



2207 Olan Mills Drive
Chattanooga, TN 37421

March 29, 2019

Lisa Foust
Utilities Division
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Dear Ms. Foust:

Enclosed is one copy of Chattanooga Gas Company's Annual Financial and Operating Report on FERC Form 2 for the year ended December 31, 2018.

Please contact me at (404) 584-4263 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "M Morley", written over a horizontal line.

Michael Morley
Director, Regulatory Reporting and Strategy
Southern Company Gas

RECEIVED
APR 01 2019
TN PUBLIC UTILITY COMMISSION
UTILITIES DIVISION

ANNUAL FINANCIAL AND OPERATING REPORT

OF

CHATTANOOGA GAS COMPANY

2207 OLAN MILLS DRIVE
CHATTANOOGA, TENNESSEE 37421

TO THE

TENNESSEE PUBLIC UTILITY COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2018

Name of the officer in charge of correspondence with the Commission regarding
this report:

Michael J. Morley

Official Title:

Director, Regulatory Reporting and Strategy

Official Address:

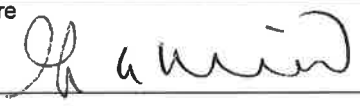
10 Peachtree Place NE

Atlanta, Georgia 30309

Telephone Number:

(404) 584-4263

**FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent Chattanooga Gas Company	02 Year of Report December 31, 2018	
03 Previous Name and Date of Change <i>(If name changed during year)</i>		
04 Address of Principal Office at End of Year <i>(Street, City, State, Zip Code)</i> 2207 Olan Mills Drive, Chattanooga, Tennessee 37421		
05 Name of Contact Person Michael J. Morley	06 Title of Contact Person Director, Regulatory Reporting and Strategy	
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> 10 Peachtree Place NE, Atlanta, Georgia 30309		
08 Telephone of Contact Person, <i>Including Area Code</i> (404) 584-4263	09 This Report Is <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i>
ANNUAL CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that:		
I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
11 Name Grace A. Kolvereid	12 Title Senior Vice President and GAS Comptroller	
13 Signature 	14 Date Signed <i>(Mo, Da, Yr)</i> 3/28/18	
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent Chattanooga Gas Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
LIST OF SCHEDULES (Natural Gas Company)					
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported			for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."		
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS					
1	General Information	101			
2	Control Over Respondent	102			
3	Corporations Controlled by Respondent	103		None	
4	Security Holders and Voting Powers	107			
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7	Wage Scale Changes	108-B			
8	Comparative Balance Sheet	110-113			
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10	Statement of Retained Earnings for the Year	118-119			
11	Statement of Cash Flows	120-121			
12	Notes to Financial Statements	122			
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)					
13	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201			
14	Gas Plant in Service	204-209			
15	Gas Property and Capacity Leased from Others	212			
16	Gas Property and Capacity Leased to Others	213		None	
17	Gas Plant Held for Future Use	214		None	
18	Construction Work in Progress - Gas	216			
19	Non-Traditional rate treatment Afforded New Projects	217-217A		None	
20	General Description of Construction Overhead Procedure	218			
21	Accumulated Provision for Depreciation of Gas Utility Plant	219			
22	Gas Stored	220			
23	Investments	222-223		None	
24	Investments in Subsidiary Companies	224-225		None	
25	Prepayments	230			
26	Extraordinary Property Losses	230		None	
27	Unrecovered Plant and Regulatory Study Costs	230		None	
28	Other Regulatory Assets	232			
29	Miscellaneous Deferred Debits	233		None	
30	Accumulated Deferred Income Taxes	234-235			
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)					
31	Capital Stock	250-251			
32	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252			
33	Other Paid-in Capital	253			
34	Discount on Capital Stock	254		None	
35	Capital Stock Expense	254		None	
36	Securities Issued or Assumed and Securities Refunded or Retired During the Year	255		None	
37	Long-Term Debt	256-257			
38	Unamortized Debt Exp., Premium and Discount on Long-Term Debt	258-259		None	
39	Unamortized Loss and Gain on Reacquired Debt	260		None	
40	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261			

Name of Respondent Chattanooga Gas Company	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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LIST OF SCHEDULES (Natural Gas Company) (Continued)

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
41	Taxes Accrued, Prepaid and Charged During Year	262-263		
42	Miscellaneous Current and Accrued Liabilities	268		
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45	Accumulated Deferred Income Taxes - Other	276-277		
46	Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES				
47	Monthly Quantity & Revenue Data by Rate Schedule	299		N/A
48	Gas Operating Revenues	300-301		
49	Revenues from Transportation of Gas of Others through Gathering Facilities	302-303		None
50	Revenues from Transportation of Gas of Others through Transmission Facilities	304-305		None
51	Revenues from Storage Gas of Others	306-307		None
52	Other Gas Revenues	308		
53	Discounted Rate Services and Negotiated Rate Services	313		
54	Gas Operation and Maintenance Expenses	317-325		
55	Exchange and Imbalance Transactions	328		
56	Gas Used in Utility Operations	331		
57	Transmission and Compression of Gas by Others	332		None
58	Other Gas Supply Expenses	334		None
59	Miscellaneous General Expenses - Gas	335		
60	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
61	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION				
62	Regulatory Commission Expenses	350-351		
63	Employee Pensions and Benefits	352		
64	Distribution of Salaries and Wages	354-355		
65	Charges for Outside Professional and Other Consultative Services	357		
66	Transactions with Associated (Affiliated) Companies	358		
GAS PLANT STATISTICAL DATA				
67	Compressor Stations	508-509		None
68	Gas Storage Projects	512-513		
69	Transmission Lines	514		
70	Transmission System Peak Deliveries	518		None
71	Auxiliary Peaking Facilities	519		
72	Gas Account - Natural Gas	520		
73	Shipper Supplied Gas for the Current Quarter			
74	System Map	522		
75	Footnote Reference			
76	Footnote Text			
77	Stockholders' Reports (check appropriate box)			

Four copies will be submitted.

No annual report to stockholders is prepared. Copies of The Southern Company's combined 2018 Form 10-K as filed with the Securities and Exchange Commission on February 19, 2019, which includes the 2018 Form 10-K of Southern Company Gas, will be submitted.

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year of Report December 31, 2018
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept

Grace A. Kolvereid, Senior Vice President and GAS Comptroller
Southern Company Gas
10 Peachtree Place NE
Atlanta, Georgia 30309

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Tennessee, October 11, 1906 - original
Tennessee, April 13, 1988 - present corporation

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Distribution of natural gas to end-use customers in Hamilton and Bradley Counties in the Chattanooga Area.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

No - Chattanooga Gas Company is not required to prepare audited financial statements.

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year of Report December 31, 2018
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CONTROL OVER RESPONDENT

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	The Southern Company	M	Delaware	100%
2	Southern Company Gas	D	Georgia	100%
3				
4				
5				

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

2. If any security other than stock carries voting rights, explain in a general public where the options, warrants, or rights were issued on a prorata supplemental statement how such security became vested with voting

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:
Not Applicable

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.
By Proxy: 10,000

3. Give the date and place of such meeting:
June 30, 2018
via written consent

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	10,000	10,000	0	0
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	10,000	10,000		
8	1. Southern Company Gas	10,000	10,000		
9	10 Peachtree Place NE				
10	Atlanta, GA 30309				
11					
12	2. Not Applicable				
13					
14	3. Not Applicable				
15					
16	4. Not Applicable				
17					

Name of Respondent <p style="text-align: center;">Chattanooga Gas Company</p>	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

1. None.
2. None.
3. None.
4. None.
5. None. See page 108-A for a summary of Chattanooga Gas Company's contracts for firm transportation and underground storage.
6. None.
7. None.
8. See page 108-B.
9. Chattanooga Gas Company is subject to certain claims and legal actions arising in the ordinary course of business. The ultimate outcome of such pending or potential litigation cannot be predicted at this time; however, management does not anticipate that the ultimate liabilities, if any, arising from such claims and legal actions would have a material effect on Chattanooga Gas Company's financial statements.
10. Chattanooga Gas Company engages in transactions with affiliates of The Southern Company, including Southern Company Gas, consistent with its services, money pool, tax allocation, and asset management agreements.
11. On October 15, 2018, the Tennessee Public Utility Commission (PUC) approved a \$1 million increase in annual base rate revenues, which, in accordance with a Tennessee PUC order, incorporated the effects of the Tax Reform Legislation and was based on a projected test year ending June 30, 2019 and a ROE of 9.80%. The new rates became effective November 1, 2018.

5. The following table sets forth certain information with respect to the Chattanooga Gas Company's contracts for firm transportation and underground storage.

	Maximum Firm Transportation DT/Day	Bundled Peaking DT/Day	Production Area Underground Storage Maximum Withdrawal DT/Day ⁽¹⁾	Supplemental Underground Storage Maximum Withdrawal DT/Day ⁽²⁾	Expiration Date
<u>CHATTANOOGA GAS COMPANY</u>					
Southern Natural Gas Company					
Firm Transportation	13,221				August 31, 2021
Firm No-Notice Transportation	14,346				August 31, 2021
Underground Storage			14,346		August 31, 2021
Tennessee Gas Pipeline Company					
Firm Transportation	37,819				October 31, 2020
Underground Storage			13,659		October 31, 2020
Underground Storage			7,741		November 1, 2020
East Tennessee Natural Gas Company					
Firm Transportation	13,000				October 31, 2022
Firm Transportation	28,350				October 31, 2020
Firm Transportation ⁽³⁾	25,000				January 31, 2022

(1) Production area storage requires a complementary amount of the firm transportation capacity identified in the first column to move storage gas withdrawals to Chattanooga Gas's service area.

(2) Supplemental underground storage withdrawals include delivery to Chattanooga Gas's service area and do not require any of the firm transportation capacity identified in the first column. Injections into supplemental underground storage require incremental transportation, primarily from transportation identified in Column 1.

(3) The East Tennessee Natural Gas Company contract is reduced by 2,000 dth/day for released capacity to a third party expiring on 10/31/2020.

"DT" is an abbreviation for dekatherms.

Page 108 - Important Changes During the Year

Item 8 - State the estimated annual effect and nature of any important wage scale changes during the year.

The overall average wage increase was approximately 3.00% for employees of Chattanooga Gas Company.

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	294,591,088	290,698,491
3	Construction Work in Progress (107)	200-201	29,373,012	8,564,707
4	TOTAL Utility Plant <i>(Enter Total of lines 2 and 3)</i>	200-201	323,964,100	299,263,198
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(132,827,322)	(128,142,984)
6	Net Utility Plant <i>(Enter Total of line 4 less 5)</i>	200-201	191,136,778	171,120,214
7	Nuclear Fuel (120.1-120.4, 120.6)			
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)			
9	Net Nuclear Fuel <i>(Enter Total of line 7 less 8)</i>			
10	Net Utility Plant <i>(Enter Total of lines 6 and 9)</i>		191,136,778	171,120,214
11	OTHER PROPERTY AND INVESTMENTS			
12	CURRENT AND ACCRUED ASSETS			
13	Customer Accounts Receivable (142)		12,729,849	12,516,734
14	Other Accounts Receivable (143)		400,692	215,028
15	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(215,662)	(205,514)
16	Plant Materials and Operating Supplies (154)		387,557	382,849

Name of Respondent		This Report Is:		Date of Report	Year of Report
Chattanooga Gas Company		X An Original A Resubmission		(Mo, Da, Yr)	December 31, 2018
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
17	Gas Stored Underground - Current (164.1)	220	6,548,360	6,389,724	
18	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	5,014,428	4,741,053	
19	Prepayments (165)	230	2,776,859	3,383,889	
20	Miscellaneous Current and Accrued Assets (174)		6,605	5,781	
21	TOTAL Current and Accrued Assets (Enter Total of lines 13 thru 20)		27,648,688	27,429,544	
22	DEFERRED DEBITS				
23	Other Regulatory Assets (182.3)	232	1,428,622	1,033,256	
24	Accumulated Deferred Income Taxes (190)	234-235	1,742,963	2,592,857	
25	TOTAL Deferred Debits (Enter Total of lines 23 thru 24)		3,171,585	3,626,113	
26	TOTAL Assets and Other Debits (Enter Total of lines 10, 21 and 25)		221,957,051	202,175,871	

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	10,000	10,000	
3	Premium on Capital Stock (207)	252	71,428,543	57,216,165	
4	Other Paid-In Capital (208-211)	253	713,212	187,472	
5	Retained Earnings (215, 215.1, 216)	118-119	12,346,420	12,786,922	
6	(Less) Reacquired Capital Stock (217)	250-251	(2,363,278)	(2,363,278)	
7	Accumulated Other Comprehensive Income (219)	117	(4,139,167)	(4,807,083)	
8	TOTAL Proprietary Capital (Enter Total of lines 2 thru 7)		77,995,730	63,030,198	
9	LONG-TERM DEBT				
10	Advances from Associated Companies (223)	256-257	70,454,400	57,114,871	
11	TOTAL Long-Term Debt		70,454,400	57,114,871	
12	OTHER NONCURRENT LIABILITIES				
13	Accumulated Provision for Pensions and Benefits (228.3)		(628,023)	(344,188)	
14	Accumulated Miscellaneous Operating Provisions (228.4)		67,100	31,258	
15	TOTAL Other Noncurrent Liabilities (Enter Total of lines 13 thru 14)		(560,923)	(312,930)	

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report
					December 31, 2018
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
16	CURRENT AND ACCRUED LIABILITIES				
17	Current Portion of Long-Term Debt				
18	Accounts Payable (232)		7,237,957	4,713,665	
19	Accounts Payable to Associated Companies (234)		9,981,172	19,153,179	
20	Customer Deposits (235)		1,391,814	1,471,574	
21	Taxes Accrued (236)	262A	4,069,706	3,944,254	
22	Interest Accrued (237)		341,352	332,933	
23	Tax Collections Payable (241)		258,173	157,718	
24	Miscellaneous Current and Accrued Liabilities (242)	268	2,715,692	3,372,587	
25	TOTAL Current and Accrued Liabilities (Enter Total of lines 18 thru 24)		25,995,866	33,145,910	
26	DEFERRED CREDITS				
27	Other Deferred Credits (253)	269	-	750	
28	Other Regulatory Liabilities (254)	278	26,348,714	24,549,327	
29	Accumulated Deferred Income Taxes - Other Property (282)	274-275	21,142,654	22,763,294	
30	Accumulated Deferred Income Taxes - Other (283)		580,610	1,884,451	
31	TOTAL Deferred Credits (Enter Total of lines 28 thru 30)		48,071,978	49,197,822	
32	TOTAL Liabilities and Other Credits (Enter Total of lines 15, 24, 35, 55, and 66)		221,957,051	202,175,871	

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in discount 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
1	UTILITY OPERATING INCOME			
2	Gas Operating Revenues (400)	300-301		
3	Operating Expenses			
4	Operation Expenses (401)	317-325		
5	Maintenance Expenses (402)	317-325		
6	Depreciation Expense (403)	336-338		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338		
8	Amortization and Depletion of Utility Plant (404-405)	336-338		
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338		
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)			
11	Amortization of Conversion Expenses (407.2)			
12	Regulatory Debits (407.3)			
13	(Less) Regulatory Credits (407.4)			
14	Taxes Other than Income Taxes (408.1)	262-263		
15	Income Taxes—Federal (409.1)	262-263		
16	Income Taxes—Other (409.1)	262-263		
17	Provision of Deferred Income Taxes (410.1)	234-235		
18	(Less) Provision for Deferred Income Taxes—Credit (411.1)	234-235		
19	Investment Tax Credit Adjustment—Net (411.4)			
20	(Less) Gains from Disposition of Utility Plant (411.6)			
21	Losses from Disposition of Utility Plant (411.7)			
22	(Less) Gains from Disposition of Allowances (411.8)			
23	Losses from Disposition of Allowances (411.9)			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 22)			
26	Net Utility Operating Income (Total of lines 2 less 23) (Carry forward to page 116, line 27)			

Information on Utility Operating Income is on page 114-A.

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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STATEMENT OF INCOME FOR THE YEAR (Continued)

4. Explain in a footnote if the previous year's figures are different from those reported in prior reports.

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)	
						1
						2
						3
						4
						5
						6
						7
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						26

Information on Utility Operating Income is on page 114-A.

Chattanooga Gas Company
Fiscal Year Ended December 31, 2018

Line No.	Account (a)	(Ref.) Page No. (b)	STATEMENT OF INCOME FOR THE YEAR												Line No.
			TOTAL			ELECTRIC UTILITY			GAS UTILITY			OTHER UTILITY			
			Current Year (in dollars) (c)	Previous Year (in dollars) (d)	Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)					
1	UTILITY OPERATING INCOME														
2	Gas Operating Revenues (400)	300-301	77,512,293	69,375,930						77,512,293	69,375,930				
3	Operating Expenses														
4	Operation Expenses (401)	317-325	58,694,696	48,486,070						58,694,696	48,486,070				
5	Maintenance Expenses (402)	317-325	1,916,241	1,757,226						1,916,241	1,757,226				
6	Depreciation Expense (403) (1)	336-338	7,769,214	7,328,026						7,769,214	7,328,026				
7	Amort. of Depl. of Utility Plant (404-405)	336-338													
8	Amort. of Utility Plant Acq. Adj. (406)	336-338													
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)														
10	Amort. of Conversion Expenses (407.2)														
11	Regulatory Debits (407.3)														
12	(Less) Regulatory Credits (407.4)														
13	Taxes Other Than Income Taxes (408.1)		3,632,919	3,526,117						3,632,919	3,526,117				
14	Income Taxes - Federal (409.1)	262-263	2,087,873	(378,177)						2,087,873	(378,177)				
15	Income Taxes - Other (409.1)	262-263	668,835	(38,489)						668,835	(38,489)				
16	Provision for Deferred Income Taxes (410.1)	234-235	(2,777,066)	2,871,529						(2,777,066)	2,871,529				(2)
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	274-275													
18	Investment Tax Credit Adj. - Net (411.4)	234-235													
19	(Less) Gains from Disp. of Utility Plant (411.6)														
20	Losses from Disp. of Utility Plant (411.7)														
21	(Less) Gains from Disposition of Allowances (411.8)														
22	Losses from Disposition of Allowances (411.9)														
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		71,992,712	63,552,302						71,992,712	63,552,302				
24	Net Utility Operating Inc (Enter Total of line 2 less 23) (Carry forward to page 116-A, line 25)		5,519,581	5,823,628						5,519,581	5,823,628				

(1) Includes AGL Services Company allocated depreciation expense of \$480,261 in 2018 and \$568,183 in 2017. Therefore, amounts do not agree to Cash Flow Statement (page 120) and Accumulated Provision for Depreciation (page 219).

(2) Provision for Deferred Income Taxes includes amortization of excess deferred regulatory tax liability of \$985,271.

Name of Respondent		This Report Is:		Date of Report	Year of Report
Chattanooga Gas Company		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)	December 31, 2018
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Year (c)	Total Prior Year to Date Balance for Year (d)	
27	Net Utility Operating Income <i>(Carried forward from page 114-A)</i>		5,519,581	5,823,628	
28	Other Income and Deductions				
29	Other Income				
30	Interest and Dividend Income (419)		11,767	11,747	
31	Allowance for Other Funds Used During Construction (419.1)		241,968	52,156	
32	Miscellaneous Nonoperating Income (421)		675,789	657,779	
33	Gain on Disposition of Property (421.1)		(5,060)	(37,916)	
34	TOTAL Other Income <i>(Enter Total of lines 30 thru 33)</i>		924,464	683,766	
35	Other Deductions (426.5)	340	(50,020)	672	
36	TOTAL Other Income Deductions		(50,020)	672	
37	Taxes Applicable to Other Income and Deductions				
38	Income Taxes-Federal (409.2)	262-263	(171,697)	(173,884)	
39	Income Taxes-Other (409.2)	262-263	430	(44,488)	
40	TOTAL Taxes on Other Inc. and Ded. <i>(Total of 38 thru 39)</i>		(171,267)	(218,372)	
41	Net Other Income and Deductions <i>(Enter Total of lines 34, 36 and 40)</i>		703,177	466,066	
42	Interest Charges				
43	Interest on Debt to Associated Companies (430)	340	2,992,658	2,578,600	
44	Other Interest Expense (431)	340	305,361	(196,142)	
45	(Less) Allow. for Borrowed Funds Used During Construction-Cr.(432)		(134,671)	(31,497)	
46	Net Interest Charges <i>(Enter Total of lines 43 thru 45)</i>		3,163,348	2,350,961	
47	Income Before Extraordinary Items <i>(Enter Total of lines 27, 41, 46)</i>		3,059,410	3,938,733	
48	Extraordinary Items				
49	Extraordinary Income (434)				
50	(Less) Extraordinary Deductions (435)				
51	Net Extraordinary Items <i>(Enter Total of line 49 less 50)</i>				
52	Income Taxes-Federal and Other (409.3)	262-263			
53	Extraordinary Items After Taxes <i>(Enter Total of line 51 less 52)</i>				
54	Net Income <i>(Enter Total of lines 47 and 53)</i>		3,059,410	3,938,733	

Name of Respondent Chattanooga Gas Company	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME AND HEDGING ACTIVITIES

- 1) Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of tax basis, where appropriate.
- 2) Report in columns (f) and (g) the amounts of other cash flow hedges.
- 3). For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of account 219 at the Beginning of Preceding Year		(5,217,553)		
2	Preceding Year Activity (1)		410,470		
3	Preceding Year Changes in Fair Value		-		
4	Total (lines 2 and 3)		410,470		
5	Balance of Account 219 at End of Preceding Year / Beginning of Current Year		(4,807,083)		
6	Current Year Activity (2)		667,916		
7	Current Year Changes in Fair Value		-		
8	Total (lines 6 and 7)		667,916		
9	Balance of Account 219 at End of Current Year		(4,139,167)		

- (1) Line 2 consists of unrecognized actuarial net gain/(loss) and prior service credit/(cost) for pensions and other post retirement benefits, net of tax in
- (2) Line 6 consists of \$(1,738,616) unrecognized actuarial net gain/(loss) and prior service credit/(cost) for pensions and other postretirement benefits, net of tax and \$1,070,700 adjustments for standed taxes related to Tax Reform Legislation.

Name of Respondent Chattanooga Gas Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges [Specify] (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1			(5,217,553)		
2			410,470		
3			-		
4			410,470		
5			(4,807,083)		
6			667,916		
7			-		
8			667,916	3,059,410	4,130,110
9			(4,139,167)		

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[Next page is 118-119]

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report (Mo, Da, Yr) December 31, 2018
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all charges in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings
4. List first Account 439, *Adjustments to Retained Earnings*, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (a)	Current Year Amount (in dollars) Fiscal 2018 (b)	Previous Year Amount (in dollars) Fiscal 2017 (c)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance - Beginning of Period		12,786,922	11,644,622
2	Charges (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)		-	-
3.01	Credit: Unrecognized Actuarial Gain		-	-
4	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 3.01 thru 3.05)		-	-
4.01	Debit: Unrecognized Actuarial Gain/Loss Tax		-	-
5	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 4.01 thru 4.05)		-	-
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		3,059,410	3,938,733
7	Appropriations of Retained Earnings (Account 436)			
8				
9	Dividends Declared-Preferred Stock (Account 437)			
10				
11	Dividends Declared - Common Stock (Account 438)			
11.01	Dividend to Southern Company Gas		3,499,912	2,796,433
12	TOTAL Dividends Declared-Common Stock (Account 438) (Total of lines 11.01 thru 11.04)		3,499,912	2,796,433
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance - End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		12,346,420	12,786,922
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
19	TOTAL Appropriated Retained Earnings(Accounts 215, 215.1)(Total of lines 16 and 17)			
20	TOTAL Appropriated Retained Earnings(Accounts 215, 215.1)(Total of lines 16 and 17)			
21	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 20)		12,346,420	12,786,922
22	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
23	Balance-Beginning of Year (Debit or Credit)			
24	Equity in Earnings for Year (Credit) (Account 418.1)			
25	(Less) Dividends Received (Debit)			
26	Other Changes (Explain)			
27	Balance-End of Year			

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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STATEMENT OF CASH FLOWS

1. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amount on the balance sheet.
2. Under "Other" specify significant amounts and group others.

3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amount capitalized) and income taxes paid.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (in dollars) 12/31/18 (b)	Previous Year Amount (in dollars) 12/31/17 (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 116)	\$ 3,059,410	3,938,733
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	7,288,953	6,759,843 (1)
5	Amortization of: (Specify)		
5.01	Additions to leased property		
6	Deferred Income Taxes (Net)	(2,777,066)	2,871,529 (2)
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(388,631)	(2,370,150)
9	Net (Increase) Decrease in Inventory	(436,718)	849,817
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	2,101,723	3,335,166
12	Net (Increase) Decrease in Other Regulatory Assets	(395,366)	(744,229)
13	Net Increase (Decrease) in Other Regulatory Liabilities	1,481,980	911,855 (2)
14	(Less) Allowance for Other Funds Used During Construction	(107,297)	(20,659)
15	Net Increase (Decrease) in Customer Deposits	(79,760)	(464,192)
16	Net Increase (Decrease) in Provision for Pension and Benefits	2,077,825	(1,441,773) (3)
16.01	Other: Prepayments and other Miscellaneous Debits	607,030	(1,284,625)
16.02	Other: Miscellaneous Other Provisions	(639,590)	457,522
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16.09)	11,792,493	12,798,837
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Capital Expenditures	(26,797,723)	(20,692,627)
23			
24			
25	Gross Additions to Nonutility Plant:		
26			
27	Other:		
27.01	Cost of Removal (Net of Proceeds)	(429,193)	(533,351)
27.02	Proceeds from Sale of Utility Plant	28,695	57,052
28	Cash Outflows for Plant (Total of lines 22 thru 27.02)	(27,198,221)	(21,168,926)
29			
30	Acquisition of Other Noncurrent Assets		
31	Proceeds from Disposal of Noncurrent Assets		
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Secur		
39	Proceeds from Sales of Investment Securities		

Note:

Income taxes paid for the year 2018: 2,620,094
Interest paid for the year 2018: 3,289,575

- (1) Excludes AGL Services Company allocated depreciation expense in the amount of \$480,261 for current year and \$568,183 for prior year.
- (2) The change in regulatory tax liability is reflected as a component of deferred taxes rather than as a component of Other Regulatory Liabilities.
- (3) For 2018, \$2,077,825 is comprised of the change in Acct 228.3 - Accum. Prov. for Pensions and Benefits of (\$283,835), plus Other Comprehensive Income of \$2,361,660. For 2017, (\$1,441,773) is comprised of the change in Acct 228.3 - Accum. Prov. for Pensions and Benefits of (\$2,123,768), plus Other Comprehensive Income of \$681,995.

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities: Include at Other (Line 27) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per U.S. of A. General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.

5. Codes used:
 (a) Net Proceeds or payments
 (b) Bonds, Debentures, and other long-term debt.
 (c) Include commercial paper.
 (d) Identify separate such items as investments fixed assets, intangibles, etc.
6. Enter on page 122 clarifications and explanations.
 7. At lines 5, 16, 27, 47, 56, 58, and 65, add rows as necessary to report all data. Number the extra rows in sequence, 5.01, 5.02, etc.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (in dollars) 12/31/18 (b)	Previous Year Amount (in dollars) 12/31/17 (c)
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other:		
47.01			
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47.01)	(27,198,221)	(21,168,926)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt	13,339,529	4,856,447
54	Preferred Stock		
55	Common Stock	14,738,117	1,758,550
56	Other: APIC		
57	Net Increase in Short-Term Debt		
58	Other: Advances from (Repayments to) Associated Companies	(9,172,006)	4,551,520
58.01			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58.02)	18,905,640	11,166,517
60			
61	Payments for Retirement of:		
62	Long-Term Debt		
63	Preferred Stock		
64	Common Stock		
65	Other:		
65.01	Intercompany loans		
66	Net Decrease in Short-Term Debt		
67	Other: Accounts Payable to Associated Companies		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock Paid to Parent	(3,499,912)	(2,796,433)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	15,405,728	8,370,084
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of lines 18, 49 and 71)	-	(5)
75			
76	Cash and Cash Equivalents at Beginning of Year	-	5
77			
78	Cash and Cash Equivalents at End of Year	-	-

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year of Report December 31, 2018
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NOTES TO FINANCIAL STATEMENTS

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify and mechanism of account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement of method of accounting for the obligations. Include details on the accounting of the settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses of each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the Company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholder are applicable and furnish the data required by the above instructions, such notes may be included herein.

1. The Tax Cuts and Jobs Act signed into law on December 22, 2017 became effective on January 1, 2018. The Tennessee Public Utility Commission (TPUC), issued an order effective January 1, 2018 that requires Chattanooga Gas Company (Chattanooga Gas) to track as a regulatory liability the impact of the Tax Reform Legislation, including the reduction in the corporate income tax rate to 21% and the impact of excess deferred income taxes. The TPUC's order required Chattanooga Gas to file proposals to reduce rates or make other ratemaking adjustments to account for the impact of the Tax Reform Legislation. Chattanooga Gas made the required filing as part of its February 15, 2018 general base rate case filing. On October 15, 2018, the TPUC approved a \$1 million increase in annual base rate revenues, which, in accordance with a TPUC order, incorporated the effects of the Tax Reform Legislation and a ROE of 9.80%. The new rates became effective November 1, 2018. The impacts of the Tax Reform Legislation for the period January 1, 2018 - October 31, 2018 will be determined in the Tax Reform Legislation docket referenced previously in this note.
2. None.
3. Refer to the Southern Company Gas 2018 Annual Report on Form 10-K that was filed with the Security and Exchange Commission as part of The Southern Company combined Form 10-K on February 19, 2019 (Southern Company Gas 2018 Form 10-K).
4. None.
5. None.
6. In accordance with Rule 1220-4-7 of the TPUC the cost of gas incurred by Chattanooga Gas is recorded in the Deferred Gas Cost Account and recovered through the operation of the Purchase Gas Adjustment /Actual Cost Adjustment mechanism. As required by Rule 1220-4-7.03(2), each year the Company files with the TPUC an annual report reflecting the transactions in the Deferred Gas Cost Account for the twelve months ended June 30. This report is audited by the Staff of the TPUC. The report for the most recent reporting period ended June 30, 2018 was filed September 25, 2018.
7. Not applicable.
8. None.
9. On June 4, 2018 Southern Company Gas completed the sale of Pivotal Home Solutions to American Water Enterprises LLC.
On July 1, 2018 a Southern Company Gas subsidiary, Pivotal Utility Holdings, completed the asset sales of two natural gas distribution utilities, Elizabethtown Gas and Elkton Gas, to South Jersey Industries, Inc.
On July 29, 2018, Southern Company Gas and its wholly-owned subsidiary, NUI Corporation, completed the sale of Pivotal Utility Holdings, which primarily consisted of Florida City Gas, to NextEra Energy.
These sales did not directly affect Chattanooga Gas' gas pipeline operations. For additional information see the Southern Company Gas Form 10-K.
10. In accordance with the October 15, 2018 rate case order issued by the TPUC, Chattanooga Gas has recorded a regulatory liability in the amount of \$1 million for the amortization of excess deferred income taxes for the period January 1, 2018 - October 31, 2018. The final disposition of the regulatory liability will be determined in the Tax Reform Legislation docket discussed in Note 1.
11. None.
12. See page 278 and footnote (1) above regarding Tax Reform Legislation, page 232 regarding vacation accrual and rate case changes and page 308 regarding the new revenue recognition rule effective on 1/1/18. For additional information see the Southern Company Gas Form 10-K.
13. Refer to the Southern Company Gas Form 10-K.

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Name of Respondent		This Report Is:	Date of Report	Year of Report
Chattanooga Gas Company		X An Original A resubmission		December 31, 2018
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item <i>(a)</i>	Total <i>(b)</i>		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	281,095,789		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	2,020,515		
7	Experimental Plant Unclassified			
8	TOTAL (Total of lines 3 thru 7)	283,116,304		
9	Leased to Others			
10	Improvements to Leased Property			
11	Construction Work in Progress	29,373,012		
12	Acquisition Adjustments	11,474,784		
13	TOTAL Utility Plant (Total of lines 8 thru 12)	323,964,100		
14	Accum. Prov. for Depr., Amort., & Depl.	(132,827,322)		
15	Net Utility Plant (Total of lines 13 and 14)	191,136,778		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	(100,898,034)		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights			
20	Amort. of Underground Storage Land and Land Rights			
21	Amort. of Other Utility Plant (Retirements)			
21a	Accumulated Removal Obligations	(27,211,608)		
22	TOTAL In Service (Total of lines 18 thru 21)	(128,109,642)		
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Total of lines 24 and 25)			
27	Improvements to Leased Property			
28	Depreciation			
29	Amortization			
30	TOTAL Improvements to Leased Property (Total of lines 28 and 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort. of Plant Acquisition Adj.	(4,717,680)		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 22, 26, 30, 31, and 32)	(132,827,322)		

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Chattanooga Gas Company	X An Original A resubmission		December 31, 2018	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	281,095,789			3
				4
				5
	2,020,515			6
				7
	283,116,304			8
				9
				10
	29,373,012			11
	11,474,784			12
	323,964,100			13
	(132,827,322)			14
	191,136,778			15
				16
				17
	(100,898,034)			18
				19
				20
				21
	(27,211,608)			21a
	(128,109,642)			22
				23
				24
				25
				26
				27
				28
				29
				30
				31
	(4,717,680)			32
	(132,827,322)			33

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	Date of Report	Year Ending December 31, 2018
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GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106)

1. Report below the original cost of plant in service according to the prescribed accounts. if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary account at the end of the year, include in column (d) a tentative distribution of such retirement, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing in account distributions of these tentative classifications in columns (c) and (d), ncluding the reversals of the prior year tentative account distributions of these amounts. Careful observance of the above

2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Classified, and Account 106, Completed Construction Not Classified-Gas.

3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding years.

4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed on an estimated basis

Line No.		Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	12,563	
3	302 Franchises and Consents	-	
4	303 Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total lines 2 thru 4)	12,563	
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration & Develepment Costs		
26	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25)		
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights		
29	341 Structures and Improvements		
30	342 Extraction and Refining Equipment		
31	343 Pipe Lines		
32	344 Extracted Products Storage Equipment		
33	345 Compressor Equipment		

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	Date of Report	Year Ending December 31, 2018
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GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)

instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at the end of the year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amount initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect accumulated provision for depreciation, acquisition, adjustments, etc.

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			12,563	301	2
			-	302	3
				303	4
			12,563		5
					6
					7
				325.1	8
				325.2	9
				325.3	10
				325.4	11
				325.5	12
				326	13
				327	14
				328	15
				329	16
				330	17
				331	18
				332	19
				333	20
				334	21
				335	22
				336	23
				337	24
				338	25
					26
					27
				340	28
				341	29
				342	30
				343	31
				344	32
				345	33

Name of Respondent			This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company			X An Original A resubmission		December 31, 2018
GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)					
Line No.				Balance at Beginning of Year (b)	Additions (c)
34	346	346	Gas Measuring and Regulating Equipment		
35	347	347	Other Equipment		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)				
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)				
38					
39	TOTAL Production Plant (Enter Total of lines 37 and 38)				
40	NATURAL GAS STORAGE AND PROCESSING PLANT				
41	Underground Storage Plant				
42	350.1	350.1	Land		
43	350.2	350.2	Rights-of-Way		
44	351	351	Structures and Improvements		
45	352	352	Wells		
46	352.1	352.1	Storage Leaseholds and Rights		
47	352.2	352.2	Reservoirs		
48	352.3	352.3	Non-recoverable Natural Gas		
49	353	353	Lines		
50	354	354	Compressor Station Equipment		
51	355	355	Measuring and Reg. Equipment		
52	356	356	Purification Equipment		
53	357	357	Other Equipment		
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)				
55	Other Storage Plant				
56	360	360	Land and Land Rights	693,886	
57	361	361	Structures and Improvements	10,298,631	
58	362	362	Gas Holders	7,936,677	
59	363	363	Purification Equipment	528,383	
60	363.1	363.1	Liquefaction Equipment	5,640,786	
61	363.2	363.2	Vaporizing Equipment	2,361,662	
62	363.3	363.3	Compressor Equipment	2,731,450	
63	363.4	363.4	Measuring and Regulating Equipment	283,077	
64	363.5	363.5	Other Equipment	2,143,973	
65		364.8	Other Equipment		
66	TOTAL Other Storage Plant (Enter Total of lines 56 thru 65)			32,618,525	
67	Base Load Liquefied Natural Gas Terminating and Processing Plant				
68	364.1	364.1	Land and Land Rights		
69	364.2	364.2	Structures and Improvements	917,579	6,031
70	364.3	364.3	LNG Processing Terminal Equipment		
71	364.4	364.4	LNG Transportation Equipment		
72	364.5	364.5	Measuring and Regulating Equipment	970,647	
73	364.6	364.6	Compressor Station Equipment		
74	364.7	364.7	Communications Equipment		
75	364.8	364.8	Other Equipment	1,981,193	342,706
76	TOTAL Base Load Liquefied Nat'l Gas, Terminating and Processing Plant (lines 68-75)			3,869,419	348,737
77	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 66 and 76)			36,487,944	348,737
78					
79	365.1	365.1	Land and Land Rights		
80	365.2	365.2	Rights-of-Way		
81	366	366	Structures and Improvements		

Name of Respondent		This Report Is:	Date of Report	Year Ending	
Chattanooga Gas Company		X An Original A resubmission		December 31, 2018	
GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at End of Year		Line No.
(d)	(e)	(f)	(g)		
				346	34
				347	35
					36
					37
					38
					39
					40
					41
				350.1	42
				350.2	43
				351	44
				352	45
				352.1	46
				352.2	47
				352.3	48
				353	49
				354	50
				355	51
				356	52
				357	53
					54
					55
			693,886	360	56
		324,370	10,623,001	361	57
(177,344)			7,759,333	362	58
(4,247)			524,136	363	59
(243,718)			5,397,068	363.1	60
			2,361,662	363.2	61
			2,731,450	363.3	62
			283,077	363.4	63
			2,143,973	363.5	64
				364.8	65
(425,309)		324,370	32,517,586		66
					67
				364.1	68
			923,610	364.2	69
				364.3	70
				364.4	71
			970,647	364.5	72
				364.6	73
				364.7	74
			2,323,899	364.8	75
			4,218,156		76
(425,309)		324,370	36,735,742		77
					78
				365.1	79
				365.2	80
				366	81

Name of Respondent			This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company			X An Original A resubmission		December 31, 2018
GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)					
Line No.				Balance at Beginning of Year (b)	Additions (c)
82	367	367	Mains		
83	368	368	Compressor Station Equipment		
84	369	369	Measuring and Reg. Station Equipment		
85	370	370	Communication Equipment		
86	371	371	Other Equipment		
87	TOTAL Transmission Plant (Enter Totals of lines 79 thru 86)				
88	DISTRIBUTION PLANT				
89	374	374	Land and Land Rights	787,676	213
90	375	375	Structures and Improvements	259,496	77,943
91	376	376	Mains	134,339,434	1,647,945
92	377	377	Compressor Station Equipment		
93	378	378	Measuring and Regulating Sta. Equipment-General	1,678,199	
94	379	379	Measuring and Regulating Sta. Equipment-City Gate	2,732,526	
95	380	380	Services	63,291,755	944,956
96	381	381	Meters	17,314,975	485,542
97	382	382	Meter Installations	3,607,206	274,915
98	383	383	House Regulators	4,794,182	561,691
99	384	384	House Reg. Installations	303,924	432,890
100	385	385	Industrial Meas. and Reg. Sta. Equipment	138,553	
101	386	386	Other Prop. on Customers' Premises	16,919	
102	387	387	Other Equipment	446,592	
103	TOTAL Distribution Plant (Enter Total lines 89 thru 102)			229,711,437	4,426,095
104	GENERAL PLANT				
105	389	389	Land and Land Rights	99,157	
106	390	390	Structures and Improvements	6,697	317,673
107	391	391	Office Furniture and Equipment	9,686,470	660,447
108	392	392	Transportation Equipment	1,712,697	313,272
109	393	393	Stores Equipment	17,547	
110	394	394	Tools, Shop, and Garage Equipment	404,298	34,479
111	395	395	Laboratory Equipment		
112	396	396	Power Operated Equipment	452,465	
113	397	397	Communication Equipment	441,196	1,644
114	398	398	Miscellaneous Equipment	191,236	
115	Subtotal (Enter Total of lines 105 thru 114)			13,011,763	1,327,515
116	399	399	Other Tangible Property		
117	TOTAL General Plant (Enter Total of lines 115 and 116)			13,011,763	1,327,515
118	TOTAL Accounts 101 and 106)			279,223,707	6,102,347
119	Gas Plant Purchased (See Instruction 8)				
120	(Less) Gas Plant Sold (See Instruction 8)				
121	Experimental Gas Plant Unclassified				
122	TOTAL Gas Plant In Service (Enter Total lines 117 thru 120)			279,223,707	6,102,347

Name of Respondent		This Report Is:	Date of Report	Year Ending	
Chattanooga Gas Company		X An Original A resubmission		December 31, 2018	
GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at End of Year		Line No.
(d)	(e)	(f)	(g)		
				367	82
				368	83
				369	84
				370	85
				371	86
					87
					88
			787,889	374	89
			337,439	375	90
(12,213)			135,975,166	376	91
			-	377	92
			1,678,199	378	93
			2,732,526	379	94
(225,579)			64,011,132	380	95
(82,458)			17,718,059	381	96
(407)			3,881,714	382	97
			5,355,873	383	98
			736,814	384	99
			138,553	385	100
			16,919	386	101
			446,592	387	102
(320,657)			233,816,875		103
					104
			99,157	389	105
		(324,370)	0	390	106
(1,329,286)			9,017,631	391	107
(99,888)			1,926,081	392	108
			17,547	393	109
(34,610)			404,167	394	110
			0	395	111
			452,465	396	112
			442,840	397	113
			191,236	398	114
(1,463,784)		(324,370)	12,551,124		115
				399	116
(1,463,784)		(324,370)	12,551,124		117
(2,209,750)		-	283,116,304		118
					119
					120
					121
(2,209,750)			283,116,304		122

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Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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GAS PROPERTY AND CAPACITY LEASED FROM OTHERS

1. Report below the information called for concerning gas property and capacity leased from others for gas operations. 2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, provide in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments For 2018 (Current Year) (d)
1				
2	ARI		Vehicles	26,357
3				
4	Wheels, Inc.		Vehicles	60
5				
6	Dillard Partnership		Chattanooga Service Center	152,649
7				
8	David Conley		Cleveland Service Center	7,800
9				
10				
11				
12				
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41				
42				
43				
44				
45	TOTAL			186,866

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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CONSTRUCTION WORK IN PROGRESS (ACCOUNT 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
 3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Mandatory Projects	4,295,280	
2	Support Projects	16,098,948	
3	Gas Operations	4,928,496	
4	Fleet	492,079	
5	New Business Projects	365,163	
6	Information Tech Projects	122,222	
7	Strategic Projects	2,560,651	
8	Corrosion Projects	319,295	
9	Minor Projects	190,878	
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
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36			
37			
38			
39			
40			
41			
42			
43	TOTAL	29,373,012	

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. (a) Capitalized overheads include Administrative and General Salaries, Office Supplies and Expenses, Employee Pensions and Benefits.
- (b) (1) Administrative and General Salaries and Office Supplies and Expenses are capitalized on the basis of the ratio of construction payroll to total company payroll excluding Administrative and General Salaries, for twelve months ended 12/31/2018.
 $E = F \times G$
 Where:
 $E =$ Monthly A & G Salaries and Supplies Capitalized*
 $F =$ Current month actual A & G Salaries and Supplies
 $G =$ A & G Capitalization Ratio
 *E is allocated to Construction Work In Progress on the basis of the percentage calculated by dividing the current month's total amount to be capitalized by the current month's total charges to construction. E is distributed to all projects having charges for the current month at a uniform percentage.
- (2) Employee Pensions and Benefits are capitalized monthly, using the following formula, and data for the twelve months ended 12/31/18:
 $A = (B/C \times D)$
 Where:
 $A =$ Monthly Employee Pensions and Benefits Capitalized
 $B =$ Employee Pensions and Benefits Expense
 $C =$ Total Company Payroll
 $D =$ Current Month Construction Payroll (including Administrative and General Salaries Capitalized)
- (3) Engineering Costs--a predetermined percentage of expense for certain engineering departments.
- (c) Amounts computed under (b)(2) are distributed to Construction Work in Progress on the basis of a percentage calculated by dividing the amount to be capitalized by the current month payroll charges to construction. Engineering Costs are allocated to projects based on the percentage of each project's expenditure to total.
- (d) A&G Salaries, Office Supplies & Expenses, and Employee Benefits are distributed to all jobs having payroll charges for the current month at a uniform percentage. Engineering costs are allocated based on the percentage of capital expenditure for each project to total.
- (e) No differentiation for A&G Salaries, Office Supplies & Expenses, and Employee Benefits and Pensions. Engineering costs are allocated to mandatory, new business, and support projects.
- (f) Indirectly assigned.
 The annual rate used for capitalizing the allowance for funds used during construction was 7.36 percent determined on the basis of the approximate cost of capital employed to finance the construction program. AFUDC is calculated on all eligible charges based on the eligible project types and activities. AFUDC eligible projects do not have requirements for minimum dollar amount or time to complete; therefore, AFUDC is calculated on all eligible charges beginning on the first month incurred until the month that the charges are cleared from the project by entering and closing a completion report in the Project Costing system. The AFUDC rate is equal to the authorized cost of capital in effect during the year. The calculation is as follows:
 $(a) ((\text{Current Monthly Expenditures} \times .0711/12) / 2) + ((\text{Cumulative Expenditures} \times .0741/12)/10)$
2. Not applicable.
3. Not applicable.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line (5), column (d) below, enter the rate granted in the last rate preceding. If not available, use the average rate earned during the preceding 3 years.

1. Components of Formula (derived from actual balances and actual cost rates):

Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
(1) Average Short-Term Debt	S	6.30%	
(2) Short-Term Interest			s 3.01%
(3) Long-Term Debt	D	44.47%	d 4.73%
(4) Preferred Stock	P	0.00%	p 0.00%
(5) Common Equity	C	49.23%	c 9.80%
(6) Total Capitalization		100.00%	
(7) Average Construction Work in Progress Balance	W		

2. Gross Rate for Borrowed Funds $s(S/W) + d((D/(D+P+C))(1-(S/W)))$

3. Rate for Other Funds $[1-(S/W)][p(P/(D+P+C)) + c(C/(D+P+C))]$

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds - 2.71%
 b. Rate for Other Funds - 4.65%

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of gas plant retired at year end which has not been recorded and/or classified to the various reserve function classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
Section A. Balances and Changes During Year					
1	Balance Beginning of Year	128,142,984	128,142,984		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	7,288,953	7,288,953		
4	(403.1) Depreciation Expense for Asset Retirements Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify): Adjustments				
8.01	Provision for Additions to Leased Property				
9	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8.)	7,288,953	7,288,953	(1)	
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(2,209,750)	(2,209,750)		
12	Cost of Removal	(429,193)	(429,193)		
13	Salvage (Credit)	28,695	28,695		
14	TOTAL Net Chrgs. for Plant Ret. (Total of lines 11 thru 13)	(2,610,248)	(2,610,248)		
15	Other Debit or Credit Items (Reclass of Amortizable Assets):	0	0		
	Change in Account Reserve for Amortization Adjustment				
15.01	Acquisition costs	0	0		
15.02	Transfers and Adjustments	5,633	5,633		
16	Balance End of Year (Total of lines 1,9,14,15 to 15.2)	132,827,322	132,827,322		
Section B. Balances at End of Year According to Fuctional Classifications					
17	Production-Manufactured Gas				
18	Prod. and Gathering-Natural Gas				
19	Products Extraction-Natural Gas				
20	Underground Gas Storage				
21	Other Storage Plant	14,672,330	14,672,330		
22	Base Load LNG Terminaling and Processing Plant				
23	Transmission				
24	Distribution	107,042,110	107,042,110		
25	General	11,112,882	11,112,882	(2)	
26	TOTAL (Total of lines 17 thru 25)	132,827,322	132,827,322		

(1) Depreciation provision excludes \$480,261 of expense allocation retained in AGL Services Company reserve balances

(2) Includes \$4,717,680 of acquisition adjustment accumulated amortization

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report	Year Ending December 31, 2018
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GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment charged and credited.

2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					\$ 6,389,724	\$ 4,741,053		\$ 11,130,777
2	Gas Delivered to Storage (4)					\$ 9,430,003	\$ 3,776,547		\$ 13,206,550
3	Gas Withdrawn from Storage					\$ 8,974,229	\$ 3,503,172		\$ 12,477,401
4	Other Debits and Credits (5)					\$ (297,138)	\$ -		\$ (297,138)
5	Balance at End of Year					\$ 6,548,360	\$ 5,014,428		\$ 11,562,788
6	Dth					2,231,736	1,155,872		3,387,608
7	Amount Per Dth					\$ 2.93	\$ 4.34		\$ 3.41

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1. No adjustments.
2. Not applicable.
3. Inventories are stated at weighted average cost of gas. All Gas stored is classified as a current asset.
4. Includes net cash out transactions
5. Includes the following asset optimization balance:

	Natural Gas	LNG	TOTAL
Beginning Balance	\$ 349,056	-	349,056
Activity for Year	\$ (297,138)	-	(297,138)
Ending Balance	\$ 51,918	-	51,918

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid SGA Dues	47
2	Prepaid Honeywell Software Maintenance	9,742
3	Prepaid Tennessee One-Call Services	65,412
4	Prepaid Taxes	2,701,658
5	TOTAL	2,776,859

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
1	None						
2							
3							
4							
5							
6							
7							
8							
9							
10	TOTAL						

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of unrecovered Plant and Regulatory Study Costs [Include in the description of costs the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with next row number after the last row number used for extraordinary property losses. (a)	Balance Beginning of Year (b)	Total Amount of Charges (c)	Cost Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
1	None						
2							
3							
4							
5							
6							
7							
8							
9							
10	TOTAL						

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OTHER REGULATORY ASSETS (ACCOUNT 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350 - 351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debits/(Credits) (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Alignment and Usage Adjustment (AUA) (1)	711,788	1,299,119	480,481	2,010,907	-
2	Rate Case Expense	321,468	1,563,686	928	684,878	1,200,276
3	Vacation Reg Asset (2)	-	400,036	232,236,242	171,690	228,346
4						
5						
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31						
32	(1) The AUA ended as a result of the rate case settlement. See page 122 for additional information.					
33						
34	(2) Effective January 1, 2018 the Company conformed its paid time off policy to align with Southern Company. Under the new policy, paid time off days are vested by the employee on the first day of each year and will continue to be recovered through rates on an as-paid basis.					
35						
36						
37						
38						
39						
40	TOTAL	1,033,256	3,262,841		2,867,475	1,428,622

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ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.
3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	2,592,857		110,422
4	Other (Define)			
5	Total (Total of lines 2 thru 4)	2,592,857		110,422
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6.02)	2,592,857		110,422
8	Classification of TOTAL			
9	Federal Income Tax	356,494		
10	State Income Tax	2,236,363		110,422
11	Local Income Tax			

Excess Deferred Amort. - Pre-Tax Reform 18,234

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)

4. If more space is needed, use separate pages as required. 5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other."

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
		283	12,593		972,909	1,742,963	3
							4
		283	12,593		972,909	1,742,963	5
							6
							6.01
							6.02
		283	12,593		972,909	1,742,963	7
							8
		283	12,593	165	356,494	12,593	9
				OCI, 254	616,415	1,730,370	10
							11

	Debits	Credits	
	OCI	\$160,879	
State Tax Rate Change to Statutory		455,536	
Reclass between 190/283		356,494	283
2017 Tax Return True-up - Excess Deferred	388		254
Other	12,205		
	<u>12,593</u>	<u>972,909</u>	

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CAPITAL STOCK (ACCOUNTS 201 AND 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1				
2	Common Stock			
3	Common	1,000,000	1.00	
4	Total Common Stock	1,000,000	1.00	
5				
6				
7				
8	None			
9				
10				
11				
12				
13	Total Preferred Stock			
14				
15				
16				
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CAPITAL STOCK (ACCOUNTS 201 AND 204) (Continued)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.

6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
10,000	10,000		2,363,278			3
10,000	10,000		2,363,278			4
None						5
						6
						7
						8
						9
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**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK
(ACCOUNTS 202, 203, 205, 206, 207, and 212)**

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, *Common Stock Subscribed*, and Account 205, *Preferred Stock Subscribed*, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, *Common Stock Liability for Conversion*, or Account 206, *Preferred Stock Liability for Conversion*, at the end of year.
4. For Premium on Account 207, *Capital Stock*, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	*	Number of Shares (c)	Amount (d)
1	<u>Premium on Capital Stock Account 207:</u>			
2	Premium on Common Stock		10,000	71,428,543
3				
4				
5				
6				
7				
8				
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11				
12				
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25	TOTAL		10,000	71,428,543

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OTHER PAID-IN CAPITAL (ACCOUNTS 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) *Donations Received from Stockholders (Account 208)* - State amount and briefly explain the origin and purpose of each donation.

(b) *Reduction in Par or Stated Value of Capital Stock (Account 209)* - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) *Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)* - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) *Miscellaneous Paid-In Capital (Account 211)* - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	<u>Account 211 - Miscellaneous Paid-In Capital</u>	
2	Beginning of year	187,472
3		
4	Activity during the year	525,740
5		
6	End of year	713,212
7		
8		
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40	Total	713,212

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LONG-TERM DEBT (ACCOUNTS 221, 222, 223, AND 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, *Bonds*, 222, *Reacquired Bonds*, 223, *Advances from Associated Companies*, and 224, *Other Long-Term Debt*.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange of Issue	Nominal Date of Issue	Date of Maturity	Outstanding (Total amount outstanding without reduction for amounts held by respondent)
	(a)	(b)	(c)	(d)
1	Affiliate Promissory Note (1)	12/31/2008	12/30/2038	70,454,400
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
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33				
34	(1) Note issued and adjusted periodically to attain target capitalization ratios consistent with capital structure authorized in Tennessee Regulatory Authority Docket 18-00017.			
35				
36				
37				
38				
39				
40	TOTAL			70,454,400

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LONG-TERM DEBT (ACCOUNT 221, 222, 223, and 224) (Continued)

5. In a supplement statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, *Interest on Long-Term Debt* and Account 430, *Interest on Debt to Associated Companies*.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year	Line No.
Rate (in %)	Amount	Reacquired Bonds (Account 222)	Sinking and Other Funds		
(e)	(f)	(g)	(h)	(i)	
4.70% (2)	2,655,842				1
					2
					3
					4
					5
					6
					7
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(2) Interest rate is as of December 31, 2018	2,655,842				40

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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as return were to be filed, indicating, however, intercompany amounts to be practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	DETAILS (a)	Amount (b)
1	Net Income for the Year (Page 116)	3,059,410
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Tax	150,909
11	Meals And Entertainment	11,387
12	Club Dues	2,340
13	Lobbying Expenses	2,174
14	Pension	51,781
15	Accrued Bonus	73,447
16	Bad Debt Reserve	10,148
17	Retiree Medical Benefits	2,129,370
18	Medical Insurance Claims	35,842
19	Depreciation	503,629
20	Income Recorded on Books Not Included in Return	
21		
22		
23	Deductions on Return Not Charged Against Book Income	
24	Deferred Revenue - PPA	750
25	State Income Tax Deduction	474,632
26	Rate Case	878,809
27	Federal NOL Carryforward (Reclass from Deferred to Current Tax expense)	516,247
28	Ad Valorem tax Equalization	250,098
29		
30	Federal Tax Net Income	3,909,901
31	Show Computation of Tax:	
32	Tax @ 21%	821,079
33	Prior Year Adjustments	1,438,491
34	Total Current Federal Income Tax before NOL Reclass to Deferred Income Tax Expense	2,259,570
35	NOL Reclass to Deferred Income Tax Expense	-
36	Total Current Federal Income Tax after NOL Reclass to Deferred Income Tax Expense	2,259,570
37		
38		
39		

(1) Agrees to reconciliation of income taxes per the Statement of Income on Page 114-A.

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Federal		
2	Income		2,433,895
3			
4	Payroll:		
5	Fed withholding Taxes		
6	Unemployment		
7	FICA & Medicare	9,559	
8			
9	State & County		
10	Income		874,995
11	Property	2,692,089	
12	Gross Receipts tax and Franchise Fee	983,352	
13	Unemployment		
14			
15	Local		
16	Franchise	259,254	
17	TOTAL	3,944,254	3,308,890

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (i)	Other Utility Department (Account 408.1, 409.1) (j)	Other Income and Deductions (Account 408.2, 409.2) (k)
1				
2	Federal income tax	2,087,873		171,697
3	State income tax	668,835		(430)
4				
5	Fed withholding Taxes	379,178		
6	Unemployment	1,996		
7	FICA & Medicare	258,156		
8	Unemployment			
9				
10	Property	1,950,000		
11	Gross Receipts tax and Franchise Fees	757,008		
12	Franchise	404,000		
13				
14				
15	TOTAL	6,507,046		171,267

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2018	Year Ending December 31, 2018
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Included in Acct 165) (h)	
2,259,570	(2,185,337)	248,082		2,111,580	1
					2
					3
					4
379,178	(379,178)	5,987		5,987	5
1,996	(1,989)		7		6
258,156	(242,182)		25,533		7
					8
					9
668,405	(377,489)	1		584,078	10
1,950,000	(1,994,437)	6	2,647,658		11
757,008	(1,007,106)		733,254		12
		13			13
					14
					15
404,000			663,254		16
6,678,313	(6,187,718)	254,089	4,069,706	2,701,658	17

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
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				12
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				14
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Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the

2. Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at end of Year (b)
1	Unclaimed Customer Credits and Checks	86,204
2	Franchise Requirements	620,235
3	Company Savings/Retirement Match	7,112
4	Interruptible Margin Credit Rider	2,002,141
5		
6		
7		
8		
9		
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39		
40	TOTAL	2,715,692

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OTHER DEFERRED CREDITS (ACCOUNT 253)

1. Report below the details called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Market access fee for Pivotal Home Solutions	750	923	750	-	-
2						
3						
4						
5						
6						
7						
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39						
40	TOTAL	750		750		-

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ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.

2. For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Accounts 410.1 and 411.1 (c)	Amounts Credited (d)
1	Account 282			
2	Electric			
3	Gas	22,763,294	108,505	(89,628)
4	Other (Define)			
5	Total (Total of lines 2 thru 4)	22,763,294	108,505	(89,628)
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 282 (Total of lined 5 thru 6.02)	22,763,294	108,505	(89,628)
8	Classification of TOTAL			
9	Federal Income Tax	22,245,758	-	(89,628)
10	State Income Tax	7,238,809	108,505	-
11	Regulatory Tax Reclass	(6,721,273)	-	-
12	Local Income Tax			

Excess Deferred Amort. - Protected - Federal	362,535
Excess Deferred Amort. - Protected - State	68,074

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282) (Continued)

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02 and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
		254	3,799,582	254	1,980,808	21,142,653	3
							4
		254	3,799,582	254	1,980,808	21,142,653	5
							6
							6.01
							6.02
		254	3,799,582	254	1,980,808	21,142,653	7
							8
			1,226,684	254 (1)	1,980,808	23,089,510	9
		254	1,988,402	(1)		5,358,912	10
		254	584,496	(1)		(7,305,769)	11
							12

	Debits	Credits
State Tax Rate Change to Statutory	1,104,759	
2017 Tax Return True-up - Excess Deferred	147,558	254
Change in and Amortization of Tax Gross-up	2,547,265	1,974,622
Other		6,186
	3,799,582	1,980,808

(1) Regulatory liability true-up and rate change from effective tax rate to statutory tax rate of 6.5%.

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ACCUMULATED DEFERRED INCOME TAXES-OTHER (ACCOUNT 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283. 2. For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 and 411.1 (c)	Amounts Credited (d)
1	Account 283			
2	Electric			
3	Gas	1,884,451		1,879,506
3.01				
4	Other (Define)			
5	Total (Total of lines 2 thru 4)	1,884,451		1,879,506
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 283 (Total of lined 5 thru 6.02)	1,884,451		1,879,506
8	Classification of TOTAL			
9	Federal Income Tax			
9.01	Federal Income Tax	1,884,451		1,879,506
10	State Income Tax			
10.01	State Income Tax			
11	Local Income Tax			

Excess Deferred Amortization - Unprotected	500,995
Excess Deferred Amortization - Pre-Tax Reform	35,433

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ACCUMULATED DEFERRED INCOME TAXES-OTHER (ACCOUNT 283) (Continued)

3. Provide in a footnote explanations for pages 276 and 277. Include amounts relating to insignificant items listed under Other.

4. Add additional rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence 4.01, 4.02, and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)	(k)	
							1
							2
		254	753,723	Various	1,329,388	580,610	3
							3.01
							4
		254	753,723	Various	1,329,388	580,610	5
							6
							6.01
							6.02
		254	753,723	Various	1,329,388	580,610	7
							8
							9
		254	753,723	Various	1,329,388	580,610	9.01
							10
							10.01
							11

	Debits	Credits	
OCI		\$462,162	
Reclass between 190/283	356,494		283
2017 Tax Return True-up - Excess Deferred		843,752	254
Reclass between 236/283	248,082		165/236
Change in Tax Gross-up	149,147		254
Other		<u>23,474</u>	
	<u>753,723</u>	<u>1,329,388</u>	

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OTHER REGULATORY LIABILITIES (ACCOUNT 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Account Debited (c)	Amount (d)		
1	Regulatory Tax Liability (1)	22,680,446	254	2,534,280	2,851,688	22,997,854
2	Deferred Purchased Gas Adjustment	1,868,881	254	155,807		1,713,074
3	Tax Reform Reserve (2)	-		-	1,637,787	1,637,787
4						
5						
6						
7						
8	Note (1) :					
9	Excess deferred amortization - protected is \$430,609.					
10	Excess deferred amortization - unprotected is \$554,662.					
11	Other Excess Deferred Adjustments include the 2017 remeasurement of deferred income taxes of (\$695,806).					
12	Excess deferred income taxes - Protected @ 12/31/2018 is \$15,650,615.					
13	Excess deferred income taxes - Unprotected @ 12/31/2018 is \$1,439,603.					
14						
15	(2) In accordance with an order from the Tennessee Public Utility Commission, Chattanooga Gas is tracking as a regulatory liability the decreased					
16	federal income taxes resulting from the Tax Cuts and Jobs Act.					
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46	TOTAL	24,549,327		2,690,087	4,489,475	26,348,715

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GAS OPERATING REVENUES

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480-484 Sales				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL:				

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GAS OPERATING REVENUES (Continued)

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS	
Amount for Current Year (F)	Amount for Previous Year (G)	Amount for Current Year (H)	Amount for Previous Year (I)	Amount for Current Year (J)	Amount for Previous Year (K)
67,728,565	60,984,630	67,728,565	60,984,630	8,188,561	6,919,534
531,136	318,582	531,136	318,582		
321,872	264,172	321,872	264,172		
7,932,943	7,672,932	7,932,943	7,672,932	7,580,498	6,936,816
997,777	135,614	997,777	135,614		
77,512,293	69,375,930	77,512,293	69,375,930		
77,512,293	69,375,930	77,512,293	69,375,930		

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OTHER GAS REVENUES (ACCOUNT 495)

1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies,

sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.

Line No.	Description of Transaction (a)	Revenues - Current Year (in dollars) (b)	Revenues - Prior Year (in dollars) (b)
1	Other Revenues-ACA Surcharges (1)	-	-
2	Gas Management fees (2)	-	(10)
3	Damage Billing - Mains (2)	-	49,250
4	Damage Billing - Services (2)	-	84,841
5	Lost and Unaccounted For Gas (2)	-	1,533
6	Revenue - Franchise Collected (3)	2,635,564	
7	Refunds and Recoveries (4)	(1,637,787)	
8			
9			
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11			
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21			
22			
23			
24	TOTAL	997,777	135,614

- (1) During 2017 ACA Surcharges were recorded in account 401 - Operating Expenses
- (2) Effective 1/1/18 the Gas Management fees, Damage Billing – Mains, and Damage Billing – Services were discontinued being recorded in the "Service Fees – Other Revenue" section in the margin and started being billed in the Damage billing – Gas and Non-Gas accounts in the Operating expenses section as expense reductions.
- (3) Up until 12/31/17, franchise fees were recorded on the balance sheet. Effective 1/1/18 per the new revenue recognition rule, franchise fees are recorded/recognized in margin revenue with an offsetting expense.
- (4) In accordance with an order from the Tennessee Public Utility Commission, Chattanooga Gas is tracking as a regulatory liability the decreased federal income taxes resulting from the Tax Cuts and Jobs Act.

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DISCOUNTED RATE SERVICES AND NEGOTIATED RATE SERVICES

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Other gas revenue at negotiated rates	\$ -	-	\$ 1,181,458	1,030,050
2					
3					
4					
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21					
22					
23					
24					
25	TOTAL	\$ -	-	\$ 1,181,458	1,030,050

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GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.		2. Provide in footnotes the sources of the index used to determine the price for gas supplied by shippers as reflected on line 74.		
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	-	-	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering	-	-	
8	751 Production Maps and Records	-	-	
9	752 Gas Well Expenses	-	-	
10	753 Field Lines Expenses	-	-	
11	754 Field Compressor Station Expenses	-	-	
12	755 Field Compressor Station Fuel and Power	-	-	
13	756 Field Measuring and Regulating Station Expense	-	-	
14	757 Purification Expenses	-	-	
15	758 Gas Well Expenses	-	-	
16	759 Other Expenses	-	-	
17	760 Rents	-	-	
18	TOTAL Operation (Total of lines 7 thru 17)	-	-	
19	Maintenance			
20	761 Maintenance Supervision and Engineering	-	-	
21	762 Maintenance of Structures and Improvements	-	-	
22	763 Maintenance of Producing Gas Wells	-	-	
23	764 Maintenance of Field Lines	-	-	
24	765 Maintenance of Field Compressor Station Equipment	-	-	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	-	-	
26	767 Maintenance of Purification Equipment	-	-	
27	768 Maintenance of Drilling and Cleaning Equipment	-	-	
28	769 Maintenance of Other Equipment	-	-	
29	TOTAL Maintenance (Total of line 20 thru 28)	-	-	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 thru 29)	-	-	

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	-	-	
34	771 Operation Labor	-	-	
35	772 Gas Shrinkage	-	-	
36	773 Fuel	-	-	
37	774 Power	-	-	
38	775 Materials	-	-	
39	776 Operation Supplies and Expenses	-	-	
40	777 Gas Processed by Others	-	-	
41	778 Royalties on Products Extracted	-	-	
42	779 Marketing Expenses	-	-	
43	780 Products Purchased for Resale	-	-	
44	781 Variation in Products Inventory	-	-	
45	(Less) 782 Extracted Products Used by the Utility - Credit	-	-	
46	783 Rents	-	-	
47	TOTAL Operation (Total of lines 33 thru 46)	-	-	
48	Maintenance			
49	784 Maintenance Supervision and Engineering	-	-	
50	785 Maintenance of Structures and Improvements	-	-	
51	786 Maintenance of Extraction and Refining Equipment	-	-	
52	787 Maintenance of Pipe Lines	-	-	
53	788 Maintenance of Extracted Products Storage Equipment	-	-	
54	789 Maintenance of Compressor Equipment	-	-	
55	790 Maintenance of Gas Measuring and Reg. Equipment	-	-	
56	791 Maintenance of Other Equipment	-	-	
57	TOTAL Maintenance (Total of lines 49 thru 56)	-	-	
58	TOTAL Products Extraction (Total of lines 47 thru 57)	-	-	

Name of Respondent		This Report Is:	Date of Report	Year Ending
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals	-	-	
62	796 Nonproductive Well Drilling	-	-	
63	797 Abandoned Leases	-	-	
64	798 Other Exploration	-	-	
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	-	-	
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases	-	-	
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	-	-	
70	801 Natural Gas Field Line Purchases	-	-	
71	802 Natural Gas Gasoline Plant Outlet Purchases	-	-	
72	803 Natural Gas Transmission Line Purchases	-	-	
73	804 Natural Gas City Gate Purchases	43,775,526	38,190,024	
74	804.1 Liquefied Natural Gas Purchases	-	-	
75	805 Other Gas Purchases (Environmental Response Cost Recoveries)	-	-	
76	(Less) 805.1 Purchases Gas Cost Adjustments	-	-	
77	TOTAL Purchased Gas (Enter Total of lines 68 to 76)	43,775,526	38,190,024	
78	806 Exchange Gas			
79	Purchased Gas Expenses			
80	807.1 Well Expense-Purchased Gas	-	-	
81	807.2 Operation of Purchased Gas Measuring Stations	-	-	
82	807.3 Maintenance of Purchased Gas Measuring Stations	-	-	
83	807.4 Purchased Gas Calculations Expenses	-	-	
84	807.5 Other Purchased Gas Expenses	38,327	8,680	
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	38,327	8,680	

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit	-	-	
87	(Less) 808.2 Gas Delivered to Storage-Credit	-	-	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Credit	-	-	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	-	-	
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	-	-	
92	811 Gas Used for Products Extraction-Credit	-	-	
93	812 Gas Used for Other Utility Operations-Credit	-	-	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	-	-	
95	813 Other Gas Supply Expenses	-	-	
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)	43,813,853	38,198,704	
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)	43,813,853	38,198,704	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	-	-	
102	815 Maps and Records	-	-	
103	816 Wells Expense	-	-	
104	817 Lines Expense	-	-	
105	818 Compressor Station Expenses	-	-	
106	819 Compressor Station Fuel and Power	-	-	
107	820 Measuring and Regulating Station Expenses	-	-	
108	821 Purification Expenses	-	-	
109	822 Exploration and Development	-	-	
110	823 Gas Losses	-	-	
111	824 Other Expenses	-	-	
112	825 Storage Well Royalties	-	-	
113	826 Rents	-	-	
114	TOTAL Operation (Enter Total of lines 101 thru 113)	-	-	

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year (b)	Amount for Previous Year (c)
	(a)			
115	Maintenance			
116	830	Maintenance Supervision and Engineering	-	-
117	831	Maintenance of Structures and Improvements	-	-
118	832	Maintenance of Reservoirs and Wells	-	-
119	833	Maintenance of Lines	666	-
120	834	Maintenance of Compressor Station Equipment	-	-
121	835	Maintenance of Measuring and Regulating Station Equipment	-	-
122	836	Maintenance of Purification Equipment	-	-
123	837	Maintenance of Other Equipment	-	-
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)		666	-
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		666	-
126	B. Other Storage Expenses			
127	Operation			
128	840	Operation Supervision and Engineering	15,325	12,581
129	841	Operation Labor and Expenses	428,696	338,787
130	842	Rents	-	-
131	842.1	Fuel	-	-
132	842.2	Power	-	-
133	842.3	Gas Losses	-	-
134	TOTAL Operation (Enter Total of lines 128 thru 133)		444,021	351,368
135	Maintenance			
136	843.1	Maintenance Supervision and Engineering	-	-
137	843.2	Maintenance of Structures and Improvements	-	-
138	843.3	Maintenance of Gas Holders	34,410	24,965
139	843.4	Maintenance of Purification Equipment	1,789	1,159
140	843.5	Maintenance of Liquefaction Equipment	109,661	108,557
141	843.6	Maintenance of Vaporizing Equipment	65,957	22,484
142	843.7	Maintenance of Compressor Equipment	79,512	111,272
143	843.8	Maintenance of Measuring and Regulating Equipment	-	-
144	843.9	Maintenance of Other Equipment	167,141	80,079
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)		458,470	348,516
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)		902,491	699,884

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	-	-	
150	844.2 LNG Processing Terminal Labor and Expenses	-	-	
151	844.3 Liquefaction Processing Labor and Expenses	-	-	
152	844.4 Liquefaction Transportation Labor and Expenses	-	-	
153	844.5 Measuring and Regulating Labor and Expenses	-	-	
154	844.6 Compressor Station Labor and Expenses	-	-	
155	844.7 Communication System Expenses	-	-	
156	844.8 System Control and Load Dispatching	-	-	
157	845.1 Fuel	-	-	
158	845.2 Power	-	-	
159	845.3 Rents	-	-	
160	845.4 Demurrage Charges	-	-	
161	(less) 845.5 Wharfage Receipts-Credit	-	-	
162	845.6 Processing Liquefied or Vaporized by Others	-	-	
163	846.1 Gas Losses	-	-	
164	846.2 Other Expenses	-	-	
165	TOTAL Operation (Total lines 149 thru 164)	-	-	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	-	-	
168	847.2 Maintenance of Structures and Improvements	-	-	
169	847.3 Maintenance of LNG Processing Terminal Equipment	-	-	
170	847.4 Maintenance of LNG Transportation Equipment	-	-	
171	847.5 Maintenance of Measuring and Regulating Equipment	-	-	
172	847.6 Maintenance of Compressor Station Equipment	-	-	
173	847.7 Maintenance of Communication Equipment	-	-	
174	847.8 Maintenance of Other Equipment	-	-	
175	TOTAL Maintenance (Total of lines 167 thru 174)	-	-	
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)	-	-	
177	TOTAL Natural Gas Storage (Total of lines 125,146 and 176)	903,157	699,884	

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	-	-	
181	851 System Control and Load Dispatching	-	-	
182	852 Communication System Expenses	-	-	
183	853 Compressor Station Labor and Expenses	-	-	
184	854 Gas for Compressor Station Fuel	-	-	
185	855 Other Fuel and Power for Compressor Stations	-	-	
186	856 Mains Expenses	280	-	
187	857 Measuring and Regulating Station Expenses	-	-	
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses	-	-	
190	860 Rents	-	-	
191	TOTAL Operation (Total of lines 180 thru 190)	280	-	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	-	-	
194	862 Maintenance of Structures and Improvements	-	-	
195	863 Maintenance of Mains	-	-	
196	864 Maintenance of Compressor Station Equipment	-	-	
197	865 Maintenance of Measuring and Reg. Station Equipment	-	-	
198	866 Maintenance of Communication Equipment	-	-	
199	867 Maintenance of Other Equipment	-	-	
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	-	-	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	280	-	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	134,124	132,286	
205	871 Distribution Load Dispatching	8,119	11,067	
206	872 Compressor Station Labor and Expenses	267	-	
207	873 Compressor Station Fuel and Power	-	-	

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
208	874	Mains and Services Expenses	1,029,441	1,054,052
209	875	Measuring and Regulating Station Expenses-General	39,631	43,102
210	876	Measuring and Regulating Station Expenses-Industrial	-	12
211	877	Measuring and Regulating Station Expenses-City Gate Check Station	1,439	2,189
212	878	Meter and House Regulator Expenses	451,784	414,223
213	879	Customer Installations Expenses	206,875	172,491
214	880	Other Expenses	79,253	78,302
215	881	Rents	-	-
216	TOTAL Operation (Enter Total of lines 204 thru 215)		1,950,933	1,907,724
217	Maintenance			
218	885	Maintenance Supervision and Engineering	13	-
219	886	Maintenance of Structures and Improvements	-	-
220	887	Maintenance of Mains	596,266	443,407
221	888	Maintenance of Compressor Station Equipment	-	441
222	889	Maintenance of Meas. and Reg. Sta. Equip.-General	95,379	80,483
223	890	Maintenance of Meas. and Reg. Sta. Equip.-Industrial	-	-
224	891	Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	-	426
225	892	Maintenance of Services	215,996	213,664
226	893	Maintenance of Meters and House Regulators	164,227	184,680
227	894	Maintenance of Other Equipment	24	141
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)		1,071,905	923,242
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)		3,022,838	2,830,966
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision	-	-
233	902	Meter Reading Expenses	58,353	66,404
234	903	Customer Records and Collection Expenses	2,595	1,597

Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission		December 31, 2018
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	317,119	137,686	
236	905 Miscellaneous Customer Accounts Expenses	299	330	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	378,366	206,017	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	-	-	
241	908 Customer Assistance Expenses	27,870	3,202	
242	909 Informational and Instructional Expenses	5,788	4,524	
243	910 Miscellaneous Customer Service and Informational Expenses	-	-	
244	TOTAL Customer Service and Information Expenses (lines 240 thru 243)	33,658	7,726	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	-	754	
248	912 Demonstrating and Selling Expenses	9,026	2,022	
249	913 Advertising Expenses	65,705	87,960	
250	916 Miscellaneous Sales Expenses	(30,127)	(28,896)	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	44,604	61,840	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	4,659,140	4,570,041	
255	921 Office Supplies and Expenses	942,210	1,056,096	
256	(Less) (922) Administrative Expenses Transferred-Cr.	(1,063,482)	(917,681)	
257	923 Outside Services Employed	2,380,099	1,132,154	
258	924 Property Insurance	144,171	125,558	
259	925 Injuries and Damages	19,038	82,377	
260	926 Employee Pensions and Benefits	860,483	1,092,279	
261	927 Franchise Requirements	2,635,563	-	
262	928 Regulatory Commission Expenses	687,842	1,142	
263	(Less) 929 Duplicate Charges-Credit	-	-	
264	930.1 General Advertising Expenses	-	-	
265	930.2 Miscellaneous General Expenses	410,054	265,338	
266	931 Rents	353,862	345,387	
	Restructuring	-	-	
	Allocated Costs	-	-	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	12,028,980	7,752,691	
268	Maintenance			
269	932 Maintenance of General Plant	385,201	485,468	
270	TOTAL Administrative and General Exp. (Total of lines 267 and 269)	12,414,181	8,238,159	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251 and 270)	60,610,937	50,243,296	

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Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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EXCHANGE AND IMBALANCE TRANSACTIONS

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges.

If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others		Gas Delivered to Others	
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1	Cashout/imbalance	\$ 301,226	108,186	\$ 11,427	2,881
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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19					
20					
21					
22					
23					
24					
25	TOTAL	\$ 301,226	108,186	\$ 11,427	2,881

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Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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GAS USED IN UTILITY OPERATIONS

1. Report below details of credits during the year to Accounts 810, 811, and 812. 2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (e)	Amount of Credit (f)
1	810 Gas Used for Compressor Station Fuel-Credit	None				
2	811 Gas Used for Products Extraction-Credit	None				
3	Gas Shrinkage and Other Usage in Respondent's Own Processing	None				
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others	None				
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)	921	347	2,103		
6						
7						
8						
9						
10						
11						
12						
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22						
23						
24						
25	TOTAL		347	2,103		

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2)				
1. Provide the information requested below on miscellaneous general expenses.		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Association and Club Dues	53,665		
2				
3	Other Expenses			
4	Fleet Fuel Expense	145,006		
5	Fleet Capitalization	(17,380)		
6	Miscellaneous Expense	120,309		
7	Civic Participation	108,331		
8	Seminar / Conference Fees	123		
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	TOTAL	410,054		

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405) <i>(Except Amortization of Acquisition Adjustments)</i>				
1. Report in Section A the amounts of depreciation expense, depletion and amortization and for the accounts indicated and classified according to the plant functional groups shown.		2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total, (if more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are		
Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant			
2	Production plant, manufactured gas			
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Underground Gas Storage Plant			
6	Other storage plant	893,814		
7	Base load LNG terminaling and processing plant			
8	Transmission plant			
9	Distribution plant	5,185,589		
10	General plant	1,209,550		
11	Common plant-gas	480,261		
12	TOTAL	7,769,214		

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3 405)
(Except Amortization of Acquisition Adjustments) (Continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used

to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
			Intangible plant	1
			Production plant, manufactured gas	2
			Production and gathering plant, natural gas	3
			Products extraction plant	4
			Underground gas storage plant	5
		893,814	Other storage plant	6
			Base load LNG terminating and processing plant	7
			Transmission plant	8
		5,185,589	Distribution plant	9
		1,209,550	General plant	10
		480,261	Common plant - gas	11
		7,769,214	TOTAL	12

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year Ending December 31, 2018
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore		
4	Underground Gas Storage Plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant		
9			
10			
11			
12			
13			
14			
15			

Note: Depreciation is calculated using the half year convention, based on factors for each FERC functional classification listed below multiplied by the depreciable balance for each classification.

Function	Rate
LNG Storage Plant	2.30%
Distribution Plant	2.34%
General Plant	7.37%

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Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<i>(Mo, Da, Yr)</i>	December 31, 2018
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS				
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.</p> <p>(a) <i>Miscellaneous Amortization</i> (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) <i>Miscellaneous Income Deductions</i>-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, <i>Donations</i>; 426.2, <i>Life Insurance</i>; 426.3, <i>Penalties</i>; 426.4, <i>Expenditures for Certain Civic, Political and Related Activities</i>; and 426.5, <i>Other Deductions</i>, of the Uniform System of Accounts.</p> <p>Amounts of less than \$250,000 may be grouped by classes within the above accounts.</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) <i>Other Interest Expense</i> (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.</p>				
Line No.	Item (a)	Amount (b)		
1	(a) <u>Miscellaneous Amortization (Account 425)</u>	-		
2				
3				
4	(b) <u>Miscellaneous Income Deductions (Account 426)</u>			
5	Government Affairs	-		
6	Lobbying - State	-		
7	Fines & Penalties	50,020		
8	Total Miscellaneous Income Deductions	50,020		
9				
10				
11	(c) <u>Interest Income on Receivable from Associated Companies (Account 430)</u>			
12	Money Pool	336,815		
13	Interest on Affiliate Promissory Notes	2,655,842		
14	AGL Service Company - Allocated Cost of Capital	1		
15	Total Interest Income on Receivable from Assoc. Companies	2,992,658		
16				
17				
18	(d) <u>Other Interest Expense (Account 431)</u>			
19	Customers' Deposits	80,176		
20	Interest Expense-Other	225,185		
21	Total Other Interest Expense	305,361		
22				
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Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2018	Year Ending December 31, 2018	
REGULATORY COMMISSION EXPENSES (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.		2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.			
Line No.	Description (Furnish name of regulatory commission or body the docket number, and a description of the case.)	Assessed by Regulatory Commission	Expenses of Utility	Total Expenses to Date	Deferred in Account 182.3 at Beginning of Year
	(a)	(b)	(c)	(d)	(e)
1	Various State Regulatory Dockets and filings		198,630	198,630	
2	TRA--Gross Earnings and Inspection Fee	292,329		292,329	
3	FERC--General		55,703	55,703	
4	Rate Case Docket No. 18-00017	1,886,925		1,886,925	321,468
5	Regulatory Commission Expense-Allocated		1,195	1,195	
6					
7					
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10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
22					
23					
24					
25	TOTAL	2,179,254	255,528	2,434,782	321,468

Name of Respondent Chattanooga Gas Company			This Report Is; <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) December 31, 2018	Year Ending December 31, 2018	
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) period of amortization.			5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.				
4. Identify separately all annual charge adjustments (ACA).			6. Minor items (less than \$250,000) may be grouped.				
EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 182.3 End of Year	Line No.
CHARGED CURRENTLY TO			Deferred to Account 182.3	Contra Account	Amount		
Department	Account No.	Amount					
(f)	(g)	(h)	(i)	(j)	(k)		
	923	198,630					1
	408.1	292,329					2
	923	55,703					3
	928	1,565,457	920,197	928	41,389	1,200,276	4
	928	1,195					5
							6
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							24
		2,113,314			41,389	1,200,276	25

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending December 31, 2018
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EMPLOYEE PENSIONS AND BENEFITS (ACCOUNT 926)

1. Report the items below contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (in dollars) (b)
1		
2	Group Insurance	485,891
3	Pensions	143,589
4	401-K Contributions	208,541
5	Miscellaneous	144,609
6	Post-retirement Benefits Other than Pensions	(122,147)
7		
8		
9		
10		
11		
14		
15		
16		
17		
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39		
40	Total	860,483

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Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2018	Year of Report December 31, 2018
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DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed By Affiliated Companies (c)	Allocation of Payroll Charged to Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maint. (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (Line 6)				
22	Customer Service and Informational (Line 7)				
23	Sales (Line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production-Manufactured Gas				
29	Production-Nat. Gas (Including Expl. and Dev.)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing	422,225	35,095		457,320
32	Transmission	-	10,796		10,796
33	Distribution	1,070,917	9,609		1,080,526
34	Customer Accounts	58,418	221		58,639
35	Customer Service and Informational	364	-		364
36	Sales	-	-		-
37	Administrative and General	906,482	2,315,753		3,222,235
38	TOTAL Operational (Total of lines 28 thru 37)	2,458,406	2,371,474		4,829,880
39	Maintenance				
40	Production-Manufactured Gas				
41	Production-Nat. Gas (Including Expl. and Dev.)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	48,070	16,805		64,875
44	Transmission	-	-		-
45	Distribution	428,717	69		428,786
46	Administrative and General	6,075	1,590		7,665
47	TOTAL Maint. (Total of lines 40 thru 46)	482,862	18,464		501,326

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2018
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed By Affiliated Companies (c)	Allocation of Payroll Charged to Clearing Accounts (d)	Total (e)
	Gas (Continued)				
48	Total Operation and Maintenance	2,941,268	2,389,938		5,331,206
49	Production-Manufactured Gas (Lines 28 and 40)				
50	Production-Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)				
51	Other Gas Supply (Lines 30 and 42)				
52	Storage, LNG Terminating and Processing (Lines 31 and 43)	470,295	51,900		522,195
53	Transmission (Lines 32 and 44)	-	10,796		10,796
54	Distribution (Lines 33 and 45)	1,499,634	9,678		1,509,312
55	Customer Accounts (Line 34)	58,418	221		58,639
56	Customer Service and Informational (Line 35)	364			364
57	Sales (Line 36)	-	-		-
58	Administrative and General (Lines 37 and 46)	912,557	2,317,343		3,229,900
59	TOTAL Operation and M: (Total of lines 49 thru 58)	2,941,268	2,389,938		5,331,206
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	2,941,268	2,389,938		5,331,206
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant				
66	Gas Plant				
67	Other				
68	TOTAL Construction (Total of lines 65 thru 67)				
69	Plant Removal (By Utility Departments)				
70	Electric Plant				
71	Gas Plant				
72	Other				
73	TOTAL Plant Removal (Total of lines 70 thru 72)				
74	Other Accounts (Specify):				
75					
76	Construction Work In Progress	307,165			307,165
77	Accum. Prov. for Depr. Amort. Depl.	4,537			4,537
78	Taxes other than income taxes	244,340			244,340
79	Accumulated provision pensions and benefits	22,144			22,144
80	Misc Other Expenses	(102,340)			(102,340)
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92	TOTAL Other Accounts	475,846			475,846
93	TOTAL SALARIES AND WAGES	3,417,114	2,389,938		5,807,052

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Name of Respondent		This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	December 31, 2018
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
<p>1 Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made</p> <p>for medical and related services) amounting to more than \$10,000, including payments for legislative services, except those which should be reported in Account 426.4 <i>Expenditures for Certain Civic, Political and Related Activities</i>.</p> <p>(a) Name of person or organization rendering services (b) Total charges for the year 2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less 3. Total under a description "Total", the total of all of the aforementioned services. 4. Charges for outside professional services provided by associated (affiliated) companies should be excluded from this</p>				
Line No.	Description	(b)	Amount (in dollars)	(c)
1	HIWASSEE CONSTRUCTION CO INC - Construction Services		6,193,042	
2				
3	PLAYER AND COMPANY - Construction Services		3,286,039	
4				
5	TROY CONSTRUCTION LLC - Construction Services		3,179,989	
6				
7	GAS TRANSMISSION SYSTEMS INC - Engineering Services		1,257,775	
8				
9	MCDANIEL TECHNICAL SERVICES INC - Inspection Services		716,432	
10				
11	USIC LOCATING SERVICES, INC - Locating Services		542,288	
12				
13	SOUTHEAST CONNECTIONS - Construction Services		541,168	
14				
15	JAN X-RAY SERVICES INC-Inspection Services		359,502	
16				
17	DIVERSIFIED UTILITIES SERVICES LLC- Construction Services		287,235	
18				
19	HUNTER UTILITY CONSTRUCTION LLC - Construction Services		245,445	
20				
21	TNT CONCRETE, LLC - Construction Services		238,846	
22				
23	SUBURBAN CONSULTING ENGINEERS - Construction Services		222,675	
24				
25	ASHWORTH HOLDINGS GROUP LLC - Inspection Services		196,416	
26				
27	PHOENIX CONSULTING SERVICES, INC - Consulting		187,919	
28				
29	TDW US INC - Construction Services		185,346	
30				
31	SOUTHERN CROSS CORP. - Leak Surveys		160,846	
32				
33	ABUCK INCORPORATED - Construction Services		156,222	
34				
35	FARMER & LUNA PLLC - Legal Services		144,410	
36				
37	QM3 UTILITY SERVICES, INC - Distribution Maintenance		114,827	
38				
39	GLEEDS USA INC - Consulting		103,576	
40				
41	TROUTMAN SANDERS LLP - Legal Services		93,212	
42				
43	COLLIERS INTERNATIONAL MANAGEMENT - Janitorial Service		91,693	
44				
45	BALY INSULATION SERVICE, INC. - Construction Services		70,049	
46				
47	SHAFFER KLINE & WARREN INC - Consulting Services		69,480	
48				
49	TENNESSEE ONE-CALL SYSTEM, INC. - Locating Services		67,765	
50				
51	QUALITY WELDING & FABRICATING - Construction Services		63,124	
52				
53	BROWN AND CALDWELL - Consulting		55,612	
54				
55	ATMOSPHERIC CORROSION SPECIALISTS INC - Construction Services		55,535	
56				
57	HUNT, GUILLOT & ASSOCIATES, LLC - Engineering Services		54,161	
58				
59	BROADRIDGE OUTPUT SOLUTIONS INC - Printing Services		53,480	
60				
61	AJ IMAGES INC - Printing Services		49,973	
62				
63	COLLIERS FACILITY SOLUTIONS LLC - Janitorial Services		47,782	
64				
65	WOODARD & CURRAN INC - Engineering Services		46,453	
66				
67	CH2M HILL ENGINEERS INC - Engineering Services		46,409	
68				
69	SET ENVIRONMENTAL INC - Engineering Services		43,621	
70				
71	AEROTEK, INC - Staffing Agency		34,006	
72				
73	MCGUIREWOODS LLP - Legal Services		33,164	
74				
75	DYNAMIC RISK ASSESSMENT SYSTEMS INC - Consulting Services		32,538	
76				
77	SSC MID STATES SUPPLY INC - Construction Services		32,294	
78				
79	JACOBS ENGINEERING GROUP, INC - Engineering Services		16,696	
80				
81	KFORCE INC & SUBSIDIARIES - Engineering Services		12,948	
82				
83	DNV GL USA INC - Engineering Services		12,178	
84				
85	BERGER SINGERMAN LLP - Legal Services		12,056	
86				
87	CARBER HOLDINGS INC - Inspection Services		11,540	
88				
89	POND & COMPANY - Engineering Services		11,065	
90				
91	STONE RESOURCE, LLC - Staffing Services		10,855	
92				