

**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

Filed electronically 10/20/06 @ 2:08 pm

**FIRST DISCOVERY REQUESTS TO THE
CHATTANOOGA MANUFACTURERS ASSOCIATION**

These Discovery Requests are hereby served upon the Chattanooga Manufacturers Association ("CMA") by Chattanooga Gas Company ("CGC" or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided, under oath, pursuant to the Tennessee Rules of Civil Procedure.

PRELIMINARY MATTERS AND DEFINITIONS

Each Discovery Request calls for all knowledge, information and material available to the CMA, as a party, whether it be the CMA, in particular, or knowledge, information or material possessed or available to the CMA's attorney or other representative.

These Discovery Requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the CMA which would make a prior response inaccurate, incomplete, or incorrect.

For purposes of these Discovery Requests, the term "you" shall mean and include: CMA

and all employees, agents and representatives thereof.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when.

If you produce documents in response to these Discovery Requests, produce the original of each document or, in the alternative, identify the location of the original document. If the original document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the Discovery Requests are not answered on the basis of privilege or immunity, include in your response to each such request a written statement evidencing:

- a) the nature of the communication;

- b) the date of the communication;
- c) the identity of the persons present at such communication; and
- d) a brief description of the communication sufficient to allow the Court to rule on a motion to compel.

If, for any reason, you are unable to answer a Discovery Request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

These Discovery Requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist you in providing full and complete discovery, the Company provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term communication means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

FIRST DISCOVERY REQUESTS

DISCOVERY REQUEST NO. 1:

Produce copies of any and all documents referred to or relied upon in responding to CGC's discovery requests.

DISCOVERY REQUEST NO. 2:

Identify each person whom you expect to call as an expert witness at any hearing in this docket, and for each such expert witness:

- a) identify the field in which the witness is to be offered as an expert;
- b) provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness;
- c) provide the grounds (including without limitation any factual basis), for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- d) identify any matter in which the expert has testified (through deposition or otherwise), by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- e) identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- f) identify all documents or things relied upon or prepared by any expert

witness, which are related to the witness(es)' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and

- g) identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

DISCOVERY REQUEST NO. 3:

Provide all material relied upon or produced by any witness for the CMA or any expert or consultant retained by the CMA to testify or to provide information from which another expert will testify concerning this case, including all work papers, reference sources, financial information, discovery responses, e-mails and other materials. Please produce working Microsoft Excel files for all work papers and exhibits.

DISCOVERY REQUEST NO. 4:

Produce a copy of all articles, journals, books or speeches written by or co-written by any CMA expert witnesses, whether published or not.

DISCOVERY REQUEST NO. 5:

State each fact you rely on to support your contentions and requests for relief in this docket.

DISCOVERY REQUEST NO. 6:

Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any document(s) which support each fact you rely on to support your contentions and requests for relief in this docket.

DISCOVERY REQUEST NO. 7:

How is a declining rate block structure that places demand related costs mainly in the first block more equitable than a straight fixed variable rate design? Do not the smaller customers who also have the lower contract demand bear a higher percentage of the demand costs than larger customers?

DISCOVERY REQUEST NO. 8:

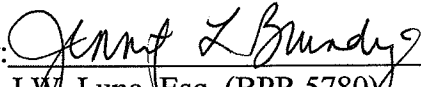
How much of a subsidy under Mr. Chalfant's proposed rate structure, using his methodology to calculate a subsidy, would the overwhelming majority of the Company's industrial customers pay for lower rates for a few large customers?

DISCOVERY REQUEST NO. 9:

Mr. Chalfant states that the \$25/Dth penalty charge is not likely to discourage a customer from overrunning their gas usage in critical periods of time. Then, what level of charge would be sufficient to discourage such behavior?

Respectfully submitted,

FARMER & LUNA, PLLC

By: 
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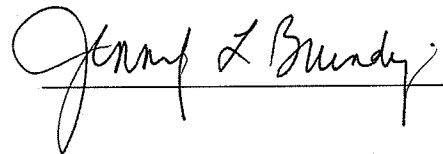
CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of October 2006, a true and correct copy of the foregoing was served on the persons below via U.S. Mail or email:

Cynthia Kinser, Deputy
Timothy Phillips
Stephen Butler
Consumer Advocate and Protection Division
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2nd Floor
425 5th Avenue North
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David C. Higney
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Boult, Cummings, Conners, & Berry, PLC
1600 Division Street, Suite 700
Nashville, TN 37203

A handwritten signature in cursive script, reading "Jennifer L. Brundage", is written over a horizontal line.