

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 9, 2002

VIA FACSIMILE

Joe A. Connor, Esq.
Baker, Donelson, Bearman & Caldwell
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450

RE: United Cities Gas Company Incentive Plant (IPA) Audit
Docket No. 01-00704

Dear Mr. Connor:

I am writing to request a clarification of certain statements contained in United Cities Gas Company's Memorandum dated April 5, 2002, which was filed in response to the Authority Staff's draft audit findings in this docket.

A heading at the beginning of the Memorandum states: "THIS DOCUMENT CONTAINS CONFIDENTIAL AND PROPRIETARY INFORMATION WHICH IS SUBMITTED FOR THE USE OF THE TRA AND ITS AUTHORIZED STAFF AND FOR NO OTHER PURPOSE." Each page of the Memorandum is marked "CONFIDENTIAL."

As United Cities is aware, the Authority Staff uses a company's response to the Staff's draft audit findings in preparing its final audit report, which the Staff files with the Authority, and which becomes part of the public record. Such use involves paraphrasing and, at times, directly quoting statements made in the company's response.

The Staff understands United Cities' request, where a need is justified, to keep sensitive business information from becoming part of the public record. In this instance, however, United Cities has not identified with any specificity those portions of the Memorandum that contain this type of information or provided any grounds for the assertion of confidentiality.

In order that Staff may use the information contained in the Memorandum to the fullest appropriate extent, please identify any and all information contained in the Memorandum which United Cities claims should not be included in Staff's final audit report due to confidentiality and state the legal grounds for United Cities' assertion that the identified information should be excluded from the public record.

Sincerely,

Jon Wike, Counsel

cc: Docket File No. 01-00704

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