

4-24-02
PAT 4
LETTER
CD

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ONE UNION SQUARE
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April 19, 2002

S BARTOW STRANG
1882 1954

JOHN S FLETCHER
1879 1961

JOHN S CARRIGER
1902 1989

JOHN S FLETCHER JR
1911 1974

ALBERT L HODGE
1910 1987

F THORNTON STRANG
1920 1999

* ALSO LICENSED IN GEORGIA
* ALSO LICENSED IN ALABAMA

RECEIVED
TN REG. AUTHORITY

APR 22 2002

ENERGY & WATER DIVISION

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

Re: Electric Power Board of Chattanooga

Dear Mr. Waddell.

Enclosed is additional information compiled by the Electric Power Board of Chattanooga in response to your request of April 10, 2002

Please contact us if you need any additional information.

Sincerely yours,



William C. Carriger
For the Firm

WCC:tm
EPB/TEL - #108
Enclosures

Answers to TRA Letter Dated 4/10/02

1. The General Allocator is a fraction with the expenses directly assigned and attributed to telecommunications services as the numerator and the sum of the expenses directly assigned and attributed to the telecommunications plus the expenses directly assigned and attributed to the electric utility services as the denominator. The cost of goods (specifically wholesale power and wholesale telecommunications services) shall be excluded from the calculation of the directly assigned and attributed expenses.

The General Allocator used in calculating the amount allocated to the Telecommunications Division for the Board of Directors and the Services of City of Chattanooga was calculated monthly based on the above formula.

2. The General Allocator used in calculating EPB Overhead is computed on a month by month basis. The General Allocator used was as follows.

July 1999	6.5%
August 1999	3.1%
September 1999	4.5%
October 1999	5.1%
November 1999	5.4%
December 1999	5.6%
January 2000	6.0%
February 2000	6.3%
March 2000	9.0%
April 2000	11.5%
May 2000	7.5%
June 2000	10.7%

3. There are 447 poles included in the \$34,990.68. The rental agreement is month to month indefinitely.
4. EPB Telecommunications Division utilized 9,900 duct feet of conduit.
5. EPB Telecommunications Division occupied 3,456 square feet for 7 months, 6,046 square feet for 2 months and 8,093 square feet for the remaining 3 months. Yes, \$68,195.93 is for the entire year.

- 6 Corporate Accounting functions include Accounts Payable, Payroll, General Ledger and Plant Accounting A breakdown of \$38,854 41 is as follows

Accounts Payable	\$9,487 70
Payroll	\$4,517 95
General Ledger	\$18,071 82
Plant Accounting	<u>\$6,776 94</u>
Total Breakdown	<u>\$38,854 41</u>

7. The \$376.30 includes two phones One mobile phone was used for 9 months, one land-line phone was used for 6 months.

- 8 A Listing of Telecommunications Employees is attached Total salaries equal \$1,261,456 28 and are charged directly to the Telecommunications Division. Below is a breakdown of the employee benefits dollars

Disability Insurance	\$8,033 88
Life Insurance	\$3,617 03
Sick Leave	\$7,502 68
401(k)	\$3,914 51
Postretirement	\$36,057 88
Pension	\$34,588 24
Health Insurance	\$64,962 22
Dental Insurance	<u>\$5,908 07</u>
Total Benefits	<u>\$164,584 51</u>

- 9 The following is a breakdown of the Information Technology Allocation.

Average Number of PC's	11
Labor Hours	1613
Mainframe Hours	45

PC	\$51,053 78
Labor	\$32,184 15
Mainframe	\$17,342 36
Total	\$100,580 29

- 10 Please see the attached Transaction Report by Center – Report 31003 Total Operations Expense less Depreciation equals \$2,789,000

LISTING OF TELECOMMUNICATIONS EMPLOYEES

EMP#	NAME
970	CHRISTOPHER BRANNON
950	EDWIN B KRAJESKY
966	JEREMY J GARRETT
794	GLYNN L LOCKHART
971	CRAIG T MERCER
541	GARY S OWENS
974	FRANK RODEN
972	JOHN C SEIFFERT
965	JIMMY L DOTSON
895	ROBERT W HAY III
984	ROBBIE W MOORE
963	DALE DONALDSON
969	MARILYN M PURSLEY
957	ANDREA L WILLIAMS
968	MICHAEL J CALLAHAN
958	DEBORAH LEE GEORGE
962	JEFFREY A GLASS
951	ELIZABETH HUNSUCKER
964	TODD W RODEN
988	LOUIS B SAVARD
967	MATTHEW K WHITAKER
349	KATHERINE J OWENS
934	WILLIAM E CHAPMAN JR
1005	GREGORY S HEWITT

TELECOMMUNICATIONS

EXCISES BY
FCC ACCT #

TRANSACTION REPORT BY ACCOUNT

REPORT 31003

06/01/2000 THRU 06/30/2000

ISSUED 07/17/2000

PAGE 9

SOURCE CODE	REENTER DATE	IR CODE	DEBIT AMOUNT	CREDIT AMOUNT	BALANCE	DESCRIPTION
ACCOUNT 611004	NET, SUPP-OTHER EXPENSES					
1500000073	921	06-30-2000	10	907.57	2,323.45	BEGINNING BALANCE
TOTAL 611004						FCC TELECOM TRANSACTIONS
ACCOUNT 621001	CENT, OFF, SW-SALARIES&WAGE					
1500000073	921	06-30-2000	10	13,000.59	98,427.14	BEGINNING BALANCE
TOTAL 621001						FCC TELECOM TRANSACTIONS
ACCOUNT 621002	CENT, OFF, SW-BENEFITS					
1500000073	921	06-30-2000	10	2,361.19	19,300.86	BEGINNING BALANCE
TOTAL 621002						FCC TELECOM TRANSACTIONS
ACCOUNT 621004	CENT, OFF, SW-OTHER EXPENSE					
1500000073	921	06-30-2000	10	7,247.42	99,951.01	BEGINNING BALANCE
TOTAL 621004						FCC TELECOM TRANSACTIONS
ACCOUNT 641001	CAB, &WIRE FAC, -SAL, &WAGES					
1500000073	921	06-30-2000	10	30,088.65	84,591.41	BEGINNING BALANCE
TOTAL 641001						FCC TELECOM TRANSACTIONS
ACCOUNT 641002	CAB, &WIRE FAC, -BENEFITS					
1500000073	921	06-30-2000	10	5,461.12	18,055.55	BEGINNING BALANCE
TOTAL 641002						FCC TELECOM TRANSACTIONS
ACCOUNT 641003	CAB, &WIRE FAC, -RENTS					
1500000073	921	06-30-2000	10	2,915.89	92,074.79	BEGINNING BALANCE
TOTAL 641003						FCC TELECOM TRANSACTIONS
ACCOUNT 641004	CAB, &WIRE FAC, -OTH, EXP.					
1500000073	921	06-30-2000	10	7,889.93	29,188.90	BEGINNING BALANCE
TOTAL 641004						FCC TELECOM TRANSACTIONS
ACCOUNT 651001	OTH, PROP, PLT, EQ-SAL, &WAGE					
1500000073	921	06-30-2000	10	57,359.53	57,359.53	BEGINNING BALANCE
TOTAL 651001						

432945.17

ACCOUNT	DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE	ENDING BALANCE
ACCOUNT 651001 OTH. PROP. PLT. EQ-SAL. & WAGE						
1500000073 921 06-30-2000 10			10,661.48			10,661.48
TOTAL 651001			10,661.48			10,661.48
TOTAL 651001			10,661.48			10,661.48
ACCOUNT 651002 OTH. PROP. PLT. EQ-BENEFITS						
1500000073 921 06-30-2000 10			1,936.35			1,936.35
TOTAL 651002			1,936.35			1,936.35
TOTAL 651002			1,936.35			1,936.35
ACCOUNT 651004 OTH. PROP. PLT. EQ-OTH. EXP.						
1500000073 921 06-30-2000 10			779.14			779.14
TOTAL 651004			779.14			779.14
TOTAL 651004			779.14			779.14
ACCOUNT 653001 NET. OPERATIONS-SAL. & WAGES						
1500000073 921 06-30-2000 10			26,102.24			26,102.24
TOTAL 653001			26,102.24			26,102.24
TOTAL 653001			26,102.24			26,102.24
ACCOUNT 653002 NET. OPERATIONS-BENEFITS						
1500000073 921 06-30-2000 10			4,746.19			4,746.19
TOTAL 653002			4,746.19			4,746.19
TOTAL 653002			4,746.19			4,746.19
ACCOUNT 653004 NET. OPERATIONS-OTH. EXP.						
1500000073 921 06-30-2000 10			28,799.51			28,799.51
TOTAL 653004			28,799.51			28,799.51
TOTAL 653004			28,799.51			28,799.51
ACCOUNT 656001 DEPRECIATION						
1500000073 921 06-30-2000 10			41,575.12			41,575.12
TOTAL 656001			41,575.12			41,575.12
TOTAL 656001			41,575.12			41,575.12
ACCOUNT 661001 CUST. OPERAT.-SAL. & WAGES						
1500000073 921 06-30-2000 10			44,187.51			44,187.51
TOTAL 661001			44,187.51			44,187.51
TOTAL 661001			44,187.51			44,187.51
ACCOUNT 661002 CUST. OPERAT.-BENEFITS						
1500000073 921 06-30-2000 10			58,644.22			58,644.22
TOTAL 661002			58,644.22			58,644.22
TOTAL 661002			58,644.22			58,644.22

285,366.45 BEGINNING BALANCE
FCC TELECOM TRANSACTIONS
164,221.63

SOURCE	ENTER	DATE	TH	CODE	DEBIT	CREDIT	BALANCE	DESCRIPTION
ACCOUNT 661002	CUST. OPERAT. - BENEFITS							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		8,025.42			
TOTAL 661002					8,025.42		86,658.54	ENDING BALANCE
TOTAL 6610					8,025.42		86,658.54	ENDING BALANCE
ACCOUNT 661004	CUST. OPERAT. - OTH. EXPENSE							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		19,418.42			
TOTAL 661004					19,418.42		58,114.55	ENDING BALANCE
TOTAL 6610					19,418.42		58,114.55	ENDING BALANCE
ACCOUNT 662001	CUST. SERVICE - SAL. & WAGES							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		39,718.27			
TOTAL 662001					39,718.27		125,836.29	ENDING BALANCE
TOTAL 6620					39,718.27		125,836.29	ENDING BALANCE
ACCOUNT 662002	CUST. SERVICE - BENEFITS							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		7,213.70			
TOTAL 662002					7,213.70		24,789.61	ENDING BALANCE
TOTAL 6620					7,213.70		24,789.61	ENDING BALANCE
ACCOUNT 662004	CUST. SERVICE - OTH. EXPENSE							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		39,441.81			
TOTAL 662004					39,441.81		12,390.72	ENDING BALANCE
TOTAL 6620					39,441.81		12,390.72	ENDING BALANCE
ACCOUNT 671001	CORP. OPERATS - SAL. & WAGES							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		2,705.05			
TOTAL 671001					2,705.05		39,522.18	ENDING BALANCE
TOTAL 6710					2,705.05		39,522.18	ENDING BALANCE
ACCOUNT 671002	CORP. OPERATS - BENEFITS							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		491.30			
TOTAL 671002					491.30		38,863.07	ENDING BALANCE
TOTAL 6710					491.30		38,863.07	ENDING BALANCE
ACCOUNT 671004	CORP. OPERATS - OTH. EXPENSE							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		76.30			
TOTAL 671004					76.30		3,706.21	ENDING BALANCE
TOTAL 6710					76.30		3,706.21	ENDING BALANCE
ACCOUNT 672003	GEN & ADMIN-RENTS							FCC TELECOM TRANSACTIONS
1500000073	921	06-30-2000	10		76.30			
TOTAL 672003					76.30		2,241.47	ENDING BALANCE
TOTAL 6720					76.30		2,241.47	ENDING BALANCE

SOURCE	TR	DATE	CODE	DEBITS	CREDITS	BALANCE	DESCRIPTION
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ACCOUNT 672003	GEN. & ADMIN-RENTS			900.00			FCC TELECOM TRANSACTIONS
1500000073	921 06-30-2000 10						
TOTAL 672003				900.00		900.00	ENDING BALANCE
TOTAL 672003				900.00		900.00	ENDING BALANCE

ACCOUNT 672004	GEN. & ADMIN-OTH. EXPENSE			86,575.91		681,617.33	BEGINNING BALANCE
1500000073	921 06-30-2000 10						FCC TELECOM TRANSACTIONS
TOTAL 672004				86,575.91		768,193.24	ENDING BALANCE
TOTAL 672004				86,575.91		768,193.24	ENDING BALANCE

TOTAL PLANT SPECIFIC EXPENSE				426,235.06		3,042,566.95	ENDING BALANCE
TOTAL OPERATIONS EXPENSE				768,438.05		8,092,566.95	ENDING BALANCE

OPERATION EXPENSES (INCL. DEPR.)

DEPRECIATION

0.00

3,042,000.00+

253,000.00-

OPERATION EXPENSE - ANNUAL REPORT

2,789,000.00*