

FARMER & LUNA

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November 13, 2006

VIA ELECTRONIC MAIL AND HAND DELIVERY

Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

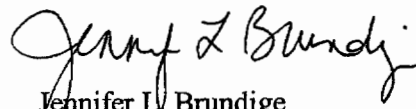
filed electronically in docket office on 11/13/06

Re: Docket 06-00175 Petition of Chattanooga Gas Company to Increase Rates,
Including a Comprehensive Rate Design Proposal and Revised Tariff

Dear Chairman Kyle:

Chattanooga Gas Company ("CGC") is filing in the above-referenced matter an original and four (4) copies of its responses to the TRA Staff's third discovery requests. The attachments for numbers 55, 58, 63, 74, and 75 are located on the enclosed CD.

Sincerely yours,



Jennifer L. Brundige

Enclosures

cc: Darlene Standley
Timothy Phillips, Esq.
Stephen R. Butler, Esq.
Henry Walker, Esq.
David C. Higney, Esq.
Catharine H. Giannasi, Esq.

Question:

On page 6 of Daniel J. Nikolich's Direct Testimony, Mr. Nikolich states, "Based upon New York Mercantile Exchange futures as of June 15, 2006, wholesale prices of natural gas are expected to increase above \$10.00 per dekatherm again next winter." NYMEX natural gas futures have recently declined materially. Provide an analysis of how this decline will influence the Company's forecasted revenues, cost of gas, projected usage, income taxes, excise tax, TRA inspection fee, other taxes and storage gas balances.

Response:

Please see attached schedules.

filed electronically in docket office on 11/13/06

Chattanooga Gas Company
Docket Number 06-00175
TRA Staff -3
Data Request No. 74
11/13/2006
Page 1 of 1

Question:

Please submit cost of service studies for the 12 months ended December 31, 2005 and
December 31, 2006.

Response:

Please see attached schedules.

filed electronically in docket office on 11/13/06

Chattanooga Gas Company
Docket Number 06-00175
TRA Staff -3
Data Request No. 75
11/13/2006
Page 1 of 1

Question:

Please submit a cost of service study with interruptible customers receiving allocations based on them being classified as firm customers, for the 12 months ended December 31, 2005, December 31, 2006 and December 31, 2007.

Response:

Please see attached schedules.