

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

TO: Docket File

FROM: Pat Murphy, Manager *PM*
Utilities Division

DATE: July 12, 2006

SUBJECT: Docket No. 05-00321 - Chattanooga Gas Company's Actual Cost Adjustment Filing for the 12-Months Ended June 30, 2005.
Docket No. 05-00322 - Chattanooga Gas Company's Annual Incentive Plan Filing for the 12-Months Ended June 30, 2005.

On July 6, 2006, the Audit Staff in Dockets 05-00321 and 05-00322 issued its agreement to the Company's request to defer consideration of the Staff's audit reports in these dockets until August 7, 2006. On that same date, the Company filed a letter with the Authority agreeing to Advisory Staff's request to further extend the consideration of these dockets until August 31, 2006. Audit Staff does not object to this request made by Advisory Staff and agreed to by Chattanooga Gas Company.

c: Chairman Sara Kyle
Director Pat Miller
Director Ron Jones
Director Eddie Roberson
Richard Collier
Darlene Standley
Carsie Mundy