
ANNUAL FINANCIAL AND OPERATING REPORT

OF

CHATTANOOGA GAS COMPANY

2207 OLAN MILLS DRIVE
CHATTANOOGA TENNESSEE 37421

TO THE

TENNESSEE REGULATORY AUTHORITY

FOR THE

YEAR ENDED DECEMBER 31, 2016

Name of the officer in charge of correspondence with the Commission regarding this report:	<u>Michael J. Morley</u>
Official Title:	<u>Managing Director, Regulatory Accounting & Reporting</u>
Official Address	<u>10 Peachtree Place NE</u> <u>ATLANTA, GA 30309</u>
Telephone Number:	<u>404-584-4263</u>


**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, 2016
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 2207 Olan Mills Drive, Chattanooga, Tennessee 37421		
05 Name of Contact Person Michael J. Morley	06 Title of Contact Person Managing Director, Regulatory and Accounting and Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) Ten Peachtree Place NE, Atlanta, Georgia, 30309		
08 Telephone of Contact Person, Including Area Code 404-584-4530	09 This Report Is <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) June 26, 2017

ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

01 Name Grace A. Kolvereid	02 Title Senior Vice President, Accounting
03 Signature 	04 Date Signed (Mo, Da, Yr) 6/21/17
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.	

 my commission expires:
October 13, 2019

DIONE EDWARDS
Notary Public
Gwinnett County, Georgia
My Commission Expires
October 13, 2019

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) June 26, 2017	Year of Report December 31, 2016
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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."

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LIST OF SCHEDULES (Natural Gas Company) (Continued)

(a) Title of Schedule	(b) Reference Page No.	(c) Date Revised	(d) Remarks
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Stockholders' Reports (check appropriate box)	-		
<input type="checkbox"/> Four copies will be submitted.			
<input checked="" type="checkbox"/> No annual report to stockholders is prepared. However, copies of Southern Company Gas' 2016 Annual Report on Form 10-K are submitted to the Tennessee Regulatory Authority with the filing of Chattanooga Gas' 2016 Annual Financial and Operating Report.			

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> June 26, 2017	Year of Report December 31, 2016
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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, Accounting
Southern Company Gas
Ten 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?

N/A - Chattanooga Gas Company is not required to prepare audited financial statements.

Name of Respondent Chattanooga Gas Company	This Report Is:	Date of Report	Year of Report
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) June 26, 2017	December 31, 2016

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				

(*) On July 1, 2016, Southern Company Gas (formerly known as AGL Resources Inc.) completed its merger with The Southern Company. In accordance with the Merger Agreement, a wholly-owned, direct subsidiary of The Southern Company merged with and into Southern Company Gas, with Southern Company Gas surviving as a wholly-owned, direct subsidiary of The Southern Company. Chattanooga Gas Company continues to be a wholly-owned subsidiary of Southern Company Gas.

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> June 26, 2017	Year of Report December 31, 2016
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CORPORATIONS CONTROLLED BY RESPONDENT

- | | |
|---|--|
| 1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote. | 3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests. |
| 2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved. | 4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control. |

DEFINITIONS

- | | |
|---|--|
| 1. See the Uniform System of Accounts for a definition of control. | 4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party. |
| 2. Direct control is that which is exercised without interposition of an intermediary. | |
| 3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control. | |

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	None				
2					
3					
4					
5					

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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) June 26, 2017	Year of Report December 31, 2016
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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.

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

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.

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:

August 31, 2016
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 Ten Peachtree Place NE Atlanta, GA 30309 2. Not Applicable 3. Not Applicable 4. Not Applicable	10,000	10,000		
9					
10					
11					
12					
13					
14					
15					
16					
17					

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) June 26, 2017	Year of Report December 31, 2016
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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. On July 1, 2016, Southern Company Gas (formerly known as AGL Resources Inc.) completed its previously announced merger with The Southern Company. In accordance with the Merger Agreement, a wholly-owned, direct subsidiary of The Southern Company merged with and into Southern Company Gas, with Southern Company Gas surviving as a wholly-owned, direct subsidiary of The Southern Company. Chattanooga Gas Company (the Company) continues to be a wholly-owned subsidiary of Southern Company Gas. On July 11, 2016, AGL Resources Inc. changed its name to Southern Company Gas.
3. None.
4. None.
5. None. For sources of gas, see page 108-A.
6. None.
7. None.
8. See page 108-B.
9. The 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 the Company's financial statements.
10. The 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. None.

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
CHATTANOOGA GAS COMPANY					
Southern Natural Gas Company					
Firm Transportation	3,369				August 31, 2019
Firm Transportation	4,747				August 31, 2019
Firm Transportation	5,105				August 31, 2019
Firm Transportation	14,346				August 31, 2019
Underground Storage			14,346		August 31, 2019
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, 2019
Firm Transportation	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.

"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.

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Name of Respondent Chattanooga Gas Company	This Report Is: x An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year of Report December 31, 2016
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account <i>(a)</i>	Ref. Page No. <i>(b)</i>	Balance at End of Current Year (in dollars) 12/31/2016 <i>(c)</i>	Balance at End of Previous Year (in dollars) 12/31/2015
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	277,313,234	261,518,769
3	Construction Work in Progress (107)	200-201	3,986,943	9,367,771
4	TOTAL Utility Plant <i>(Enter Total of lines 2 and 3)</i>	200-201	281,300,177	270,886,540
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(124,619,791)	(119,796,685)
6	Net Utility Plant <i>(Enter Total of line 4 less 5)</i>	200-201	156,680,386	151,089,855
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>		156,680,386	151,089,855
11	Utility Plant Adjustments (116)	122		
12	Gas Stored-Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owned to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)			
18	(Less) Accum. Prov. for Depr. and Amort. (122)			
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225		
21	(For Cost of Account 123.1, See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222-223		
24	Sinking Funds (125)			
25	Depreciation Fund (126)			
26	Amortization Fund (127)			
27	Other Special Funds (128)			
28	Long-Term Portion of Derivative Assets (175)			
29	Long-Term Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property and Investments <i>(Total of lines 17-20, 22-29)</i>			
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		5	1,418
33	Special Deposits (132-134)			
34	Working Funds (135)			
35	Temporary Cash Investments (136)	222-223		
36	Notes Receivable (141)			
37	Customer Accounts Receivable (142)		10,142,424	6,991,768
38	Other Accounts Receivable (143)		239,176	362,419
39	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(225,502)	(188,740)
40	Notes Receivable from Associated Companies (145)			
41	Accounts Receivable from Assoc. Companies (146)			
42	Fuel Stock (151)			
43	Fuel Stock Expenses Undistributed (152)			
44	Residuals (Elec) and Extracted Products (Gas) (153)			
45	Plant Materials and Operating Supplies (154)		425,626	319,315
46	Merchandise (155)			
47	Other Materials and Supplies (156)			
48	Nuclear Materials Held for Sale (157)			

Name of Respondent Chattanooga Gas Company	This Report Is: x An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year of Report December 31, 2016
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at End of Current Year (in dollars) 12/31/2016 (c)	Balance at End of Previous Year (in dollars) 12/31/2015
49	Allowances (158.1 and 158.2)			
50	(Less) Noncurrent Portion of Allowances			
51	Stores Expense Undistributed (163)			
52	Gas Stored Underground - Current (164.1)	220	6,685,303	8,042,646
53	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220	5,252,515	5,112,875
54	Prepayments (165)	230	2,099,264	2,785,703
55	Advances for Gas (166-167)			
56	Interest and Dividends Receivable (171)			
57	Rents Receivable (172)			
58	Accrued Utility Revenues (173)			
59	Miscellaneous Current and Accrued Assets (174)		4,947	13,931
60	Derivative Instrument Assets (175)			
61	(Less) Long-Term Portion of Derivative Instruments Assets (175)			
62	Derivative Instrument Assets - Hedges (176)			
63	(Less) Long-Term Portion of Derivative Instruments Assets - Hedges (176)			
64	TOTAL Current and Accrued Assets (Enter Total of lines 32 thru 63)		24,623,758	23,441,335
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)			
67	Extraordinary Property Losses (182.1)	230		
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230		
69	Other Regulatory Assets (182.3)	232	289,027	43,522
70	Prelim. Survey and Investigation Charges (Electric) (183)			
71	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)			
72	Clearing Accounts (184)		42,221	42,221
73	Temporary Facilities (185)			
74	Miscellaneous Deferred Debits (186)	233	10,085	41,580
75	Def. Losses from Disposition of Utility Plt. (187)			
76	Research, Devel. and Demonstration Expend. (188)			
77	Unamortized Loss on Reacquired Debt (189)			
78	Accumulated Deferred Income Taxes (190)	234-235	2,800,022	2,658,977
79	Unrecovered Purchased Gas Costs (191)			
80	TOTAL Deferred Debits (Enter Total of lines 66 thru 79)		3,141,355	2,786,300
81	TOTAL Assets and Other Debits (Enter Total of lines 10-15, 30, 64 and 80)		184,445,499	177,317,490

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)	Year of Report
Chattanooga Gas Company		x An Original A Resubmission		June 26, 2017	December 31, 2016
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at End of Current Year (in dollars) 12/31/2016 (c)	Balance at End of Previous Year (in dollars) 12/31/2015	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	10,000	10,000	
3	Preferred Stock Issued (204)	250-251			
4	Capital Stock Subscribed (202, 205)	252			
5	Stock Liability for Conversion (203, 206)	252			
6	Premium on Capital Stock (207)	252	55,457,616	55,466,076	
7	Other Paid-In Capital (208-211)	253	187,472		
8	Installments Received on Capital Stock (212)	252			
9	(Less) Discount on Capital Stock (213)	254			
10	(Less) Capital Stock Expense (214)	254			
11	Retained Earnings (215, 215.1, 216)	118-119	11,644,622	10,747,072	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119			
13	(Less) Reacquired Capital Stock (217)	250-251	(2,363,278)	(2,363,278)	
14	Accumulated Other Comprehensive Income (219)	117	(5,217,553)	(6,119,216)	
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)		59,718,879	57,740,654	
16	LONG-TERM DEBT				
17	Bonds (221)	256-257			
18	(Less) Reacquired Bonds (222)	256-257			
19	Advances from Associated Companies (223)	256-257	52,258,425	52,578,662	
20	Other Long-Term Debt (224)	256-257			
21	Unamortized Premium on Long-Term Debt (225)	258-259			
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259			
23	(Less) Current Portion of Long-Term Debt-Dr. (226)				
24	TOTAL Long-Term Debt (Enter Total of lines 17-23)		52,258,425	52,578,662	
25	OTHER NONCURRENT LIABILITIES				
26	Obligations Under Capital Leases - Noncurrent (227)				
27	Accumulated Provision for Property Insurance (228.1)				
28	Accumulated Provision for Injuries and Damages (228.2)				
29	Accumulated Provision for Pensions and Benefits (228.3)		1,779,580	1,972,483	
30	Accumulated Miscellaneous Operating Provisions (228.4)		35,907	35,907	
31	Accumulated Provision for Rate Refunds (229)				
32	Long Term Portion of Derivative Instrument Liabilities				
33	Long Term Portion of Derivative Instrument Liabilities - Hedges				
34	Asset Retirement Obligation (230)				
35	TOTAL Other Noncurrent Liabilities (Enter Total of lines 26 thru 34)		1,815,487	2,008,390	

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) June 26, 2017	December 31, 2016
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account	Ref. Page No.	Balance at End of Current Year (in dollars) 12/31/2016	Balance at End of Previous Year (in dollars) 12/31/2015	
	(a)	(b)	(c)		
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt				
38	Notes Payable (231)				
39	Accounts Payable (232)		1,479,195	1,693,706	
40	Notes Payable to Associated Companies (233)				
41	Accounts Payable to Associated Companies (234)		14,601,659	13,676,361	
42	Customer Deposits (235)		1,935,766	2,133,213	
43	Taxes Accrued (236)	262A	3,458,230	3,429,440	
44	Interest Accrued (237)		747,713	761,381	
45	Dividends Declared (238)				
46	Matured Long-Term Debt (239)				
47	Matured Interest (240)				
48	Tax Collections Payable (241)		145,715	118,705	
49	Miscellaneous Current and Accrued Liabilities (242)	268	3,282,029	2,846,137	
50	Obligations Under Capital Leases-Current (243)				
51	Derivative Instrument Liabilities (244)				
52	(Less) Long-Term Portion of Derivative Instrument Liabilities				
53	Derivative Instrument Liabilities - Hedges (245)				
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges				
55	TOTAL Current and Accrued Liabilities (Enter Total of lines 37 thru 54)		25,650,307	24,658,943	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		270,871	270,871	
58	Accumulated Deferred Investment Tax Credits (255)				
59	Deferred Gains from Disposition of Utility Plant (256)				
60	Other Deferred Credits (253)	269	3,750	6,750	
61	Other Regulatory Liabilities (254)	278	2,050,578	2,231,739	
62	Unamortized Gain on Reacquired Debt (257)	260			
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)				
64	Accumulated Deferred Income Taxes - Other Property (282)	274-275	41,051,352	37,821,482	
65	Accumulated Deferred Income Taxes - Other (283)		1,625,850	-	
66	TOTAL Deferred Credits (Enter Total of lines 57 thru 65)		45,002,401	40,330,842	
67	TOTAL Liabilities and Other Credits (Enter Total of lines 15, 24, 35, 55, and 66)		184,445,499	177,317,491	

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) June 26, 2017	Year of Report December 31, 2016
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	Amortization and Depletion of Utility Plant (404-405)	336-338		
8	Amortization of Utility Plant Acu. Adjustment (406)	336-338		
9	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)			
10	Amortization of Conversion Expenses (407.2)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other than Income Taxes (408.1)	262-263		
14	Income Taxes—Federal (409.1)	262-263		
15	Income Taxes—Other (409.1)	262-263		
16	Provision of Deferred Income Taxes (410.1)	234-235		
17	(Less) Provision for Deferred Income Taxes—Credit (411.1)	234-235		
18	Investment Tax Credit Adjustment—Net (411.4)			
19	(Less) Gains from Disposition of Utility Plant (411.6)			
20	Losses from Disposition 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 (Total of lines 4 thru 22)			
24	Net Utility Operating Income (Total of lines 2 less 23) (Carry forward to page 116, line 25)			

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) June 26, 2017	Year of Report December 31, 2016
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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
						8
						9
						10
						11
						12
						13
						14
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						16
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						20
						21
						22
						23
						24

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

Chattanooga Gas Company
Fiscal Year Ended December 31, 2016

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	68,112,589	72,428,395			68,112,589	72,428,395		
3	Operating Expenses									
4	Operation Expenses (401)	317-325	47,051,340	51,456,694			47,051,340	51,456,694		
5	Maintenance Expenses (402)	317-325	1,861,365	1,900,725			1,861,365	1,900,725		
6	Depreciation Expense (403) (1)	336-338	6,711,005	6,378,871			6,711,005	6,378,871		
7	Amort. & 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)		3,412,295	3,058,772			3,412,295	3,058,772		
14	Income Taxes - Federal (409.1)	262-A	(244,870)	(906,944)			(244,870)	(906,944)		
15	Income Taxes - Other (409.1)	262-A	110,408	85,379			110,408	85,379		
16	Provision for Deferred Income Taxes (410.1)	234-235	2,641,121	3,446,244			2,641,121	3,446,244		
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)		61,542,664	65,419,741			61,542,664	65,419,741		
24	Net Utility Operating Inc (Enter Total of line 2 less 23) (Carry forward to page 116-A, line 25)		6,569,925	7,008,654			6,569,925	7,008,654		

(1) Includes AGL Services Company allocated depreciation expense of \$305,684 in 2016 and \$354,778 in 2015. Therefore, amounts do not agree to Cash Flow Statement (page 120) and Accumulated Provision for Depreciation (page 219).

A reconciliation of income taxes on the income statement to the income tax schedule on page 261 is as follows:

Income Taxes per Page 114-A	110,408
Income Taxes per Page 116	1,416
Total Income Taxes per Income Statement	111,824
Income Taxes per Page 261	159,045
PUCHA Taxes Allocated per Tax Allocation Agreement	(47,221)
Variance	(0)

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) June 26, 2017	Year of Report December 31, 2016
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (in dollars) (c)	Previous Year (in dollars) (d)
25	Net Utility Operating Income <i>(Carried forward from page 114-A)</i>		6,569,925	7,008,654
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)			
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)			
31	Revenues From Nonutility Operations (417)			
32	(Less) Expenses of Nonutility Operations (417.1)			
33	Nonoperating Rental Income (418)			
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)		11,586	100,776
36	Allowance for Other Funds Used During Construction (419.1)		78,960	309,292
37	Miscellaneous Nonoperating Income (421)		667,724	770,146
38	Gain on Disposition of Property (421.1)		(3,770)	(31,677)
39	TOTAL Other Income <i>(Enter Total of lines 29 thru 38)</i>		754,500	1,148,537
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1-426.5)	340	(6,234)	(271)
44	TOTAL Other Income Deductions <i>(Total of lines 41 thru 43)</i>		(6,234)	(271)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (406.2)	262-263		
47	Income Taxes-Federal (409.2)	262-A	(232,290)	(388,558)
48	Income Taxes-Other (409.2)	262-A	(1,416)	38,582
49	Provision for Deferred Income Taxes (410.2)	234-235		
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234-235		
51	Investment Tax Credit Adj.-Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Inc. and Ded. <i>(Total of 46 thru 52)</i>		(233,706)	(349,977)
54	Net Other Income and Deductions <i>(Enter Total of lines 39, 44, 53)</i>		514,560	798,290
55	Interest Charges			
56	Interest on Long-Term Debt (427)			
57	Amortization of Debt Discount and Expense (428)	258-259		
58	Amortization of Loss on Reacquired Debt (428.1)			
59	(Less) Amort. of Premium on Debt-Credit (429)	258-259		
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)			
61	Interest on Debt to Associated Companies (430)	340	2,623,553	2,637,250
62	Other Interest Expense (431)	340	217,169	281,725
63	(Less) Allow. for Borrowed Funds Used During Construction-Cr.(432)		(47,683)	(186,780)
64	Net Interest Charges <i>(Enter Total of lines 56 thru 63)</i>		2,793,039	2,732,195
65	Income Before Extraordinary Items <i>(Enter Total of lines 25, 54, 64)</i>		4,291,446	5,074,749
66	Extraordinary Items			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items <i>(Enter Total of line 67 less 68)</i>			
70	Income Taxes-Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes <i>(Enter Total of line 69 less 70)</i>			
72	Net Income <i>(Enter Total of lines 65 and 71)</i>		4,291,446	5,074,749

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) June 26, 2017	Year of Report December 31, 2016
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		(6,149,605)		
2	Preceding Year Reclassification from Account 219 to Net Income (1)		30,389		
3	Preceding Year Changes in Fair Value		0		
4	Total (lines 2 and 3)		30,389		
5	Balance of Account 219 at End of Preceding Year / Beginning of Current Year		(6,119,216)		
6	Current Year Activity *		901,663		
7	Current Year Changes in Fair Value		0		
8	Total (lines 6 and 7)		901,663		
9	Balance of Account 219 at End of Current Year		(5,217,553)		

(1) Current year activity consists of unrecognized actuarial net gain/(loss) and prior service credit/(cost) for pensions and other post retirement benefits, net of tax.

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) June 26, 2017	Year of Report December 31, 2016	
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 72) (i)	Total Comprehensive Income (j)
1			(6,149,605)		
2			30,389		
3			0		
4			30,389		
5			(6,119,216)		
6			901,663		
7			0		
8			901,663	4,291,446	5,193,109
9			(5,217,553)		

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) June 26, 2017	Year of Report (Mo, Da, Yr) December 31, 2016
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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	Contra Primary Account Affected	Current Year Amount (in dollars) Fiscal 2016	Previous Year Amount (in dollars) Fiscal 2015
	(a)	(a)	(b)	(c)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance - Beginning of Period		10,747,072	9,519,342
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)		4,291,446	5,074,749
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		3,393,896	3,847,019
12	TOTAL Dividends Declared-Common Stock (Account 438) (Total of lines 11.01 thru 11.04)		3,393,896	3,847,019
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)		11,644,622	10,747,072
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)		11,644,622	10,747,072
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: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year of Report December 31, 2016
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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) 12/31/16 (b)	Previous Year Amount (in dollars) 12/31/15 (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 72(c) on page 116)		
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	6,405,321	6,024,093
5	Amortization of: (Specify)		
5.01	Additions to leased property		
5.02			
6	Deferred Income Taxes (Net)	2,641,121	3,446,244
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(2,990,651)	4,495,776
9	Net (Increase) Decrease in Inventory	1,111,392	4,606,126
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	226,890	1,020,012
12	Net (Increase) Decrease in Other Regulatory Assets	(245,505)	(30,765)
13	Net Increase (Decrease) in Other Regulatory Liabilities	-	(201,739)
14	(Less) Allowance for Other Funds Used During Construction	(78,959)	(309,292)
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other:		
16.01	Accounts Payable to Associated Companies		
16.02	Prepayments		
16.03	Customer Deposits	686,439	891,907
16.04	Tax Collections Payable	(197,447)	30,577
16.05	Misc Accrued Assets	27,010	(217,394)
16.06	Deferred Purchased Gas Cost	40,479	187,117
16.07	Pensions and Benefits	(162,170)	(2,149,455)
16.08	Other - Net	1,325,928	(100,240)
16.09		(34,493)	(37,965)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16.09)	13,046,801	22,729,751
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Capital Expenditures	(11,591,914)	(15,488,097)
23			
24			
25			
26			
27	Other:		
27.01	Cost of Removal (Net of Proceeds)	(283,872)	(471,920)
28	Cash Outflows for Plant (Total of lines 22 thru 27.02)	(11,875,786)	(15,960,017)
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 Securities		
39	Proceeds from Sales of Investment Securities		

Note:

Income taxes paid for the year 2016: 210,060
Interest paid for the year 2016: 2,806,706

(1) Revised 2015 for corrected classification of Miscellaneous Current and Accrued Liabilities to Payables and Accrued Expenses from Misc. Accrued Assets

(2) Excludes unrecovered Purchased Gas Costs, which are reflected as a separate line item in 16.06 below.

(3) In 2015, Pensions and Benefits was included in Other - Net, but has been presented as a separate line item herein.

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) June 26, 2017	Year of Report December 31, 2016
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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)	Current Year Amount (in dollars) 12/31/2016 (b)	Previous Year Amount (in dollars) 12/31/2015 (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)	(11,875,786)	(15,960,017)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt	(320,237)	644,086
54	Preferred Stock		
55	Common Stock	179,012	160,185
56	Other: APIC		
57	Net Increase in Short-Term Debt		
58	Other: Accounts Payable to Associated Companies	2,362,693	(3,902,880)
58.01			
58.02			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58.02)	2,221,468	(3,098,609)
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	(3,393,896)	(3,847,019)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(1,172,428)	(6,945,628)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of lines 18, 49 and 71)	(1,413)	(175,893)
75			
76	Cash and Cash Equivalents at Beginning of Year	1,418	177,311
77			
78	Cash and Cash Equivalents at End of Year	5	1,418

Name of Respondent Chattanooga Gas Company	This Report Is:	Date of Report	Year of Report
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) June 26, 2017	December 31, 2016

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 Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. 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 December 31, 2016 capitalization balances reflect adjustments made for regulatory purposes to reflect a target capitalization ratio consistent with capital structure authorized in Tennessee Regulatory Authority Docket 09-00183. The adjustments include an increase in equity reflected in account 207—Premium on Capital Stock of \$179,012, and a decrease in account 223—Advances from Associated Companies of \$320,237. The offset to these adjustments is an increase to account 234—Accounts Payable Associated Companies of \$141,225.

2. None.

3. Refer to Southern Company Gas' 2016 Annual Report on Form 10-K that was filed with the Security and Exchange Commission as part of The Southern Company's combined Form 10-K on February 22, 2017 (Southern Company Gas' 2016 Form 10-K).

4. None.

5. None.

6. In accordance with Tennessee Regulatory Authority (TRA) Rule 1220-4-7 the cost of gas incurred by Chattanooga Gas Company 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 TRA 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 TRA. The report for the most recent reporting period ended June 30, 2016 was filed August 22, 2016.

7. Not applicable.

8. None.

9. On July 1, 2016, Southern Company Gas completed its previously announced merger with The Southern Company. A wholly-owned, direct subsidiary of The Southern Company merged with and into Southern Company Gas, with Southern Company Gas surviving as a wholly-owned, direct subsidiary of The Southern Company.

10. None.

11. None.

12. None.

13. Refer to Southern Company Gas' Form 10-K.

Name of Respondent		This Report Is:	Date of Report	Year of Report
Chattanooga Gas Company		X An Original A resubmission	June 26, 2017	December 31, 2016
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item	Total		
	(a)	(b)		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	265,306,568		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	531,882		
7	Experimental Plant Unclassified			
8	TOTAL (Total of lines 3 thru 7)	265,838,450		
9	Leased to Others			
10	Improvements to Leased Property			
11	Construction Work in Progress	3,986,943		
12	Acquisition Adjustments	11,474,784		
13	TOTAL Utility Plant (Total of lines 8 thru 12)	281,300,177		
14	Accum. Prov. for Depr., Amort., & Depl.	(124,619,791)		
15	Net Utility Plant (Total of lines 13 and 14)	156,680,386		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	93,905,601		
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	25,986,424		
22	TOTAL In Service (Total of lines 18 thru 21)	119,892,025		
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.	4,727,766		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 22, 26, 30, 31, and 32)	124,619,791		

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Chattanooga Gas Company	X An Original A resubmission	June 26, 2017	December 31, 2016	
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
	265,306,568			3
				4
				5
	531,882			6
				7
	265,838,450			8
				9
				10
	3,986,943			11
	11,474,784			12
	281,300,177			13
	(124,619,791)			14
	156,680,386			15
				16
				17
	93,905,601			18
				19
				20
				21
	25,986,424			21a
	119,892,025			22
				23
				24
				25
				26
				27
				28
				29
				30
				31
	4,727,766			32
				33
	124,619,791			

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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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).

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	46,201	
3	302 Franchises and Consents	2,028	
4	303 Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total lines 2 thru 4)	48,229	
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 June 26, 2017	Year Ending December 31, 2016
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GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)

including the reversals of the prior year tentative account distributions of these amounts. Careful observance of the above 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
			46,201	301	2
			2,028	302	3
				303	4
			48,229		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		June 26, 2017	December 31, 2016
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	10,288,324		
58	362	362	Gas Holders	3,847,513	4,006,343	
59	363	363	Purification Equipment	528,383		
60	363.1	363.1	Liquefaction Equipment	3,156,762	2,094,945	
61	363.2	363.2	Vaporizing Equipment	2,067,144		
62	363.3	363.3	Compressor Equipment	2,731,450		
63	363.4	363.4	Measuring and Regulating Equipment	283,076	1	
64	363.5	363.5	Other Equipment	2,143,973		
65	364.8	364.8	Other Equipment			
66	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)			25,740,511	6,101,289	
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	454,478	66,257	
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	961,554		
73	364.6	364.6	Compressor Station Equipment			
74	364.7	364.7	Communications Equipment			
75	364.8	364.8	Other Equipment	618,584	113,680	
76	TOTAL Base Load Liquefied Nat'l Gas, Terminating and Processing Plant (lines 67-74)			2,034,616	179,937	
77	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54,65 and 75)			27,775,127	6,281,226	
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	June 26, 2017	December 31, 2016	
GAS PLANT IN SERVICE (Accounts 101, 102 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				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
			10,288,324	361	57
			7,853,856	362	58
			528,383	363	59
			5,251,707	363.1	60
			2,067,144	363.2	61
			2,731,450	363.3	62
			283,077	363.4	63
			2,143,973	363.5	64
					65
			31,841,800		66
					67
				364.1	68
			520,735	364.2	69
				364.3	70
				364.4	71
			961,554	364.5	72
				364.6	73
				364.7	74
			732,264	364.8	75
			2,214,553		76
			34,056,353		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	June 26, 2017	December 31, 2016
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 78 thru 85)				
88	DISTRIBUTION PLANT				
89	374	374	Land and Land Rights	745,592	5,158
90	375	375	Structures and Improvements	68,361	4,118
91	376	376	Mains	123,807,049	7,121,754
92	377	377	Compressor Station Equipment	702,643	
93	378	378	Measuring and Regulating Sta. Equipment-General	1,056,195	
94	379	379	Measuring and Regulating Sta. Equipment-City Gate	1,752,454	
95	380	380	Services	60,327,727	1,813,102
96	381	381	Meters	16,814,518	651,735
97	382	382	Meter Installations	3,275,823	147,416
98	383	383	House Regulators	4,614,592	100,590
99	384	384	House Reg. Installations	281,498	5,918
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	386,029	176
103	TOTAL Distribution Plant (Enter Total lines 88 thru 101)			213,987,953	9,849,967
104	GENERAL PLANT				
105	389	389	Land and Land Rights	42,308	76,776
106	390	390	Structures and Improvements		
107	391	391	Office Furniture and Equipment	5,400,598	432,469
108	392	392	Transportation Equipment	1,453,748	289,671
109	393	393	Stores Equipment	38,624	
110	394	394	Tools, Shop, and Garage Equipment	369,023	14,704
111	395	395	Laboratory Equipment		
112	396	396	Power Operated Equipment	323,584	71,736
113	397	397	Communication Equipment	408,883	
114	398	398	Miscellaneous Equipment	195,906	13,269
115	Subtotal (Enter Total of lines 104 thru 113)			8,232,676	898,625
116	399	399	Other Tangible Property		
117	TOTAL General Plant (Enter Total of lines 114 and 115)			8,232,676	898,625
118	TOTAL Accounts 101 and 106)			250,043,985	17,029,818
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)			250,043,985	17,029,818

Name of Respondent		This Report Is:	Date of Report	Year Ending	
Chattanooga Gas Company		X An Original A resubmission	June 26, 2017	December 31, 2016	
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
			750,750	374	89
			72,479	375	90
(202,019)			130,726,784	376	91
			702,643	377	92
			1,056,195	378	93
			1,752,454	379	94
(282,694)			61,858,135	380	95
(222,085)			17,244,168	381	96
(23,805)			3,399,434	382	97
(153)			4,715,029	383	98
			287,416	384	99
			138,553	385	100
			16,919	386	101
			386,205	387	102
(730,756)			223,107,164		103
					104
			119,084	389	105
				390	106
(412,202)			5,420,865	391	107
(74,489)			1,668,930	392	108
		(21,077)	17,547	393	109
(15,724)			368,003	394	110
				395	111
		21,077	416,397	396	112
			408,883	397	113
(2,182)			206,993	398	114
(504,597)			8,626,704		115
				399	116
(504,597)			8,626,704		117
(1,235,353)			265,838,450		118
					119
					120
(1,235,353)			265,838,450		121
					122

[Next page is 212]

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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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 2016 (Current Year) (d)
1				
2	ARI		Vehicles	27,886
3				
4	Wheels, Inc.	(1)	Vehicles	(15,332)
5				
6	Dillard Partnership		Chattanooga Service Center	145,294
7				
8	David Conley		Cleveland Service Center	7,800
9				
10				
11				
12				
13				
14				
15				
16				
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18				
19				
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21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	TOTAL			165,648

(1) Credit from Wheel, Inc. relates to asset sales of perviously leased vehicles.

Name of Respondent Chattanooga Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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GAS PROPERTY AND CAPACITY LEASED TO OTHERS

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with and asterisk in column (b).

Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments For Current Year (d)
1	None			
2				
3				
4				
5				
6				
7				
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45	TOTAL			

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
GAS PLANT HELD FOR FUTURE USE (ACCOUNT 105)				
1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.		2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.		
Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
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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 June 26, 2017	Year Ending December 31, 2016
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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) and Demonstration (see Account 107 of the Uniform System of Accounts).
 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development,
 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	Gas Operations	2,103,787	
2	Support Projects	1,382,402	
3	Mandatory Projects	226,827	
4	Fleet	183,615	
5	New Business Projects	33,909	
6	Information Tech Projects	42,730	
7	Minor Projects	13,673	
8			
9			
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12			
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43	TOTAL	3,986,943	

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for Existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC p61, 128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, gas Plant in Service, associated with the facility.
5. In column d, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	None			
2				
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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 June 26, 2017	Year Ending December 31, 2016
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Non-Traditional Rate Treatment Afforded New Projects (continued)

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes--Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes--Other Property; Account 283, Accumulated Deferred Income Taxes--Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses (including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including Taxes) (j)	Incremental Revenues (k)
1	None						
2							
3							
4							
5							
6							
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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 June 28, 2017	Year Ending December 31, 2016
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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 12/31/2016.
 $E = F \times G$.
 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 12/31/16:
 $A = (B/C \times D)$
 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) One Twelfth of the 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 7.41 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
 $((\text{Current Monthly Expenditures} \times .0741/12) / 2) + ((\text{Cumulative Expenditures} \times .0741/12)$
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 proceeding. 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	11.80%	
(2) Short-Term Interest			s 2.04%
(3) Long-Term Debt	D	42.34%	d 6.03%
(4) Preferred Stock	P	0.00%	p 0.00%
(5) Common Equity	C	46.06%	c 10.05%
(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 - 2.79%
- b. Rate for Other Funds - 4.62%

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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	119,796,685	119,796,685		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	6,405,321	6,405,321		
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.)	6,405,321	6,405,321	(1)	
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,235,353)	(1,235,353)		
12	Cost of Removal	(346,474)	(346,474)		
13	Salvage (Credit)	31,107	31,107		
14	TOTAL Net Chrgs. for Plant Ret. (Total of lines 11 thru 13)	(1,550,720)	(1,550,720)		
15	Other Debit or Credit Items (Reclass of Amortizable Assets):				
	Change in Account Reserve for Amortization Adjustment				
15.01	Acquisition costs	(31,495)	(31,495)		
15.02	Transfers and Adjustments (1)				
16	Balance End of Year (Total of lines 1,9,14,15 to 15.2)	124,619,791	124,619,791		
Section B. Balances at End of Year According to Functional Classifications					
17	Production-Manufactured Gas				
18	Prod. and Gathering-Natural Gas				
19	Products Extraction-Natural Gas				
20	Underground Gas Storage				
21	Other Storage Plant	13,374,405	13,374,405		
22	Base Load LNG Terminaling and Processing Plant				
23	Transmission				
24	Distribution	100,591,812	100,591,812		
25	General	10,653,574	10,653,574	(2)	
26	TOTAL (Total of lines 17 thru 25)	124,619,791	124,619,791		

(1) Excludes \$305,684 of expense allocation retained in AGL Services Company reserve balances.
(2) Includes \$4,727,765 of accumulated amortization related to the acquisition adjustment.

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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					\$ 8,042,646	\$ 5,112,875		\$ 13,155,521
2	Gas Delivered to Storage (4)					\$ 9,384,940	\$ 2,953,150		\$ 12,338,090
3	Gas Withdrawn from Storage					\$ 10,519,018	\$ 2,813,510		\$ 13,332,528
4	Other Debits and Credits (5)					\$ (223,265)	\$ -		\$ (223,265)
5	Balance at End of Year					\$ 6,685,303	\$ 5,252,515		\$ 11,937,818
6	Dth					2,298,894	1,361,814		3,660,708
7	Amount Per Dth					\$ 2.91	\$ 3.86		\$ 3.26

- No adjustments were made during the year to the stored gas inventory.
- Not applicable.
- Natural gas inventory is stated at weighted average cost. All gas stored is classified as a current asset on the balance sheet.
- Includes net cash out transactions
- Includes asset optimization as follows:

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	Natural Gas	LNG	TOTAL
Beginning Balance (1)	892,924	-	892,924
Optimization Activity for Year	(223,265)	-	(223,265)
Ending Balance	669,659	-	669,659

(1) Adjusted for 2014 journal entry recorded in 2015, but not included in the 2015 rollforward of asset optimization activity.

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INVESTMENTS (Accounts 123, 124, 136)

1. Report below investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investments*, and 136, *Temporary Cash Investments*.
2. Provide a subheading for each account and list thereunder the information called for:
(a) Investment in Securities--List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant

to authorization by the Board of Directors, and included in Account 124, *Other Investments*) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.
(b) Investment Advances--Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment		Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)	Purchases or Additions During Year
	(a)	(b)	(c)	(d)
1	<u>Account 123</u>			
2	None			
3				
4				
5	<u>Account 124</u>			
6	None			
7				
8				
9	<u>Account 136</u>			
10	None			
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INVESTMENTS (Accounts 123, 124, 136) (Continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employers.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
None					1
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INVESTMENTS IN SUBSIDIARY COMPANIES (Accounts 123.1)

1. Report below investments in Accounts 123.1, *Investments in Subsidiary Companies*.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (c), (f), (g) and (h).
(a) Investment in Securities—List and describe each security owned. For bonds, give also principal amount, date of issue, maturity, and interest rate.
(b) Investment Advances—Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	None			
2				
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5				
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INVESTMENTS IN SUBSIDIARY COMPANIES (Accounts 123.1) (Continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Invested disposed of (h)	Line No.
None				1
				2
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PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Prepayment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Honeywell Software Maintenance	10,348
2	Prepaid Taxes	2,088,916
3		
4		
5	TOTAL	2,099,264

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							
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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						
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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)	43,522	40,381	480,481	(205,124)	289,027
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40	TOTAL	43,522	40,381		(205,124)	289,027

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) June 26, 2017	Year Ending December 31, 2016
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MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Other Deferred Debits	41,580	10,085	186	41,580	10,085
2						
3						
4						
5						
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40	TOTAL	41,580	10,085		41,580	10,085

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) June 26, 2017	Year Ending December 31, 2016
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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	2,658,977	(717,933)	
4	Other (Define)			
5	Total (Total of lines 2 thru 4)	2,658,977	(717,933)	
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6.02)	2,658,977		
8	Classification of TOTAL			
9	Federal Income Tax	152,488	(693,821)	
10	State Income Tax	2,506,489	(24,112)	
11	Local Income Tax			

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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
				Various	576,888	2,800,022	3
							4
				Various	576,888	2,800,022	5
							6
							6.01
							6.02
				Various	576,888	2,800,022	7
							8
				Various	152,488	693,821	9
				Various	424,400	2,106,201	10
							11

[Next page is 250]

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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			
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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.
		AS REQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
10,000	10,000		2,363,278			2
10,000	10,000		2,363,278			3
						4
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None						8
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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)
		(b)		
1	Premium on Capital Stock Account 207:			
2	Premium on Common Stock (1)		10,000	55,457,616
3				
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25	TOTAL		10,000	55,457,616

(1) Includes an increase of \$179,012 for a recapitalization entry that was recorded to attain target capitalization ratios per docket 09-00183. See note (1) on Page 122 for additional details. Additionally, includes a decrease of \$187,472 for a reclassification entry to Account 208-211 - Other Paid-In Capital. See Page 253.

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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	-
3		
4	Activity during the year (1)	187,472
5		
6	End of year	187,472
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10	(1) Amount was reclassified from Account 207 - Premium on Capital Stock.	
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40	Total	187,472

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DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.

2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
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CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.

2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
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**SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None

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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 Prommissory Note (1)	12/31/2008	12/30/2038	52,258,425
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34	(1) Note issued and adjusted periodically to attain target capitalization ratios consistent with capital structure authorized in Tennessee Regulatory Authority Docket 09-00183. See Note (1) of Page 122 for additional details.			
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39				
40	TOTAL			52,258,425

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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)	
4.74% (2)	2,548,751				1
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	2,548,751				40

(2) Interest rate is as of December 31, 2016

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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (ACCOUNTS 181, 225, 226)

- | | |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.</p> | <p>2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> |
|--|--|

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1	None				
2					
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accts. 181, 225, 226) (Cont.)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, *Amortization of Debt Discount and Expense*, or credited to Account 429, *Amortization of Premium on Debt-Credit*.

Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
None				1
				2
				3
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
 2. In column (c) show the principal amount of bonds or other long-term debt reacquired.

3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
 4. Show loss amounts by enclosing the figures in parentheses.
 5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, *Amortization on Reacquired Debt*, or credited to Account 429.1, *Amortization of Gain on Reacquired Debit-Credit*.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	None					
2						
3						
4						
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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)	4,291,446
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	(693,821)
11	State Income Tax	159,045
12	Deferred Federal and State Income Taxes	3,334,942
13	Meals And Entertainment	4,521
14	Club Dues	1,187
15	Lobbying Expenses	7,382
16	Pension	168,306
17	Bad Debt Reserve	36,762
18	Other	11,814
19	Insurance Reserve	
20	Accrued Severance	
21	Income Recorded on Books Not Included in Return	
22		
23		
24	Deductions on Return Not Charged Against Book Income	
25	PUCHA Tax Expense	59,801
26	Accrued Post Retirement Benefits	441,064
27	Miscellaneous Accrued Taxes	159,395
28	Depreciation	7,884,295
29	Accrued Bonus	122,170
30	Unearned Revenue	3,000
31		
32	Federal Tax Net Income	(1,348,141)
33	Show Computation of Tax:	
34	Tax @ 35%	(471,849)
35	Prior Year Adjustments	(221,972)
36	Total Current Federal Income Tax before NOL Reclass to Deferred Income Tax Expense	(693,821)
37	NOL Reclass to Deferred Income Tax Expense	693,821
38	Total Current Federal Income Tax after NOL Reclass to Deferred Income Tax Expense	(0)
39		
40		

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

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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			
2			
3			
4			
5			
6			
7			
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12			
13			
14			
15	TOTAL		

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Department (Account 408.1, 409.1) (j)	Other Income and Deductions (Account 408.2, 409.2) (j)
1				
2				
3				
4				
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7				
8				
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11				
12				
13				
14				
15	TOTAL			

Refer to Page 262-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) June 26, 2017	Year Ending December 31, 2016
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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)	
					1
					2
					3
					4
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					15

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
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				14
				15

Refer to Page 262-A.

CHATTANOOGA GAS COMPANY

Schedule of Taxes Accrued, Prepaid, and Charged
For the Calendar Year Ended December 31, 2016

Line No.	Kind of Tax (see instruction 5) (a)	Beginning-of-Year Balance		Current Year Activity		End-of-Year Balance		Line No.
		Accrued Taxes (b)	Prepaid Taxes (c)	Total Taxes Charged (d)	Total Taxes Paid (e)	Adjustments (f)	Accrued Taxes (g)	
1	Federal:							
2	Income							
3	FYE 12.31.2016		2,291,732		(646,241)			1,645,491
4	Prior years							
5	Payroll:							
6	Fed Withholding Taxes	(195)		(341,019)	341,019	195		
7	Unemployment	(64)		1,776	(1,712)			
8	FICA & Medicare	(5,361)		(189,621)	179,366	1,102	(14,514)	
9	Total Federal	(5,620)	2,291,732	(528,864)	(127,568)	1,297	(14,514)	1,645,491
10	State & County:							
11	Income							
12	FYE 12.31.2016		426,960	(159,045)	251,278	(75,800)		443,393
13	Prior years							
14	Property	(2,528,105)		(1,815,768)	1,756,030		(2,587,843)	
15	Gross Receipts tax and Franchise Fee	(765,011)		(871,874)	1,031,270		(605,615)	
16	Sales & Use Tax			(31,982)	32,003	(11)		10
17	Unemployment	(1)		(159)	176	6		22
18	Motor Fuel							
19	Total State & County	(3,293,117)	426,960	(2,878,828)	3,070,757	(75,805)	(3,193,458)	443,425
20	Local:							
21	Business License							
22	Gross Receipts							
23	Sales & Use Tax							
24	City Local Option Tax							
25	Marta Tax Payable							
26	Franchise	(130,703)		(380,496)	186,440	74,501	(250,258)	
27	Total Local	(130,703)		(380,496)	186,440	74,501	(250,258)	
	CUMULATIVE TOTAL	(3,429,440)	2,718,692	(3,788,188)	3,129,629	(7)	(3,458,231)	2,088,916

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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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	Misc Adjustments - Gas Accounts Receivables	295,154
2	Unclaimed Customer Credits and Checks	71,835
3	Franchise Requirements	526,252
4	Miscellaneous Accrued Liabilities - Commodity	2,388,788
5		
6		
7		
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40	TOTAL	3,282,029

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) June 26, 2017	Year Ending December 31, 2016
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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	6,750	923	3,000		3,750
2						
3						
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40	TOTAL	6,750		3,000		3,750

(Next Page is 274)

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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 Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	37,821,482	3,210,328	
4	Other (Define)			
5	Total (Total of lines 2 thru 4)	37,821,482	3,210,328	
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 282 (Total of lined 5 thru 6.02)	37,821,482	3,210,328	
8	Classification of TOTAL			
9	Federal Income Tax	33,039,015	2,744,317	
10	State Income Tax	5,895,010	466,011	
11	Regulatory Tax Reclass	(1,112,543)		
12	Local Income Tax			

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) June 26, 2017	Year Ending December 31, 2016
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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)	(k)	
							1
							2
		Various	297	Various	19,839	41,051,352	3
							4
		Various	297	Various	19,839	41,051,352	5
							6
							6.01
							6.02
		Various	297	Various	19,839	41,051,352	7
							8
		Various	297			35,783,035	9
				Various	848	6,361,869	10
				254	18,991	(1,093,552)	11
							12

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) June 26, 2017	Year Ending December 31, 2016
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 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas		148,726	
3.01				
4	Other (Define)			
5	Total (Total of lines 2 thru 4)			
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Account 283 (Total of lined 5 thru 6.02)			
8	Classification of TOTAL			
9	Federal Income Tax			
9.01	Federal Income Tax		148,726	
10	State Income Tax			
10.01	State Income Tax			
11	Local Income Tax			

Name of Respondent Chattanooga Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year Ending December 31, 2016
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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)		
							1
							2
		190	152,488	Various	1,629,612	1,625,850	3
							3.01
							4
							5
							6
							6.01
							6.02
						-	7
							8
							9
		190	152,488	Various	1,629,612	1,625,850	9.01
							10
							10.01
							11

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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	1,112,543	282	18,991		1,093,552
2	Deferred Purchased Gas Adjustment	1,119,196			(162,170)	957,026
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45						
46	TOTAL	2,231,739		18,991	(162,170)	2,050,578

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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:				

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) June 26, 2017	Year Ending December 31, 2016
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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)
		57,399,954	60,748,452	7,300,472	6,890,172
		220,338	275,207		
		305,460	295,691		
		7,480,043	7,233,151	7,312,207	7,480,394
		2,706,794	3,875,894		
		68,112,589	72,428,395		
		68,112,589	72,428,395		

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) June 26, 2017	Year Ending December 31, 2016
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (ACCOUNT 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system). 2. Revenues for penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (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	None				
2					
3					
4					
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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) June 26, 2017	Year Ending December 31, 2016
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (Continued)

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).
 4. Delivered Dth of gas must not be adjusted for discounting.

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)
None					

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) June 26, 2017	Year Ending December 31, 2016
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (ACCOUNT 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (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	None				
2					
3					
4					
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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 June 26, 2017	Year Ending December 31, 2016
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (Continued)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No.
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)	
None						1
						2
						3
						4
						5
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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) June 26, 2017	Year Ending December 31, 2016
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REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
 3. Other Revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (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	None				
2					
3					
4					
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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) June 26, 2017		Year Ending December 31, 2016	
REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4) (Continued)							
4. Delivered Dth of gas withdrawn from storage must not be adjusted for discounting.				5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.			
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)	Line No.	
None						1	
						2	
						3	
						4	
						5	
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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) June 26, 2017	Year Ending December 31, 2016
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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	2,625,670	3,817,729
2	Gas Management fees	(16)	(18)
3	Damage Billing - Mains	29,587	12,913
4	Damage Billing - Services	50,118	44,198
5	Lost and Unaccounted For Gas	1,435	1,072
6			
7			
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10			
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21			
22			
23			
24	TOTAL	2,706,794	3,875,894

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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) June 26, 2017	Year Ending December 31, 2016
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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	\$ -	-	\$ 936,711	1,374,544
2					
3					
4					
5					
6					
7					
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22					
23					
24					
25	TOTAL	\$ -	-	\$ 936,711	1,374,544

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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 June 26, 2017	Year Ending December 31, 2016
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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)	-	-

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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)	-	-	-

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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	36,954,866		41,148,688
74	804 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)	36,954,866		41,148,688
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	10,975		38,472
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	10,975		38,472

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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)	36,965,841	41,187,160	
97	TOTAL Production Expenses (Enter Total of lines 3, 30, 58, 65, and 96)	36,965,841	41,187,160	
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
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
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	-	-	
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)	-	-	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	-	-	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	99,723	29,048	
129	841 Operation Labor and Expenses	369,764	484,760	
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)	469,487	513,808	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	-	-	
137	843.2 Maintenance of Structures and Improvements	-	-	
138	843.3 Maintenance of Gas Holders	-	89	
139	843.4 Maintenance of Purification Equipment	2,593	3,832	
140	843.5 Maintenance of Liquefaction Equipment	140,927	156,100	
141	843.6 Maintenance of Vaporizing Equipment	36,531	50,348	
142	843.7 Maintenance of Compressor Equipment	174,332	152,181	
143	843.8 Maintenance of Measuring and Regulating Equipment	-	-	
144	843.9 Maintenance of Other Equipment	164,262	216,497	
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	518,645	579,047	
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	988,132	1,092,855	

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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)	988,132		1,092,855

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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	96	-	
187	857 Measuring and Regulating Station Expenses	5	368	
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)	101	368	
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)	101	368	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	143,527	138,633	
205	871 Distribution Load Dispatching	8,453	14,466	
206	872 Compressor Station Labor and Expenses	-	-	
207	873 Compressor Station Fuel and Power	-	-	

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)	
208	874 Mains and Services Expenses	1,127,123	950,666	
209	875 Measuring and Regulating Station Expenses-General	38,518	32,443	
210	876 Measuring and Regulating Station Expenses-Industrial	-	-	
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	1,957	2,266	
212	878 Meter and House Regulator Expenses	452,630	440,868	
213	879 Customer Installations Expenses	156,781	165,093	
214	880 Other Expenses	76,901	57,352	
215	881 Rents	-	-	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	2,005,890	1,801,787	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	481	117	
219	886 Maintenance of Structures and Improvements	-	-	
220	887 Maintenance of Mains	390,975	353,029	
221	888 Maintenance of Compressor Station Equipment	150	(24)	
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	90,686	90,603	
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	-	-	
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	-	-	
225	892 Maintenance of Services	175,850	252,509	
226	893 Maintenance of Meters and House Regulators	220,171	212,009	
227	894 Maintenance of Other Equipment	82	44	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	878,395	908,287	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	2,884,285	2,710,074	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	-	-	
233	902 Meter Reading Expenses	62,614	75,062	
234	903 Customer Records and Collection Expenses	1,220	1,796	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	130,401	124,954	
236	905 Miscellaneous Customer Accounts Expenses	233	542	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	194,468	202,354	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	-	-	
241	908 Customer Assistance Expenses	5,601	4,204	
242	909 Informational and Instructional Expenses	9,538	5,473	
243	910 Miscellaneous Customer Service and Informational Expenses	4	-	
244	TOTAL Customer Service and Information Expenses (lines 240 thru 243)	15,143	9,677	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	3	40	
248	912 Demonstrating and Selling Expenses	2,047	313	
249	913 Advertising Expenses	64,219	59,881	
250	916 Miscellaneous Sales Expenses	(18,969)	3,165	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	47,300	63,399	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	4,246,539	3,775,220	
255	921 Office Supplies and Expenses	1,071,279	1,094,884	
256	(Less) (922) Administrative Expenses Transferred-Cr.	(874,267)	(713,458)	
257	923 Outside Services Employed	913,559	1,171,092	
258	924 Property Insurance	182,974	177,767	
259	925 Injuries and Damages	73,321	80,225	
260	926 Employee Pensions and Benefits	1,192,341	1,587,628	
261	927 Franchise Requirements	-	-	
262	928 Regulatory Commission Expenses	-	-	
263	(Less) 929 Duplicate Charges-Credit	-	-	
264	930.1 General Advertising Expenses	-	-	
265	930.2 Miscellaneous General Expenses	236,793	205,642	
266	931 Rents	310,570	299,142	
	Restructuring	-	-	
	Allocated Costs	-	-	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	7,353,109	7,678,142	
268	Maintenance			
269	932 Maintenance of General Plant	464,325	413,391	
270	TOTAL Administrative and General Exp. (Total of lines 267 and 269)	7,817,434	8,091,533	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251 and 270)	48,912,704	53,357,419	

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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) June 26, 2017	Year Ending December 31, 2016
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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	\$ 300,849	105,191	\$ 85,664	24,099
2					
3					
4					
5					
6					
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25	TOTAL	\$ 300,849	105,191	\$ 85,664	24,099

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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 (d).

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	268	1,411		
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25	TOTAL		268	1,411		

Name of Respondent Chattanooga Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year Ending December 31, 2016
TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)				
1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.		2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system. 3. Designate associated companies with an asterisk in column (b).		
Line No.	Name of Company and Description of Service Performed (a)	(b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	None			
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OTHER GAS SUPPLY EXPENSES (ACCOUNT 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	None	
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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) June 26, 2017	Year of Report December 31, 2016
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	49,605		
2				
3	Other Expenses			
4	Fleet Fuel Expense	100,167		
5	Fleet Capitalization	(18,621)		
6	Miscellaneous Expense	79,009		
7	Civic Participation	26,371		
8	Travel	202		
9	Seminar / Conference Fees	60		
10				
11				
12				
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14				
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16				
17				
18				
19				
20	TOTAL	236,793		

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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)

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	724,540		
7	Base load LNG terminaling and processing plant			
8	Transmission plant			
9	Distribution plant	4,844,880		
10	General plant	835,901		
11	Common plant-gas	305,684		
12	TOTAL	6,711,005		

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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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
		724,540	Other storage plant	6
			Base load LNG terminating and processing plant	7
			Transmission plant	8
		4,844,880	Distribution plant	9
		835,901	General plant	10
		305,684	Common plant - gas	11
		6,711,005	TOTAL	12

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report June 26, 2017	Year Ending December 31, 2016
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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	2.14%
Distribution Plant	2.26%
General Plant	13.48%

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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) *Miscellaneous Amortization* (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.

(b) *Miscellaneous Income Deductions*-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, *Donations*; 426.2, *Life Insurance*; 426.3, *Penalties*; 426.4, *Expenditures for Certain Civic, Political and Related Activities*; and 426.5, *Other Deductions*, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (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.

(d) *Other Interest Expense* (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

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	(1,000)
6	Lobbying - State	(5,000)
7	Fines & Penalties	(234)
8	Total Miscellaneous Income Deductions	<u>(6,234)</u>
9		
10		
11	(c) <u>Interest Income on Receivable from Associated Companies (Account 430)</u>	
12	Money Pool	74,802
13	Interest on Affiliate Promissory Notes	2,548,751
14	Total Interest Income on Receivable from Assoc. Companies	<u>2,623,553</u>
15		
16		
17	(d) <u>Other Interest Expense (Account 431)</u>	
18	Customers' Deposits	96,953
19	Interest Expense-Other	120,216
20	Total Other Interest Expense	<u>217,169</u>
21		
22		
23		
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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		83,333	83,333	
2	TRA--Gross Earnings and Inspection Fee	371,808		371,808	
3	FERC--General		22,702	22,702	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	371,808	106,035	477,843	

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REGULATORY COMMISSION EXPENSES (Continued)

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|---|--|
| <p>3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) period of amortization.</p> <p>4. Identify separately all annual charge adjustments (ACA).</p> | <p>5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.</p> <p>6. Minor items (less than \$250,000) may be grouped.</p> |
|---|--|

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	83,333					1
	408.1	371,808					2
	923	22,702					3
							4
							5
							6
							7
							8
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		477,843					24
							25

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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	658,214
3	Pensions	271,173
4	401-K Contributions	257,652
5	Miscellaneous	41,347
6	Post-retirement Benefits Other than Pensions	(36,045)
7		
8		
9		
10		
11		
14		
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18		
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40	Total	1,192,342

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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	373,342	28,203		401,545
32	Transmission	101	9,577		9,678
33	Distribution	1,039,091	9,547		1,048,638
34	Customer Accounts	62,784	13		62,797
35	Customer Service and Informational				
36	Sales		3		3
37	Administrative and General	779,688	2,302,276		3,081,964
38	TOTAL Operational (Total of lines 28 thru 37)	2,255,006	2,349,619		4,604,625
39	Maintenance				
40	Production-Manufactured Gas				
41	Production-Nat. Gas (Including Expl. and Dev.)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	60,822	12,698		73,520
44	Transmission				
45	Distribution	437,347	119		437,466
46	Administrative and General	8,065	1,954		10,019
47	TOTAL Maint. (Total of lines 40 thru 46)	506,234	14,771		521,005

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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	2,761,240	2,364,390		5,125,630
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 Terminaling and Processing (Lines 31 and 43)	434,164	40,901		475,065
53	Transmission (Lines 32 and 44)	101	9,577		9,678
54	Distribution (Lines 33 and 45)	1,476,438	9,666		1,486,104
55	Customer Accounts (Line 34)	62,784	13		62,797
56	Customer Service and Informational (Line 35)				
57	Sales (Line 36)		3		3
58	Administrative and General (Lines 37 and 46)	787,753	2,304,230		3,091,983
59	TOTAL Operation and M (Total of lines 49 thru 58)	2,761,240	2,364,390		5,125,630
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 60)	2,761,240	2,364,390		5,125,630
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	205,547			205,547
77	Accum. Prov. for Depr. Amort. Depl.	18,225			18,225
78	Taxes other than income taxes	230,472			230,472
79	Accumulated provision pensions and benefits	22,144			22,144
80	Misc Other Expenses	(58,888)			(58,888)
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92	TOTAL Other Accounts	417,500			417,500
93	TOTAL SALARIES AND WAGES	3,178,740	2,364,390		5,543,130

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year Ending December 31, 2016
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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 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 Expenditures for Certain Civic, Political and Related Activities.

(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 schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	(b)	Amount (in dollars) (c)
1	HIWASSEE CONSTRUCTION CO,INC.--Construction Services		4,382,050
2			
3	PLAYER AND COMPANY--Construction Services		1,089,846
4			
5	SOUTHEAST CONNECTIONS--Construction services		1,039,317
6			
7	HUNTER UTILITY CONSTRUCTION LLC--Construction Services		708,642
8			
9	USIC LOCATING SERVICES, INC--Locating Services		581,203
10			
11	DOUBLE M INC--Inspection Services		210,121
12			
13	SOUTHERN CROSS CORP.--Leak Surveys		148,726
14			
15	TNT CONCRETE, LLC--Construction Services		138,844
16			
17	QM3 UTILITY SERVICES, INC--Distribution Maintenance		124,532
18			
19	BALY INSULATION SERVICES, INC.--Construction Services		86,200
20			
21	STRATEGIC INDUSTRIAL SOLUTIONS--LNG Services		75,406
22			
23	FARMER & LUNA PLLC--Legal Services		64,126
24			
25	TENNESSEE ONE-CALL SYSTEM, INC.--Consulting		62,852
26			
27	QUALITY WELDING & FABRICATING--Construction Services		51,092
28			
29	CH2M HILL, INC.--Construction Services		45,052
30			
31	DST OUTPUT, LLC--Bill Printing Services		44,745
32			
33	HDR ENGINEERING INC--Engineering/Construction Services		43,460
34			
35	COLLIERS INTERNATIONAL MANAGEMENT--Janitorial Services		41,014
36			
37	TROUTMAN SANDERS LLP--Legal Services		27,342
38			
39	BERGER SINGERMAN LLP--Legal Services		23,708
40			
41	TDW SERVICES, INC--Construction Services		18,773
42			
43	STEEL CATHODIC INC--Construction Services		18,078
44			
45	JOHNSON SERVICE GROUP, INC--Staffing Agency		17,465
46			
47	SET ENVIRONMENTAL INC--Environmental Consulting		17,258
48			
49	CORESTAFF SERVICES--Staffing Agency		10,900
50			

Name of Respondent	This Report Is:	Date of Report	Year Ending
Chattanooga Gas Company	X An Original A Resubmission	(Mo, Da. Yr) June 26, 2017	December 31, 2016

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all goods or services from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Services	Name of Associated/Affiliated Company	Account(s) Charged or Credited	Amount Charged or Credited
	(a)	(b)	(c)	(d)
1	Allocated operations and maintenance Expense	AGL Services Company	Various O&M	5,057,092
2	Capital Payroll	AGL Services Company	121	(17,084)
3	Capital Payroll	Nicor Gas	107	(2,297)
4	Capital Payroll	Atlanta Gas Light Company	107	(496)
5	Money Pool Interest	AGL Services Company	403	74,802
6	Capitalized Distributed Overheads	AGL Services Company	107	233,221
7	Capital Payroll	Atlanta Gas Light Company	107	47,974
8	Capital Payroll	AGL Services Company	107	16,910
9	Off System Sales Pivotal LNG - 50% Sharing	Pivotal LNG LLC	242, 481	(2,008,539)
10	Gas Purchases and Asset Management Transactions	Sequent Energy Management	804, 164.1 and 164.2	19,389,194
11	Recovery of Cost Pivotal Home Solutions	Pivotal Home Solutions	488/921	(23,167)
12	Call Handling Costs	Pivotal Home Solutions	923	23,011
13	Inventory Transfers	Atlanta Gas Light Company	154	9,452
14	Assignment of Shared Assets	AGL Services Company	107	469,443
15				
16	Disaster Recovery:			
17	Hurricane Recovery	Florida City Gas	922	(8,073)
18	Mass Outage	Florida City Gas	922	(471)
19				
20				
21				
22	TOTAL			23,260,972

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COMPRESSOR STATIONS

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location <i>(a)</i>	Number of Units at Station <i>(b)</i>	Certificated Horsepower for Each Station <i>(c)</i>	Plant Cost <i>(d)</i>
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
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COMPRESSOR STATIONS (Continued)

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation. 3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel in Dth	Operation Data			Line No.
Fuel or Power	Other		Total Compressor Hours of Operation During Year	Number of Compressors Operated at Time of Station Peak	Date of Station Peak	
(e)	(f)	(g)	(h)	(i)	(j)	
None						1
						2
						3
						4
						5
						6
						7
						8
						9
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GAS STORAGE PROJECTS				
1. Report injections and withdrawals of gas for all storage projects used by respondent.				
Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
STORAGE OPERATIONS (in Dth)				
1	Gas Delivered to Storage			
2	January 2016	722,592		722,592
3	February	62,101		62,101
4	March	8,945		8,945
5	April	297,095		297,095
6	May	393,632		393,632
7	June	495,417		495,417
8	July	476,040		476,040
9	August	397,155		397,155
10	September	381,536		381,536
11	October	318,869		318,869
12	November	13,711		13,711
13	December	27,810		27,810
14	TOTAL (Total of Lines 2 Thru 13)	3,594,903		3,594,903
15	Gas Withdrawn from Storage			
16	January 2016	1,437,681		1,437,681
17	February	655,563		655,563
18	March	625,485		625,485
19	April	50,705		50,705
20	May	11,636		11,636
21	June	44,066		44,066
22	July	43,644		43,644
23	August	11,722		11,722
24	September	33,882		33,882
25	October	5,904		5,904
26	November	325,512		325,512
27	December	497,186		497,186
28	TOTAL (Total of Lines 16 Thru 27)	3,742,986		3,742,986

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GAS STORAGE PROJECTS (Continued)

1. On line 4, enter the storage capacity certificated by FERC. 2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount	
		(b)	Dth
STORAGE OPERATIONS			
1	Top or Working Gas End of Year *		2,298,894
2	Cushion Gas (Including Native Gas)		
3	Total Gas in Reservoir (Total of line 1 and 2)		2,298,894
4	Certificated Storage Capacity		3,605,160
5	Number of Injection - Withdrawal Wells		
6	Number of Observation Wells		
7	Maximum Days' Withdrawal from Storage		
8	Date of Maximum Days' Withdrawal		
9	LNG Terminal Companies (in Dth)		
10	Number of Tanks		
11	Capacity of Tanks		
12	LNG Volume		
13	Received at "Ship Rail"		
14	Transferred to Tanks		
15	Withdrawn from Tanks		
16	"Boil Off" Vaporization Loss		

* Excludes stored LNG and amounts stored by an affiliate.

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TRANSMISSION LINES

- | | |
|---|--|
| <p>1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> | <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p> |
|---|--|

Line No.	Designation (Identification) of Line or Group of Lines (a)	(b)	Total Miles of Pipe (c)
1	Transmission System		6.6
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
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16			
17			
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19			
20			
21			
22			
23			
24			
25			

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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) June 26, 2017	Year Ending December 31, 2016
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TRANSMISSION SYSTEM PEAK DELIVERIES

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
SECTION A: SINGLE DAY PEAK DELIVERIES				
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation	NONE		
5	Interruptible Transportation			
6	Other (Describe)			
6.01				
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contracts			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe)			
12.01				
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe)			
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe)			
25.01				
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contracts			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe)			
31.01				
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe)			
37	TOTAL			

Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr) June 26, 2017	Year Ending December 31, 2016
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AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
 2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted.
 For other facilities, report the rated maximum daily delivery capacities.
 3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1	Chattanooga	Liquefied Natural Gas	122,880	n/a	X	
2						
3						
4						
5						
6						
7						
8	* Number of days in storage.					
9						
10						
11						
12						
13						
14						
15						
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30						

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) June 26, 2017	Year Ending December 31, 2016
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GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.

6. Also indicate by a footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM			
Line No.	Item	Ref. Page No.	Amount of Dth
	(a)	(b)	(c)
	GAS RECEIVED		
2			
3	Gas Purchases (Accounts 800 - 805)		8,210,894
4	Gas of Others Received for Gathering (Account 489.1)		
5	Gas of Others Received for Transmission (Account 489.2)		
6	Gas of Others Received for Distribution (Account 489.3)		
7	Gas of Others Received for Contract Storage (Account 489.4)		7,194,488
8	Exchanged Gas Received from Others (Account 806)		
9	Gas Received as Imbalances (Account 806)		
10	Receipts of Respondent's Gas Transported by Others (Account 858)	328	105,191
11	Other Gas Withdrawn from Storage (LNG)		809,361
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify)		
15	Total Receipts (Total of lines 3 thru 14)		16,319,934
	GAS DELIVERED		
17	Gas Sales (Accounts 480-484)	331	-
18	Firm Sales	301	7,300,472
19	Deliveries of Gas Gathered for Others (Account 489.1)		
20	Deliveries of Gas Transported for Others (Account 489.2)		
21	Firm Transportation		
22	Interruptible Sales and Transportation	301	3,568,353
23	Deliveries of Gas Distributed for Others (Account 489.3)	301	2,559,713
24	Deliveries of Contract Storage Gas (Account 489.4)		
25	Exchange Gas Delivered to Others (Account 806)		
26	Gas Delivered as Imbalances (Account 806)		
27	Deliveries of Gas to Others for Transportation (Account 858)	328	24,099
28	Other Gas Delivered to Storage (Explain)		
29	Gas Used for Liquefaction		1,173,244
30	Other Deliveries (Specify) - Special Contract & Sales/Transportation		187,706
31	Total Deliveries (Total of lines 17 thru 27)	301	1,184,141
32			15,997,728
	GAS UNACCOUNTED FOR		
33	Production System Losses		
34	Gathering System Losses		
35	Transmission System Losses		
36	Distribution System Losses		
37	Storage System Losses		401,691
38	Other Losses (Specify)		(1,396)
39	Total Unaccounted For (Total of lines 30 thru 35)		(78,089)
40	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		322,206
			16,319,934

(1) Liquefaction of natural gas for storage.

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Name of Respondent Chattanooga Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr) June 23, 2016	Year Ending December 31, 2016
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SYSTEM MAPS

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines.
- (b) Incremental facilities.
- (c) Location of gathering areas.
- (d) Location of zones and rate areas.
- (e) Location of storage fields.
- (f) Location of natural gas fields.

- (g) Location of compressor stations.
- (h) Normal direction of gas flow (indicated by arrows).
- (i) Size of pipe.
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

See attached page 522.1

