

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

May 8, 2007

RECEIVED
2007 MAY 18 PM 4:04
T.R.A. Docket Room

IN RE:

PETITION OF CHATTANOOGA GAS)
COMPANY FOR APPROVAL OF)
ADJUSTMENT OF ITS RATES AND) Docket No. 06-00175
CHARGES, COMPREHENSIVE RATE)
DESIGN PROPOSAL, AND REVISED TARIFF)

CHATTANOOGA GAS COMPANY'S REQUEST TO CLOSE DOCKET

The issues that the parties have proposed to address in Phase II of Docket 06-00175, which include energy conservation and asset management and capacity issues, are currently being addressed in, or could potentially be addressed in, other open dockets or forums. For purposes of economy and efficiency of resources and to avoid having to address these same issues in multiple dockets and forums, Chattanooga Gas Company ("CGC" or "Company") respectfully requests that the Tennessee Regulatory Authority ("TRA" or "Authority") close Docket 06-00175. To facilitate this closure, CGC will agree to withdraw the Energy Conservation Program ("ECP") and Conservation and Usage Adjustment ("CUA") that it filed as part of its rate case.

Policy and programs concerning energy conservation are currently being addressed by the Home Energy Task Force. The Task Force continues to move forward and is currently discussing pilot conservation programs. CGC has been an active participant in the Task Force and will continue to work with the TRA and other participants in the Task Force to develop and implement pilot conservation programs. At this time, CGC believes that it would be beneficial to consider implementing a

conservation proposal as a pilot program through the Home Energy Task Force and is currently working on a proposal.

The asset management and related issues raised by the Consumer Advocate and the Chattanooga Manufacturers Association are not issues that the TRA has routinely or traditionally addressed in rate cases. Rather, it has been the TRA's policy and practice to review and address all gas costs associated with a gas utility's capacity assets and related revenues, including revenues generated from non-jurisdictional use of gas supply assets, in the annual ACA audit through the Purchase Gas Adjustment ("PGA") Rule. CGC's current ACA audit docket (06-00298) has been convened as a contested case, so this docket will afford the parties the same opportunity to discuss and litigate the capacity and asset management issues.

In summary, CGC will withdraw its ECP and CUA issues from its rate case to facilitate the closure of this Docket and in consideration of the remaining issues moving forward in other dockets as appropriate. In the alternative, if the TRA determines that this docket should remain open, CGC requests that the TRA direct the parties to establish a procedural schedule for Phase II that allows the issues concerning the ECP and CUA to be litigated and resolved well in advance of the 2007-2008 heating season.

Respectfully submitted,

FARMER & LUNA, PLLC

By: 

J.W. Luna, Esq. (BPR 5780)

Jennifer L. Brundige, Esq. (BPR 20673)

333 Union Street, Suite 300

Nashville, TN 37201

(615) 254-9146

Attorneys for Chattanooga Gas Company

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of May 2007, a true and correct copy of the foregoing was served on the persons below by U.S. Mail:

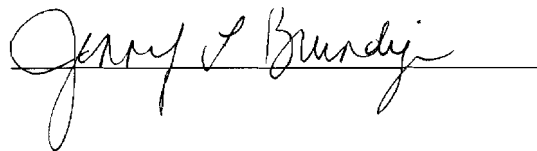
Richard Collier
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

Darlene Standley
Paul Greene
Utilities Division
Tennessee Regulatory Division
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Cynthia Kinser, Deputy
Timothy Phillips
Stephen Butler
Consumer Advocate and Protection Division
Office of Attorney General
2nd Floor
425 5th Avenue North
Nashville, TN 37243-0491

David C. Higney
Catharine H. Giannasi
Grant, Konvalinka & Harrison, P.C.
Ninth Floor, Republic Center
633 Chestnut Street
Chattanooga, TN 37450-0900

Henry M. Walker
Boult, Cummings, Connors, & Berry, PLC
1600 Division Street, Suite 700
Nashville, TN 37203

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