	90.77
8	300.00	11.07	100.00	11.64	15.60	9.93	148.24	2.22	150.47	0.4989	75.07
9	200.00	7.38	100.00	7.76	10.40	6.62	132.16	1.98	134.14	0.4574	61.36
10	100.00	3.69	100.00	3.88	5.20	3.31	116.08	1.74	117.82	0.4193	49.41
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		202.95	1000.00	213.40	286.00	182.09	1884.44	28.27	1912.70		1297.10

TO CONVERT THE $1297.10 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951, THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.08% .

ANNUAL CARRYING CHARGE: **$202.83**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.90**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0104% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%	
O&M CHG:	1.04%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/29/01

SERVICES

YEAR	INVEST-MENT	PROPERTY TAX 3.69%	DEPREC-IATION 10.00%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	10 YEARS AT 9.08% ANNUITY
1	1000.00	36.90	100.00	38.80	52.00	33.11	260.81	3.91	264.72	0.9168	242.68
2	900.00	33.21	100.00	34.92	46.80	29.80	244.73	3.67	248.40	0.8404	208.76
3	800.00	29.52	100.00	31.04	41.60	26.49	228.65	3.43	232.07	0.7705	178.81
4	700.00	25.83	100.00	27.16	36.40	23.17	212.56	3.19	215.75	0.7063	152.40
5	600.00	22.14	100.00	23.28	31.20	19.86	196.48	2.95	199.43	0.6476	129.14
6	500.00	18.45	100.00	19.40	26.00	16.55	180.40	2.71	183.11	0.5936	108.70
7	400.00	14.76	100.00	15.52	20.80	13.24	164.32	2.46	166.79	0.5442	90.77
8	300.00	11.07	100.00	11.64	15.60	9.93	148.24	2.22	150.47	0.4989	75.07
9	200.00	7.38	100.00	7.76	10.40	6.62	132.16	1.98	134.14	0.4574	61.36
10	100.00	3.69	100.00	3.88	5.20	3.31	116.08	1.74	117.82	0.4193	49.41
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	0.00
		202.95	1000.00	213.40	286.00	182.09	1884.44	28.27	1912.70		1297.10

TO CONVERT THE $1297.10 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.08% .

ANNUAL CARRYING CHARGE: **$202.83**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$16.90**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0104% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%	
O&M CHG:	1.04%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	10	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER $1000
3/30/99

SERVICE/MOBILE HOME

YEAR	INVEST-MENT	PROPERTY TAX 3.69%	DEPREC-IATION 20.00%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	5 YEARS AT 9.08% ANNUITY
1	1000.00	36.90	200.00	38.80	52.00	33.11	360.81	5.41	366.22	0.9168	335.73
2	800.00	29.52	200.00	31.04	41.60	26.49	328.65	4.93	333.57	0.8404	280.35
3	600.00	22.14	200.00	23.28	31.20	19.86	296.48	4.45	300.93	0.7705	231.86
4	400.00	14.76	200.00	15.52	20.80	13.24	264.32	3.96	268.29	0.7063	189.50
5	200.00	7.38	200.00	7.76	10.40	6.62	232.16	3.48	235.64	0.6476	152.59
		110.70	1000.00	116.40	156.00	99.32	1482.42	22.24	1504.66		1190.04

TO CONVERT THE $1190.04 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO [illegible]
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 5 YEAR ANNUITY AT 9[illegible]

ANNUAL CARRYING CHARGE: **$306.59**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES): **$25.55**

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0104% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF $0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES		
PROP TAX:	2.65%	
O&M CHG:	1.04%	
WTD COD:	3.88%	9.08%
WTD ROE:	5.20%	
FED & ST I/T:	38.90%	
NO. OF YEARS:	5	
INVESTMENT:	1,000	
REMOVAL EXP:	0	

Rate(s)	Number of Customers	# Customers *Customer Weight	Allocation Factor	Cost per Customer
R-1	50,500	50500	0.850511991	$34.86
C-1	7,858	7858	0.132343034	$34.86
R-4	5	10	0.000168418	$69.72
T-1,T-2,L-1,I-1	126	1008	0.016976556	$278.86
Totals	58489	59376	1	

Customer Weights	
R-1	1
C-1	1
R-4	2
T-1,T-2,L-1,I-1	8

Customer Account Expenses

Account 901	Supervision	$36,820
Account 902	Meter Reading	$372,872
Account 903	Records/Collections	$77,168
Account 905	Misc. Expenses	$818
Account 910	Customer Assistance Exp.	$126,115
Account 911	Informational & Instructional Exp.	$9,736
	Shared Services Allocation	$1,446,191
Total		$2,069,720

(from FERC Form II, 9/99)

Chattanooga Gas Company
Gas Consumption Bulletin
Annual Therms

Appliance	**Single Family** Average Use Per Dwelling	**Multi-Family** Average Use Per Dwelling	**Mobile/Mfg** Average Use Per Dwelling
Space Heating 1/	0.32	0.16	0.67
Water Heating	281	281	281
Additional Water Heating 2/	70	70	70
Cooking	40	40	40
Drying	41	41	41
Gas Light	154	154	154
Gas Heat Pump 3/	1,037	1,037	1,037

1/ The consumption for space heating is expressed in Therms per Conditioned Square Feet per Year.
2/ Minimum 30 gallons.
3/ Per 3-ton system (Heating=710, Cooling=327).

Allowable Investment
Single Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
1000	$740	$790	$940	$900	$980	$830	$790
1250	$830	$870	$1,020	$980	$1,070	$910	$870
1500	$910	$950	$1,110	$1,060	$1,150	$990	$950
1750	$990	$1,030	$1,190	$1,150	$1,230	$1,070	$1,030
2000	$1,070	$1,110	$1,270	$1,230	$1,310	$1,150	$1,110
2250	$1,150	$1,190	$1,350	$1,310	$1,390	$1,230	$1,190
2500	$1,230	$1,270	$1,430	$1,390	$1,470	$1,320	$1,280
2750	$1,310	$1,360	$1,510	$1,470	$1,550	$1,400	$1,360
3000	$1,400	$1,440	$1,590	$1,550	$1,640	$1,480	$1,440
3250	$1,480	$1,520	$1,680	$1,630	$1,720	$1,560	$1,520
3500	$1,560	$1,600	$1,760	$1,720	$1,800	$1,640	$1,600
3750	$1,640	$1,680	$1,840	$1,800	$1,880	$1,720	$1,680
4000	$1,720	$1,760	$1,920	$1,880	$1,960	$1,800	$1,760

Allowable Investment
Multi-Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
500	$640	$680	$840	$800	$880	$720	$680
600	$660	$700	$850	$810	$900	$740	$700
700	$670	$710	$870	$830	$910	$750	$710
800	$690	$730	$890	$850	$930	$770	$730
900	$700	$750	$900	$860	$940	$790	$750
1000	$720	$760	$920	$880	$960	$800	$760
1100	$740	$780	$940	$890	$980	$820	$780
1200	$750	$790	$950	$910	$990	$840	$800
1300	$770	$810	$970	$930	$1,010	$850	$810
1400	$790	$830	$980	$940	$1,030	$870	$830
1500	$800	$840	$1,000	$960	$1,040	$890	$840
1600	$820	$860	$1,020	$980	$1,060	$900	$860
1700	$840	$880	$1,030	$990	$1,070	$920	$880

Allowable Investment
Mobile or Manufactured Homes
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
400	$390	$410	$500	$480	$520	$430	$410
500	$430	$450	$540	$510	$560	$470	$450
600	$460	$490	$580	$550	$600	$510	$490
700	$500	$530	$610	$590	$640	$550	$530
800	$540	$560	$650	$630	$680	$590	$560
900	$580	$600	$690	$670	$710	$630	$600
1000	$620	$640	$730	$710	$750	$660	$640
1100	$660	$680	$770	$740	$790	$700	$680

Allowable Investment
Subdivision Single Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C,GL	SH,WH GL	SH,WH C,GL,DR	SH,WH C,DR	SH,WH DR
1000	$710	$750	$900	$860	$940	$790	$750
1250	$790	$830	$980	$940	$1,020	$870	$830
1500	$870	$910	$1,050	$1,020	$1,090	$950	$910
1750	$940	$980	$1,130	$1,090	$1,170	$1,020	$980
2000	$1,020	$1,060	$1,210	$1,170	$1,250	$1,100	$1,060
2250	$1,100	$1,140	$1,290	$1,250	$1,330	$1,180	$1,140
2500	$1,180	$1,220	$1,370	$1,330	$1,410	$1,260	$1,220
2750	$1,260	$1,290	$1,440	$1,400	$1,480	$1,330	$1,290
3000	$1,330	$1,370	$1,520	$1,480	$1,560	$1,410	$1,370
3250	$1,410	$1,450	$1,600	$1,560	$1,640	$1,490	$1,450
3500	$1,490	$1,530	$1,680	$1,640	$1,720	$1,570	$1,530
3750	$1,570	$1,600	$1,750	$1,720	$1,790	$1,640	$1,610
4000	$1,640	$1,680	$1,830	$1,790	$1,870	$1,720	$1,680

Allowable Investment
Single Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
1000	$60	$280	$410	$380	450	$310	$280	$50	$0
1250	$130	$350	$480	$440	$510	$380	$350	$50	$0
1500	$200	$420	$550	$510	$580	$450	$420	$50	$0
1750	$270	$480	$620	$580	$650	$520	$490	$50	$0
2000	$330	$550	$690	$650	$720	$590	$550	$50	$0
2250	$400	$620	$760	$720	$790	$660	$620	$50	$0
2500	$470	$690	$820	$790	$860	$730	$690	$50	$0
2750	$540	$760	$890	$860	$930	$800	$760	$50	$0
3000	$610	$830	$960	$930	$1,000	$870	$830	$50	$0
3250	$680	$900	$1,030	$1,000	$1,070	$930	$900	$50	$0
3500	$750	$970	$1,100	$1,070	$1,140	$1,000	$970	$50	$0
3750	$820	$1,040	$1,170	$1,140	$1,210	$1,070	$1,040	$50	$0
4000	$890	$1,110	$1,240	$1,200	$1,270	$1,140	$1,110	$50	$0

Allowable Investment
Multi-Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
500	$0	$210	$340	$310	$380	$240	$210	$190	$0
600	$0	$220	$360	$320	$390	$260	$220	$190	$0
700	$20	$240	$370	$340	$410	$270	$240	$190	$0
800	$30	$250	$380	$350	$420	$290	$250	$190	$0
900	$50	$260	$400	$360	$430	$300	$270	$190	$0
1000	$60	$280	$410	$380	$450	$310	$280	$190	$0
1100	$70	$290	$430	$390	$460	$330	$290	$190	$0
1200	$90	$310	$440	$400	$470	$340	$310	$190	$0
1300	$100	$320	$450	$420	$490	$360	$320	$190	$0
1400	$110	$330	$470	$430	$500	$370	$330	$190	$0
1500	$130	$350	$480	$450	$520	$380	$350	$190	$0
1600	$140	$360	$490	$460	$530	$400	$360	$190	$0
1700	$160	$380	$510	$470	$540	$410	$380	$190	$0

Allowable Investment
Mobile or Manufactured Homes
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
400	$10	$150	$240	$220	$270	$180	$150	$30	$0
500	$50	$190	$280	$260	$300	$220	$190	$30	$0
600	$90	$230	$320	$300	$340	$250	$230	$30	$0
700	$120	$270	$360	$330	$380	$290	$270	$30	$0
800	$160	$310	$390	$370	$420	$330	$310	$30	$0
900	$200	$350	$430	$410	$460	$370	$350	$30	$0
1000	$240	$380	$470	$450	$490	$410	$380	$30	$0
1100	$280	$420	$510	$490	$530	$440	$420	$30	$0

Allowable Investment
Subdivision Single Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
1000	$60	$260	$390	$360	$430	$300	$270	$50	$0
1250	$120	$330	$460	$420	$490	$360	$330	$50	$0
1500	$190	$400	$520	$490	$560	$430	$400	$50	$0
1750	$250	$460	$590	$560	$620	$500	$460	$50	$0
2000	$320	$530	$660	$620	$690	$560	$530	$50	$0
2250	$380	$590	$720	$690	$750	$630	$600	$50	$0
2500	$450	$660	$790	$750	$820	$690	$660	$50	$0
2750	$520	$730	$850	$820	$890	$760	$730	$50	$0
3000	$580	$790	$920	$890	$950	$830	$790	$50	$0
3250	$650	$860	$980	$950	$1,020	$890	$860	$50	$0
3500	$710	$920	$1,050	$1,020	$1,080	$960	$920	$50	$0
3750	$780	$990	$1,120	$1,080	$1,150	$1,020	$990	$50	$0
4000	$850	$1,060	$1,180	$1,150	$1,220	$1,090	$1,060	$50	$0

Allowable Investment
Single Family & Multi Family

Size (sq.ft.)	SuppH	C,SuppH	WH	WH SuppH	SuppH WH,C	SuppH WH,C,GL	SuppH WH,GL	SuppH,WH C,GL,DR	SuppH,WH C,DR	SuppH,WH DR
1000	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
1250	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
1500	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
1750	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
2000	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
2250	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
2500	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
2750	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
3000	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
3250	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
3500	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
3750	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420
4000	$0	$70	$330	$390	$420	$550	$520	$590	$460	$420

Allowable Investment
Mobile or Manufactured

Size sq.ft.	SuppH	C,SuppH	WH	WH SuppH	SuppH WH,C	SuppH WH,C,GL	SuppH WH,GL	SuppH,WH C,GL,DR	SuppH,WH C,DR	SuppH,WH DR
400	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
500	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
600	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
700	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
800	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
900	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
1000	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280
1100	$0	$30	$220	$250	$280	$370	$340	$390	$300	$280

Allowable Investment
Single Family & Multi-Family
For Gas HP

Size sq. ft.	SH,AC	SH,WH AC	SH,WH AC,C	SH,WH AC,C,GL	SH,WH AC,GL	SH,WH,AC C,GL,DR	SH,WH AC,C,DR	SH,WH AC,DR
Gas Ht. Pu (3 ton unit)	$820	$1,230	$1,270	$1,430	$1,380	$1,470	$1,310	$1,270

Allowable Investment
Mobile or Manufactured Homes
For Gas HP

Size sq. ft.	SH,AC	SH,WH AC	SH,WH AC,C	SH,WH AC,C,GL	SH,WH AC,GL	SH,WH,AC C,GL,DR	SH,WH AC,C,DR	SH,WH AC,DR
Gas Ht. Pu (3 ton unit)	$460	$690	$710	$800	$780	$820	$730	$710

Appl.	Therm Usage			
SH	**0.320**	per s.f.		
MF SH	**0.160**	per s.f.		
Mob. SH	**0.670**	per s.f.		
WH	**281**			
C	**40**			
DR	**41**			
GL	**154**			
GR	**15**	Cooling	Heating	
GHP	**1037**	**327**	**710**	
Auxillary WH	**70**			
Supp. Heating	**59**			

Other input variables			15 years	10 years
Level annual carrying charge single & multi ser & main			**17.19%**	**20.28%**
Level annual carrying charge all res. customers met & reg			**20.86%**	**23.86%**
Level annual carrying charge mobile home ser & main			**30.66%**	
Meter/regulator	**$141**	or	$29	$34
Customer acct. exp.	**$35**	(Based on account #'s in FERC Form 2)		
Street Crossing Chg.	**$139**		**$24**	**$28**
Filed Cost Service	**$10.71**	per foot		

Chattanooga R-1

WH revenue	**$0.250**		Build Out Factor Subdivision
AC revenue	**$0.045**		0.9544
SH revenue	**$0.175**		
Base revenue	**$0.175**		
Annual Cust Charge	**$90.00**	(12 months x 7.50)	

SH only Revenue	**$0.175**	
SH Customer Charge	**$52.50**	(7 months x 7.50)
Suppl. Customer Charge	**$0.00**	

Allowable Investment for Additional Gas Loads and
Single Appliance Installations

Type of Appliance	***Single Family Revenue***	***Multi-Family Revenue***	***Mobile Family Revenue***
Each additional 250 square feet gas SH,WH, and others	$80	NA	NA
Each additional 250 square feet gas SH only	$70	NA	NA
Each additional 100 square feet gas SH,WH and others	NA	$20	$40
Each additional 100 square feet gas SH only	NA	$20	$40
Each additional gas water heater (30 gallon min.)	$70	$70	$40
Gas water heater only	$330	$330	$220
Gas cooking only	$0	$0	$0
Gas cooking	$50	$40	$20
Gaslight only	$100	$100	$70
Gaslight	$140	$140	$90
Gas Grill	$20	$20	$10
Gas Dryer Only	$0	$0	$0
Gas Dryer	$30	$30	$20