

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF CHATTANOOGA GAS
COMPANY FOR APPROVAL OF
ADJUSTMENT OF ITS RATES AND
CHARGES, COMPREHENSIVE RATE
DESIGN PROPOSAL, AND REVISED
TARIFF**

DOCKET NO. 06-00175

CONSUMER ADVOCATE'S RESPONSE TO DISCOVERY OBJECTIONS

The Consumer Advocate and Protection Division of the Office of Attorney General (hereinafter "Consumer Advocate") respectfully submits this response to Chattanooga Gas Company's (hereinafter "the Company") Objections to Discovery Requests.

With regard to the Company's objection B to the Consumer Advocate's discovery request #19, the Consumer Advocate seeks to compare depreciation rates across states to determine whether Tennessee is treated the same as or differently than other states. The facts that the Consumer Advocate seeks are relevant and discoverable.

With regard to the Company's objection D to the Consumer Advocate's discovery request #24, the Consumer Advocate does not seek documents protected by copyright, and the Consumer Advocate has a license to use the excel program. To whatever extent the Company's witness claimed the right to use information for his testimony, that information is discoverable. The Company's objection lacks specificity regarding both the copyright at issue and the information request at issue.

With regard to the Company's objection E to the Consumer Advocate's discovery request #108, the request for the Company to identify persons with knowledge of discoverable matters is reasonable, and the information requested is discoverable. Furthermore, the Consumer Advocate will object to any attempt by the Company to call any witness for testimony, including rebuttal testimony, if such person has not been identified in response to this discovery request.

The Consumer Advocate and the Company have attempted to work out as many discovery issues as possible, and we are proceeding accordingly.

With regard to the Company's objection E to the Consumer Advocate's discovery requests Nos. 4, 107 and 109, the Company withdraws its objections, based on the understanding that the Company must produce through discovery, the initial filings, the pre-filed testimony or the minimum filing guidelines any fact that the Company intends to present at the hearing on the merits.

With regard to the Company's objection E to the Consumer Advocate's discovery request #7(F), the Consumer Advocate agrees to delete the language "shown to, delivered to, received from" so that the request requires the Company to identify all documents relied upon or prepared by any expert witness that are related to the witness' testimony. The Company withdraws its objections according to this understanding and agrees to limit its discovery requests accordingly.

With regard to the Company's objection E to the Consumer Advocate's discovery request No. 8, the Consumer Advocate agrees to delete the language "provided to, received by, used by" and substituting the language "relied upon or" which requires the Company to provide documents relied upon or produced by any witness. The Company withdraws its objections according to this understanding and agrees to limit its discovery requests accordingly.

With regard to the Company's objection F to the Consumer Advocate's discovery request No. 7(D), the Company agrees to identify (to the extent that it has not already done so) the matters in which its witnesses have testified before other utility commissions and the subject matter of the testimony. To the extent that these matters are not in the public domain and the witnesses have maintained copies under their possession, custody or control, the Company will provide copies of the testimony that is specifically requested by the Consumer Advocate.


With regard to the Company's objection G to the Consumer Advocate's discovery request No. 9, the Company will provide the Consumer Advocate with a list of the articles, books, etc., that its witnesses have published. To the extent that its witnesses maintain copies under their possession, custody, or control, the Company will provide copies of the articles that the Consumer Advocate specifically requests to the extent that the request is reasonable. The Company will not provide free copies of books.

With regard to the Company's objection A to the Consumer Advocate's discovery requests Nos. 37 and 82 through 88 and with regard to the Company's objection C to the Consumer Advocate's discovery requests Nos. 43 through 46 and 48, the parties agree to defer these issues to Phase II of this case. Also, the Consumer Advocate reserves the right to request discovery to the extent the information is needed to assist with the Home Energy Conservation Task Force to the extent that the issues in the case filed by the Company overlap with the work of the task force.

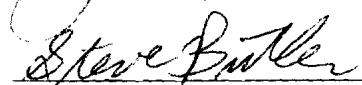
On page 3 of the objections, the Company asserts, "At this time, however, the CAPD and the CMA have not specifically identified the other issues that they intend to raise during the Phase II hearing" In addition to the Company's proposed conservation surcharge that the Company calls the Conservation Usage Adjustment and the Company's proposed Energy Conservation Plan, the

Consumer Advocate intends to raise as issues in Phase II the same types of issues that now exist in Phase II of the Atmos rate case, docket number 05-00258. The issues include asset management arrangements, the appropriate level of capacity subscription for which consumers are required to pay, the role of affiliates in managing and profiting from assets paid for by consumers, and the right of consumers to benefit from the assets for which they have paid. The Consumer Advocate anticipates that both the Home Energy Conservation Task Force and Phase II of the Atmos rate case will help to refine the specific issues for Phase II of the case at bar. Although the Company reserves the right to object to proposed issues for Phase II, it should be noted that the Company has raised in this litigation issues that are "beyond the scope of a traditional rate case," such as the Company's proposed surcharge for pipeline replacement and the Company's proposed surcharge for conservation by residential consumers. If issues that are "beyond the scope of a traditional rate case" are inappropriate in the case at bar, issues such as the Company's proposed surcharge for pipeline replacement and the Company's proposed surcharge for conservation by residential consumers should be summarily dismissed.

RESPECTFULLY SUBMITTED,



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Dated: August 23, 2006

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on parties below via U.S. Mail or facsimile on August 23, 2006.

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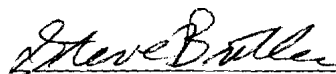
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