

## LEGAL NOTICE

Notice is hereby given that pursuant to its existing Annual Review Mechanism (ARM), Chattanooga Gas Company (the Company) filed a petition with the Tennessee Public Utility Commission (TPUC) on April 20, 2022, in Docket 22-00032, proposing to change its rates for natural gas service now in effect. Any rate changes are subject to the approval of TPUC. TPUC may adopt, reject, increase, or decrease any of the rate changes in part or in whole. A complete copy of the Company's proposed rate changes are on file with TPUC and are available for public inspection. A complete copy is also available in the Company's local office. The Company's filing is made in accordance with the procedures for its ARM approved by the TPUC. With the voluntary four-year cap on the annual base rates increase, as approved by the TPUC in 2021, the average residential customer would see a rate increase of approximately \$4.20 per month. The Company's proposed rate impact on the average small commercial and industrial general service customer would be an increase of approximately \$8.89 per month. New rates are proposed to be effectively on September 1, 2022. This matter is set for hearing August 8, 2022, beginning at 9:00 A.M. Central time or as soon thereafter as it may be heard in the TPUC Hearing Room on the ground floor of the Andrew Jackson State Office Building, 500 Deaderick Street, Nashville, Tennessee. The Company's current and proposed rates are set out in the chart below, along with the rates otherwise required by the ARM, and do not include gas cost that is recovered through the Purchase Gas Adjustment. If the current proposed rates for service are adopted by TPUC on August 8, then the average Chattanooga Gas residential customer may expect to see an average total bill for the upcoming winter months as follows: December 2022 of \$125.56 as compared to December 2021 of \$100.74; January 2023 of \$167.05 as compared to January 2022 of \$133.47; and February 2023 of \$158.54 as compared to February 2022 of \$121.54. Current natural gas costs reflect the impact of supply constraints and higher demand this winter heating season. Chattanooga Gas does not profit from these increased costs and instead passes on the market cost directly to customers. The current per therm price customers pay for natural gas delivered by Chattanooga Gas comprises approximately 70% of a typical residential customer's bill due to economic factors that have affected the commodity's market price.

This notice is made pursuant to TPUC Rule 1220-04-01-.05.

Chattanooga Gas Company  
Annual Review Mechanism ("ARM")  
Current and Proposed Rates by Rate Schedule  
Docket 22-00032

|  |   | CURRENT BASE<br>RATES | PROPOSED BASE<br>RATES |
|--|---|-----------------------|------------------------|
| <b>R-1</b>   | WINTER (NOV - APRIL)                    |                       |                        |
| <b>Residential</b>   | Base Use Charge/Bill                    | \$22.60               | \$25.90                |
| <b>General Service</b>                                       | Commodity Charge/Therm                  | \$0.15465             | \$0.17787              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$18.70               | \$21.40                |
|  | Commodity Charge/Therm                  | \$0.15465             | \$0.17787              |
| Non-Metered Gas Light  | 18 Therm per Light per Month            | \$0.15465             | \$0.17787              |
| <b>R-4</b>   | WINTER (NOV - APR)                      |                       |                        |
| <b>Multi-Family</b>  | Base Use Charge/Unit                    | \$8.30                | \$9.50                 |
| <b>Housing Service</b>                                       | Commodity Charge/Therm                  | \$0.29085             | \$0.33351              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$8.30                | \$9.50                 |
|  | Commodity Charge/Therm                  | \$0.25855             | \$0.29647              |
| Air Conditioning   | SUMMER (MAY - OCT)                      |                       |                        |
|  | Flat Rate/Therm                         | \$0.05234             | \$0.06000              |
| <b>C-1</b>   | WINTER (NOV - APR)                      |                       |                        |
| <b>Commercial &amp; Industrial</b>                           | Base Use Charge/Bill                    | \$41.60               | \$47.70                |
| <b>General Service</b>                                       | Flat Rate/Therms                        | \$0.24807             | \$0.28445              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$35.80               | \$41.10                |
|  | Flat Rate/Therms                        | \$0.19477             | \$0.22334              |
| Non-Metered Gas Light (C-1 & C-2)                            | WINTER (NOV - APR)                      |                       |                        |
|  | 18 Therm per Light per Month            | \$0.24807             | \$0.28445              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | 18 Therm per Light per Month            | \$0.19477             | \$0.22334              |
| Air Conditioning   | SUMMER (MAY - OCT)                      |                       |                        |
|  | Flat Rate/Therm                         | \$0.05234             | \$0.06000              |
| <b>C-2</b>   |   |                       |                        |
| <b>Medium Commercial &amp; Industrial General Service</b>    | WINTER (NOV - APR)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$100.20              | \$114.90               |
|  | First 3,000 Therms                      | \$0.25114             | \$0.28842              |
|  | Next 2,000 Therms                       | \$0.22924             | \$0.26331              |
|  | Next 10,000 Therms                      | \$0.22330             | \$0.25650              |
|  | Over 15,000 Therms                      | \$0.11553             | \$0.13292              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$100.20              | \$114.90               |
|  | First 3,000 Therms                      | \$0.19719             | \$0.22656              |
|  | Next 2,000 Therms                       | \$0.15654             | \$0.17995              |
|  | Next 10,000 Therms                      | \$0.14594             | \$0.16779              |
|  | Over 15,000 Therms                      | \$0.11551             | \$0.13290              |
| Air Conditioning   | SUMMER (MAY - OCT)                      |                       |                        |
|  | Flat Rate/Therm                         | \$0.05234             | \$0.06000              |
| Demand Charge  | Rate per Unit of Billing Demand Per Dth | \$8.40                | \$9.60                 |
| <b>F-1</b>   | Base Use Charge                         | \$400.80              | \$459.60               |
| <b>Large Volume</b>  | Demand Charge/Demand Unit               | \$8.40                | \$9.60                 |
| <b>Firm Service</b>  | Commodity Charge/Dth                    |                       |                        |
|  | First 1,500 Dths                        | \$1.0798              | \$1.2380               |
|  | Next 2,500 Dths                         | \$0.9222              | \$1.0570               |
|  | Next 11,000 Dths                        | \$0.5234              | \$0.6000               |
|  | Over 15,000 Dths                        | \$0.3223              | \$0.3700               |
| <b>I-1</b>   | Base Use Charge                         | \$400.80              | \$459.60               |
| <b>Interruptible Service</b>                                 | Commodity Charge/Dth                    |                       |                        |
|  | First 1,500 Dths                        | \$1.0798              | \$1.2380               |
|  | Next 2,500 Dths                         | \$0.9222              | \$1.0570               |
|  | Next 11,000 Dths                        | \$0.5234              | \$0.6000               |
|  | Over 15,000 Dths                        | \$0.3223              | \$0.3700               |
| <b>T-1</b>   | Customer Charge                         | \$400.80              | \$459.60               |
| <b>Interruptible Transportation Service</b>                  | Transportation Charge/Dth               |                       |                        |
|  | First 1,500 Dths                        | \$1.0798              | \$1.2380               |
|  | Next 2,500 Dths                         | \$0.9222              | \$1.0570               |
|  | Next 11,000 Dths                        | \$0.5234              | \$0.6000               |
|  | Over 15,000 Dths                        | \$0.3223              | \$0.3700               |
|  | System Capacity Charge/Dth              | \$1.8000              | \$2.1000               |
| <b>T-2</b>   | Customer Charge                         | \$400.80              | \$459.60               |
| <b>Interruptible Transportation Service with Firm Backup</b> | Demand Charge/Demand Unit               | \$8.40                | \$9.60                 |
|  | Transportation Charge/Dth               |                       |                        |
|  | First 1,500 Dths                        | \$1.0798              | \$1.2380               |
|  | Next 2,500 Dths                         | \$0.9222              | \$1.0570               |
|  | Next 11,000 Dths                        | \$0.5234              | \$0.6000               |
|  | Over 15,000 Dths                        | \$0.3223              | \$0.3700               |
| <b>T-3</b>   | WINTER (NOV - APR)                      |                       |                        |
| <b>Low Volume Transport</b>                                  | Base Use Charge/Bill                    | \$100.20              | \$114.90               |
| <b>General Service</b>                                       | First 3,000 Therms                      | \$0.25114             | \$0.28842              |
|  | Next 2,000 Therms                       | \$0.22924             | \$0.26331              |
|  | Next 10,000 Therms                      | \$0.22330             | \$0.25650              |
|  | Over 15,000 Therms                      | \$0.11553             | \$0.13292              |
|  | SUMMER (MAY - OCT)                      |                       |                        |
|  | Base Use Charge/Bill                    | \$100.20              | \$114.90               |
|  | First 3,000 Therms                      | \$0.19719             | \$0.22656              |
|  | Next 2,000 Therms                       | \$0.15654             | \$0.17995              |
|  | Next 10,000 Therms                      | \$0.14594             | \$0.16779              |
|  | Over 15,000 Therms                      | \$0.11551             | \$0.13290              |
| Demand Charge  | Rate per Unit of Billing Demand Per Dth | \$8.40                | \$9.60                 |