

Electronically Filed in TPUC Docket  
Room on June 15, 2026 at 1:26 p.m.

**BEFORE  
THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE**

Chattanooga Gas Company Petition for  
Approval of its 2025 Annual Rate Review  
Filing Pursuant to Tenn. Code Ann. § 65-  
5-103 (d)(6)

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Docket No. 26-00032

**DIRECT TESTIMONY  
of  
WILLIAM H. NOVAK**

ON BEHALF OF

**THE CONSUMER ADVOCATE DIVISION  
OF THE  
OFFICE OF THE TENNESSEE ATTORNEY GENERAL**

*June 15, 2026*

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I. ARM ADJUSTMENT PROPOSED BY CHATTANOOGA GAS COMPANY ...4

**ATTACHMENTS**

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Attachment WHN-1	Prior Period ARM Revenue Deficiency Calculations
Attachment WHN-2	Proposed Rate Design

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND**  
2 **OCCUPATION FOR THE RECORD.**

3 A1. My name is William H. Novak. My business address is 19 Morning Arbor Place,  
4 The Woodlands, TX, 77381. I am the President of WHN Consulting, a utility  
5 consulting and expert witness services company.<sup>1</sup>  
6

7 **Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND**  
8 **PROFESSIONAL EXPERIENCE.**

9 A2. Briefly, I have both a Bachelor's degree in Business Administration with a major  
10 in Accounting, and a Master's degree in Business Administration from Middle  
11 Tennessee State University. I am a Certified Management Accountant and am  
12 also licensed to practice as a Certified Public Accountant.  
13

14 My work experience has centered on regulated utilities for over 40 years. Before  
15 establishing WHN Consulting, I was Chief of the Energy & Water Division of the  
16 Tennessee Public Utility Commission (the "Commission") where I had either  
17 presented testimony or advised the Commission on a host of regulatory issues for  
18 over 19 years. In addition, I was previously the Director of Rates & Regulatory  
19 Analysis for two years with Atlanta Gas Light Company, a natural gas  
20 distribution utility with operations in Georgia and Tennessee. I also served for  
21 two years as the Vice President of Regulatory Compliance for Sequent Energy  
22 Management, a natural gas trading and optimization entity in Texas, where I was

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<sup>1</sup> State of Tennessee, Registered Accounting Firm ID 3682.

1 responsible for ensuring the firm’s compliance with state and federal regulatory  
2 requirements.

3  
4 In 2004, I established WHN Consulting as a utility consulting and expert witness  
5 services company. Since 2004, WHN Consulting has provided testimony or  
6 consulting services to state public utility commissions and state consumer  
7 advocates in at least ten state jurisdictions.

8

9 ***Q3. ON WHOSE BEHALF ARE YOU TESTIFYING?***

10 A3. I am testifying on behalf of the Consumer Advocate Division (“Consumer  
11 Advocate” or the “CA”) of the Office of the Tennessee Attorney General.

12

13 ***Q4. HAVE YOU PRESENTED TESTIMONY IN ANY PREVIOUS DOCKETS***  
14 ***REGARDING CHATTANOOGA GAS COMPANY?***

15 A4. Yes. I’ve presented testimony in TPUC Docket Nos. U-85-7382, 88-01363, 90-  
16 08876, 91-03765, 93-06946, and 18-00017 concerning rate cases involving  
17 Chattanooga Gas Company (“CGC” or the “Company”) as well as dockets for  
18 other generic tariff and rulemaking matters. In addition, I previously presented  
19 testimony concerning CGC’s Annual Review Mechanism (ARM) in Docket Nos.  
20 21-00048, 22-00032 and 23-00029 that are the subject of this proceeding.

21

22 ***Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***  
23 ***PROCEEDING?***

1 A5. My testimony will support and address the Consumer Advocate’s concerns,  
2 positions, and recommendations with respect to the Petition filed by CGC to  
3 adjust its rates and charges.

4  
5 **Q6. WHAT DOCUMENTS HAVE YOU REVIEWED IN PREPARATION OF**  
6 **YOUR TESTIMONY?**

7 A6. I have reviewed the Company’s Petition filed on April 20, 2026, along with the  
8 testimony and exhibits presented with its filing. In addition, I have reviewed the  
9 Company’s workpapers supporting its proposed revenue adjustment calculations.  
10 I have also reviewed the Company’s responses to the Consumer Advocate’s  
11 discovery requests. Finally, I reviewed previous Commission’s Orders associated  
12 with the Company’s ARM mechanism.

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1 **Q8. HOW MUCH OF AN ARM ADJUSTMENT HAS THE COMPANY**  
 2 **REQUESTED IN THIS DOCKET?**

3 A8. In the current Docket, the Company has requested a revenue adjustment of  
 4 \$3,747,890.<sup>5</sup> This revenue adjustment represents the 7<sup>th</sup> ARM filing made by  
 5 CGC.

6  
 7 **Q9. HOW IS THE COMPANY’S \$3,747,890 RATE ADJUSTMENT**  
 8 **CALCULATED?**

9 A9. CGC’s proposed rate adjustment of \$3,747,890 is calculated in accordance with  
 10 the terms of the Commission Order in TPUC Docket No. 19-00047. The overall  
 11 methodology for the rate adjustment calculation is shown below in Table 2.<sup>6</sup>

<b>Table 2 – ARM Revenue Deficiency Calculation</b>	
<b>Item</b>	<b>26-00032 ARM Filing</b>
Rate Base	\$325,182,966
Operating Income at Present Rates	20,363,177
<b>Earned Rate of Return</b>	<b>6.26%</b>
Rate Base	\$325,182,966
Fair Rate of Return	7.12%
<b>Required Operating Income</b>	<b>\$23,145,226</b>
Operating Income at Present Rates	\$20,363,177
Required Operating Income	23,145,226
<b>Operating Income Deficiency</b>	<b>\$2,782,049</b>
Operating Income Deficiency	\$2,782,049
Gross Revenue Conversion Factor	1.347169
<b>Revenue Deficiency</b>	<b>\$3,747,890</b>

<sup>5</sup> Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1>, Tab “Schedule 1”, TPUC Docket No. 26-00032 (April 20, 2026).

<sup>6</sup> A comparison of the current ARM proposal along with the revenue deficiency approved by the Commission in the Company’s prior ARM dockets is contained on Attachment WHN-1.

1 **Q10. HAS CGC ADJUSTED THE RECONCILIATION AMOUNT CONTAINED**  
2 **IN ITS INITIAL FILING?**

3 A10. Yes. CGC’s original request for the Commission to approve an ARM revenue  
4 deficiency of \$3,747,890 has been revised to \$3,773,163 in order to correct  
5 certain errors that were discovered during the Consumer Advocate’s review and  
6 analysis.<sup>7</sup>

7  
8 **Q11. HOW IS CGC’S REVISED RECONCILIATION AMOUNT OF \$3,773,163**  
9 **CALCULATED?**

10 A11. CGC’s revised revenue deficiency of \$3,773,163 is still calculated in accordance  
11 with the same terms of TPUC Docket No. 19-00047 but reflects updated and  
12 corrected data from the initial filing. A comparison of the initial and revised  
13 revenue deficiency calculations is shown below in Table 3.

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<sup>7</sup> Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-3>, Tab “Schedule 1”, TPUC Docket No. 26-00032 (June 10, 2026).

<b>Table 3 – Revised Revenue Deficiency Comparison</b>		
<b>Item</b>	<b>CGC Initial ARM Filing</b>	<b>CGC Revised ARM Filing</b>
Rate Base	\$325,182,966	\$325,170,940
Operating Income at Present Rates	20,363,177	20,343,561
<b>Earned Rate of Return</b>	<b>6.26%</b>	<b>6.26%</b>
Rate Base	\$325,182,966	\$325,170,940
Fair Rate of Return	7.12%	7.12%
<b>Required Operating Income</b>	<b>\$23,145,226</b>	<b>\$23,144,370</b>
Operating Income at Present Rates	\$20,363,177	\$20,343,561
Required Operating Income	23,145,226	23,144,370
<b>Operating Income Deficiency</b>	<b>\$2,782,049</b>	<b>\$2,800,809</b>
Operating Income Deficiency	\$2,782,049	\$2,800,809
Gross Revenue Conversion Factor	1.347169	1.347169
<b>Revenue Deficiency</b>	<b>\$3,747,890</b>	<b>\$3,773,163</b>

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2 ***Q12. HAVE YOU REVIEWED THE CALCULATIONS SUPPORTING THE***  
3 ***REVISED ARM FILING?***

4 A12. Yes. I reviewed both the Company’s original and revised filings. I also prepared  
5 discovery requests for supplemental supporting information that was not  
6 contained in the original filing. In addition, I have had continuing discussions  
7 with CGC regarding both filings. The purpose of my review was to determine  
8 whether CGC’s ARM calculation was based on actual amounts recorded in its  
9 books.

10

11 ***Q13. WHAT WERE THE RESULTS OF YOUR REVIEW?***

12 A13. Except for certain concerns regarding lobbying expense which are discussed  
13 below, I found that CGC’s revised filing appropriately reflected the actual  
14 revenues, expenses and net investment recorded on the Company’s ledger.

1 Likewise, I also found that the reconciliation generally reflected the  
2 methodologies established in TPUC Docket No. 19-00047.

3

4 ***Q14. HAS THE COMPANY PROPOSED AN ADJUSTMENT TO LOBBYING***  
5 ***EXPENSE IN THIS DOCKET?***

6 A14. Yes. The Company has adjusted its exclusion of lobbying-related costs that are  
7 included within the CGC Governmental Affairs O&M Expense from 100% to  
8 25% based on the results of an internal study. According to the Company, they  
9 have now determined that a significant portion of the Governmental Affairs  
10 department’s duties include activities other than lobbying.<sup>8</sup> As a result, CGC has  
11 adjusted the ARM exclusion for these costs.

12

13 ***Q15. WHAT IS THE IMPACT OF CGC’S ADJUSTMENT TO LOBBYING***  
14 ***EXPENSE?***

15 A15. As shown below on Table 4, the Company’s proposed lobbying percentage  
16 calculation reduces the lobbying adjustment from \$309,834 to \$77,458.

<b>Table 4 – Lobbying Disallowance Calculation<sup>9</sup></b>	
<b>Item</b>	<b>Amount</b>
Total Governmental Affairs Expense	\$597,221
Less Incentive Compensation	-287,387
<b>Net Governmental Affairs Expense</b>	<b>\$309,834</b>
Company Proposed Lobbying Percentage	25%
<b>Company Proposed Lobbying Adjustment</b>	<b>\$77,458</b>

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<sup>8</sup> Direct Testimony of Tiffany Weems at 11:9 to 12:9.

<sup>9</sup> Company Filing, File <Schedule 35.10c – Lobbying Related Expense (1637).xlsx>, Tab “Govt Affairs SYS Extract”, TPUC Docket No. 26-00032 (April 20, 2026).

1 **Q16. DO YOU AGREE WITH THE COMPANY'S PROPOSED ADJUSTMENT**  
2 **TO LOBBYING EXPENSE?**

3 A16. No. The Company has provided no support within the ARM filing for such an  
4 adjustment. In addition, the Commission has long held that all lobbying costs  
5 should be excluded from the CGC's cost of service. Specifically, the voting panel  
6 in the Company's last rate case in Docket No. 18-00017 noted the following.

7 *The panel found that the removal of expenses related to SERP, **lobbying***  
8 ***expense**, certain pension benefits, and organization dues, as recommended*  
9 *by the Consumer Advocate, is reasonable and consistent with previous*  
10 *rulings of the Commission. [Emphasis added.]<sup>10</sup>*

11  
12 The methodology that was used to remove lobbying costs in the Company's last  
13 rate case is identical to the one agreed by the parties in Docket No. 19-00047 for  
14 the ARM structure. Further, this same methodology has been used to remove the  
15 Governmental Affairs cost in each of the Company's previous ARM filings. To  
16 now alter this policy through a percentage adjustment would violate the intent of  
17 the Settlement Agreement in Docket 19-00047. As a result, I recommend that the  
18 Commission deny the Company's proposed adjustment to lobbying expense.

19  
20 **Q17. HOW DOES YOUR ADJUSTMENT TO LOBBYING EXPENSE IMPACT**  
21 **THE REVENUE DEFICIENCY CALCULATION?**

22 A17. The Consumer Advocate's adjustment to Lobbying Expense reduces the revenue  
23 deficiency to \$3,283,660. A comparison of CGC's revised revenue deficiency

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<sup>10</sup> *Amended Order Approving Petition of Chattanooga Gas Company 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, p. 34, TPUC Docket No. 18-00017, (January 15, 2019).*

1 and the Consumer Advocate’s revenue deficiency that adjusts lobbying expense is  
 2 shown below in Table 5.

3

<b>Table 5 – Revenue Deficiency Comparison</b>		
<b>Item</b>	<b>CGC Revised ARM Filing<sup>11</sup></b>	<b>CA Calculation<sup>12</sup></b>
Rate Base	\$325,170,940	\$325,075,043
Operating Income at Present Rates	20,343,561	20,700,092
<b>Earned Rate of Return</b>	<b>6.26%</b>	<b>6.37%</b>
Rate Base	\$325,170,940	\$325,075,043
Fair Rate of Return	7.12%	7.12%
<b>Required Operating Income</b>	<b>\$23,144,370</b>	<b>\$23,137,545</b>
Operating Income at Present Rates	\$20,343,561	\$20,700,092
Required Operating Income	23,144,370	23,137,545
<b>Operating Income Deficiency</b>	<b>\$2,800,809</b>	<b>\$2,437,452</b>
Operating Income Deficiency	\$2,800,809	\$2,437,452
Gross Revenue Conversion Factor	1.347169	1.347169
<b>Revenue Deficiency</b>	<b>\$3,773,163</b>	<b>\$3,283,560</b>

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5 ***Q18. MR. NOVAK, HOW ARE YOU PROPOSING TO ALLOCATE YOUR***  
 6 ***RECOMMENDED \$3.3 MILLION ARM REVENUE DEFICIENCY TO***  
 7 ***THE DIFFERENT CUSTOMER CLASSES?***

8 A18. To recover the \$3.8 million ARM Revenue Deficiency, I am proposing a 5.00%  
 9 increase in rates to the Kordsa special contract with the balance applied evenly to  
 10 all other customers with the exception of Volkswagen. This methodology is  
 11 consistent with the Commission’s previous decisions on the ARM rate change

<sup>11</sup> Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-3>, Tab “Schedule 1”, TPUC Docket No. 26-00032 (June 10, 2026).

<sup>12</sup> WHN Workpapers, Schedule 1.

1 allocations.<sup>13</sup> The calculation of my proposed customer class allocation results in  
 2 an overall increase of 4.52% in revenues as shown below in Table 6.

3

**Table 6 – Consumer Advocate Proposed Revenue Allocation<sup>14</sup>**

<b>Rate Schedule</b>	<b>Normalized Revenue</b>	<b>Percentage Increase</b>	<b>Revenue Increase</b>
Residential R1	\$32,961,012	4.52%	\$1,488,911
Multi-Family R4	58,271	4.52%	2,632
Commercial C1	7,317,477	4.52%	330,544
Commercial C2	19,571,686	4.52%	884,090
Industrial F1/T2	5,796,734	4.52%	261,849
Industrial I1	0	4.52%	0
Industrial T1	1,931,755	4.52%	87,261
Industrial F1/T2/T2	2,674,077	4.52%	120,793
Industrial T3	2,172,218	4.52%	98,123
Contract-VW		0.00%	0
Contract-Kordsa		5.00%	
<b>Total</b>	<b>\$72,759,038</b>	<b>4.52%</b>	<b>\$3,283,658</b>

4 ***Q19. WHAT SPECIFIC RATE DESIGN ARE YOU PROPOSING?***

5 A19. I recommend adjusting rates by using the same billing determinants (customers,  
 6 usage, billing demand and capacity) that CGC used in its filing. A summary  
 7 comparison of the current rates and my proposed rates for residential and small  
 8 commercial customers are shown below in Table 7. A complete copy of my  
 9 proposed rate design for all customer classes is contained in Attachment WHN-2.

10

<sup>13</sup> *Order Approving Chattanooga Gas Company's 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, p. 17, TPUC Docket No. 22-00032 (October 28, 2022).

<sup>14</sup> WHN Workpapers, Schedule 17.

<b>Table 7 – Current and Proposed Base Rates<sup>15</sup></b>		
	<b>Current Rates</b>	<b>Proposed Rates</b>
<b>Residential (R-1):</b>		
Winter Customer Charge	\$34.30	\$35.80
Summer Customer Charge	28.30	29.60
Usage Charge (Therm)	0.23775	0.24876
<b>Small Commercial (C-1):</b>		
Winter Customer Charge	\$63.30	\$66.20
Summer Customer Charge	54.60	57.10
Winter Usage Charge (Therm)	0.37759	0.39423
Summer Usage Charge (Therm)	0.29639	0.30945

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2 **Q20. DOES THIS COMPLETE YOUR TESTIMONY?**

3 A20. Yes, it does. However, I reserve the right to incorporate any new information that  
 4 may subsequently become available.

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<sup>15</sup> Attachment WHN-2.

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

**IN RE:** )  
 )  
**CHATTANOOGA GAS COMPANY** )  
**PETITION FOR APPROVAL OF ITS** )  
**2025 ANNUAL RATE REVIEW FILING** ) **DOCKET NO. 26-00032**  
**PURSUANT TO TENN. CODE ANN. §** )  
**65-5-103(d)(6)** )  
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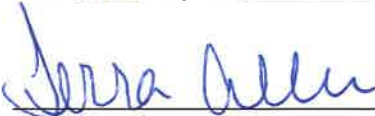
**AFFIDAVIT**

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I, William Novak, on behalf of the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.

  
\_\_\_\_\_  
**WILLIAM H. NOVAK**

Sworn to and subscribed before me  
this 11<sup>th</sup> day of June, 2026.

  
\_\_\_\_\_  
NOTARY PUBLIC



My commission expires: 1/31/2027.

Item	Rate Case Docket No. 18-00017 A/	ARM #1 Docket No. 20-00049 B/	ARM #2 Docket No. 21-00048 C/	ARM #3 Docket No. 22-00032 D/	ARM #4 Docket No. 23-00029 E/	ARM #5 Docket No. 24-00024 F/	ARM #6 Docket No. 25-00028 G/	ARM #7 Docket No. 26-00032 H/
Rate Base	\$149,739,716	\$163,379,679	\$190,129,250	\$210,018,272	\$245,491,835	\$275,722,898	\$305,044,374	\$325,182,966
Operating Income at Present Rates	9,625,826	8,096,435	4,962,492	9,075,381	8,612,650	13,109,135	18,864,989	20,363,177
<b>Earned Rate of Return</b>	<b>6.43%</b>	<b>4.96%</b>	<b>2.61%</b>	<b>4.32%</b>	<b>3.51%</b>	<b>4.75%</b>	<b>6.18%</b>	<b>6.26%</b>
Rate Base	\$149,739,716	\$163,379,679	\$190,129,250	\$210,018,272	\$245,491,835	\$275,722,898	\$305,044,374	\$325,182,966
Fair Rate of Return	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%
<b>Required Operating Income</b>	<b>\$10,657,877</b>	<b>\$11,628,714</b>	<b>\$13,532,641</b>	<b>\$14,948,263</b>	<b>\$17,473,129</b>	<b>\$19,624,856</b>	<b>\$21,711,841</b>	<b>\$23,145,226</b>
Operating Income at Present Rates	\$9,625,826	\$8,096,435	\$4,962,492	\$9,075,381	\$8,612,650	\$13,109,135	\$18,864,989	\$20,363,177
Required Operating Income	10,657,877	11,628,714	13,532,641	14,948,263	17,473,129	19,624,856	21,711,841	23,145,226
<b>Operating Income Deficiency</b>	<b>\$1,032,051</b>	<b>\$3,532,279</b>	<b>\$8,570,149</b>	<b>\$5,872,882</b>	<b>\$8,860,479</b>	<b>\$6,515,721</b>	<b>\$2,846,852</b>	<b>\$2,782,049</b>
Operating Income Deficiency	\$1,032,051	\$3,532,279	\$8,570,149	\$5,872,882	\$8,860,479	\$6,515,721	\$2,846,852	\$2,782,049
Gross Revenue Conversion Factor	1.347169	1.347169	1.347169	1.347169	1.347169	1.347169	1.347169	1.347169
<b>Revenue Deficiency</b>	<b>\$1,390,347</b>	<b>\$4,758,576</b>	<b>\$11,545,439</b>	<b>\$7,911,764</b>	<b>\$11,936,563</b>	<b>\$8,777,776</b>	<b>\$3,835,191</b>	<b>\$3,747,890</b>

- A/ Order Approving *Petition of Chattanooga Gas Company 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*, TPUC Docket No. 18-00017 (January 15, 2019), Attachment 1 (Commission Exhibit), Schedule 1.
- B/ Rebuttal Testimony of Gary Tucker, p. 5, TPUC Docket No. 20-00049 (August 25, 2020). See *Order Approving 2019 ARM Filing*, TPUC Docket No. 20-00049 (October 27, 2020). Direct Testimony of Gary Tucker, File <CGC Tucker Supplemental Exhibit GT-4>, Tab "Schedule 1", TPUC Docket No. 21-00048 (July 14, 2021).
- C/ See Order Approving Settlement Agreement on Chattanooga Gas Company's 2020 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), TPUC Docket No. 21-00048 (November 1, 2021).
- D/ Supplemental Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1>, Tab "Schedule 1", TPUC Docket No. 22-00032 (July 14, 2022).
- E/ Supplemental Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-4>, Tab "Schedule 1", TPUC Docket No. 23-00029 (April 20, 2023). Supplemental Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-3>, Tab "Schedule 1", TPUC Docket No. 24-00024 (July 15, 2024).
- F/ See Order Approving Settlement Agreement on Chattanooga Gas Company's 2023 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), TPUC Docket No. 24-00024 (January 16, 2025). Supplemental Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-3>, Tab "Schedule 1", TPUC Docket No. 25-00028 (July 15, 2025).
- G/ See Order Approving Settlement Agreement on Chattanooga Gas Company's 2024 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), TPUC Docket No. 25-00028 (September 29, 2025).
- H/ *Chattanooga Gas Company's Petition for Approval of its 2025 Annual Rate Review Filing Pursuant to T.C.A. § 65-5-103(d)(6)*, Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1>, Tab "Schedule 1", TPUC Docket No. 26-00032 (April 20, 2026).

Rate Schedule	Current Rates		Proposed Rates		Rate Change		Rate Change	
	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer
<b>Residential R-1:</b>								
Customer Charge	\$34.30000	\$28.30000	\$35.80000	\$29.60000	\$1.50000	\$1.30000	4.37%	4.59%
Usage Charge (Per Therm)	0.23775	0.23775	0.24876	0.24876	0.01101	0.01101	4.63%	4.63%
<b>Multi-Family Housing Service R-4:</b>								
Customer Charge	\$12.60000	\$12.60000	\$13.20000	\$13.20000	\$0.60000	\$0.60000	4.76%	4.76%
Usage Charge (Per Therm)	0.44210	0.39299	0.46074	0.40956	0.01864	0.01657	4.22%	4.22%
<b>Small Commercial &amp; Industrial Service C-1:</b>								
Customer Charge	\$63.30000	\$54.60000	\$66.20000	\$57.10000	\$2.90000	\$2.50000	4.58%	4.58%
Usage Charge (Per Therm)	0.37759	0.29639	0.39423	0.30945	0.01664	0.01306	4.41%	4.41%
<b>Medium Commercial &amp; Industrial Service C-2 and T-3:</b>								
Customer Charge	\$152.60000	\$152.60000	\$159.50000	\$159.50000	\$6.90000	\$6.90000	4.52%	4.52%
Demand Charge	12.70000	12.70000	13.30000	13.30000	0.60000	0.60000	4.72%	4.72%
Usage Charge - First 3,000 Therms Per Month	0.38340	0.30131	0.40033	0.31461	0.01693	0.01330	4.42%	4.41%
Usage Charge - Next 2,000 Therms	0.35009	0.23947	0.36555	0.25004	0.01546	0.01057	4.42%	4.41%
Usage Charge - Next 10,000 Therms	0.34104	0.22332	0.35610	0.23318	0.01506	0.00986	4.42%	4.42%
Usage Charge - Over 15,000 Therms	0.17706	0.17702	0.18488	0.18484	0.00782	0.00782	4.42%	4.42%
<b>Large Commercial &amp; Industrial Service F-1/T-2, F-1/T-2/T-1, T-2 and I-1:</b>								
Customer Charge	\$610.20000	\$610.20000	\$637.80000	\$637.80000	\$27.60000	\$27.60000	4.52%	4.52%
Demand Charge	12.70000	12.70000	13.30000	13.30000	0.60000	0.60000	4.72%	4.72%
Capacity Charge	2.85000	2.85000	3.00000	3.00000	0.15000	0.15000	5.26%	5.26%
Usage Charge - First 15,000 Dekatherms Per Month	1.64410	1.64410	1.71600	1.71600	0.07190	0.07190	4.37%	4.37%
Usage Charge - Next 25,000 Dekatherms	1.40380	1.40380	1.46500	1.46500	0.06120	0.06120	4.36%	4.36%
Usage Charge - Next 110,000 Dekatherms	0.79760	0.79760	0.83300	0.83300	0.03540	0.03540	4.44%	4.44%
Usage Charge - Over 150,000 Dekatherms	0.49240	0.49240	0.51400	0.51400	0.02160	0.02160	4.39%	4.39%

**NOTE:** Special Contract rates are considered confidential and not included here.

**SOURCE:** WHN Workpapers, Schedule 17.