

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 14, 2007

IN RE:

**GENERIC DOCKET FOR THE PURPOSE OF EXAMINING
TRA RULES, POLICIES AND PROCEDURES IN LIGHT
OF CURRENT TRENDS IN GAS INDUSTRIES**

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**DOCKET NO.
05-00046**

ORDER CLOSING DOCKET

This docket came before Chairman Sara Kyle, Director Eddie Roberson, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority (the “Authority” or “TRA”), under section one business, at a regularly scheduled Authority Conference held on February 26, 2007 to consider closing this docket.

BACKGROUND

This docket was opened by the Authority on February 2, 2005, to encourage dialog between the Authority and representatives of the gas industry, the Consumer Advocate and Protection Division of the Office of the Attorney General (“Consumer Advocate”) and any other interested parties. A Notice of Filing Comments was issued by General Counsel on February 2, 2005, requesting that anyone who wished to file comments in this docket do so by March 1, 2005. Comments were filed by the Consumer Advocate, Atmos Energy Corporation (“Atmos”), Chattanooga Gas Company (“CGC”), Nashville Gas Company (“NGC”), and the Gas Technology Institute (“GTI”). A Status Conference was held on May 16, 2005 for the purpose of identifying issues and setting a procedural schedule to address those issues.

A memorandum issued by Director Deborah Taylor Tate¹ on May 20, 2005 summarized the comments received into three general categories: process and procedural, substantive, and consumer

¹ Director Deborah Taylor Tate resigned on January 3, 2006 and Director Eddie Roberson was appointed by the governor to fill this vacancy.

issues. The memorandum also recommended that General Counsel set a date for a workshop to discuss comments of the parties concerning procedural issues. A public meeting to address procedural issues was held on July 18, 2005. During this meeting, representatives from Atmos, CGC, NGC and the Consumer Advocate were present and participated in the discussion. A subsequent meeting to address consumer and safety issues was held on October 5, 2005. Representatives for the Consumer Advocate, Atmos, CGC, NGC, GTI, Gibson County Utility District and an interested consumer were present and participated in the discussion.

On December 2, 2005, a *Report on Workshop Meetings Held July 18, 2005 and October 5, 2005* ("Report") was issued by Director Tate. The Report contained a list of procedural, consumer and safety issues arising from the workshop discussions and Director Tate's recommendations regarding each issue. The Consumer Advocate and CGC followed up with comments regarding Director Tate's recommendations.

During a regularly scheduled Authority Conference held on December 12, 2005, Director Tate provided comments regarding recommendations found in the Report. Director Tate expressly stated that she would not ask for action on issues raised by the Consumer Advocate regarding A.3. (Submission of Proposed Orders) and B.1. (Safety: Pipeline Replacement), due to comments submitted by the Consumer Advocate. With the exception of A.2. (Purchased Gas Adjustment ("PGA") Notice Requirement), Director Tate presented no specific recommendations that required action by the Directors.

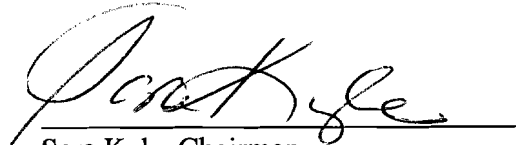
With regard to issue A.2., Director Tate made a motion to shorten the notice period required by the PGA Rule for good cause to "three business days prior to the settlement date for the NYMEX futures front month gas contract," until the issue could be addressed in the rulemaking. Director Miller pointed out that the Authority took action in 2004 to authorize the Chairman to waive the notice requirement for good cause shown. Chairman Jones confirmed that the current process "has basically the same effect as this A.2." Director Tate responded that the Authority could proceed as is,


but may at some point may want to initiate a rulemaking proceeding to codify this practice in the Authority's rules.

FINDINGS AND CONCLUSIONS

The purpose of this docket was to gather information regarding current issues related to the natural gas industry from those parties most knowledgeable in the field, primarily the regulated gas companies and the Consumer Advocate, as well as other interested parties. The TRA has accomplished this purpose through workshops and written comments from participating parties and gained valuable information during the process. Further, the only action requested by Director Tate (waiver of the 30 day notice on PGA filings) was implemented by the Authority on November 22, 2004. Therefore, a majority of the panel determined that there are no outstanding issues that require further action by the Authority at this time and voted to close this docket.

IT IS SO ORDERED.


Sara Kyle, Chairman


Eddie Roberson, Director

 11-30-07
Pat Miller, Director

Ron Jones, Director²

² Director Jones concurred in the results only and filed a separate concurring opinion.