

# TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman  
Eddie Roberson, Director  
Pat Miller, Director  
Ron Jones, Director

2006 NOV 15 AM 11:38

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

November 15, 2006

Mr. Glen L. Tilton  
President of Community Initiative  
4305 Overstreet Drive  
Cookeville, TN 38506

RE: Application of Community Initiative for a CCN to Provide Natural Gas Services in Certain Areas of Macon County, TN (Including within the City of Red Boiling Springs); to Approve the Transfer of Customers and Certain Assets and Customers of RBS Gas Utility Inc.; to Approve Franchise from the City of Red Boiling Springs; to Confirm Cancellation of Special Contract of RBS Utility Inc. and to Set Rates and Approve Tariff.  
Docket No. 06-00281

Dear Mr. Tilton:

A petition was filed in this Docket on November 13, 2006. To assist the Authority in its review of Community Initiative's ("CI") petition, please provide the following information:

1. Please provide the specific duties that Mr. Tim Scott will perform at AUI, LLC ("AUI").
2. The Application states that CI works with government agencies to provide facilities and business operations for communities where such communities cannot otherwise afford, or do not have the business infrastructure to do so. What other government agencies has CI or Middle Tennessee Helping Hands worked with?
3. If CI has been involved with other community development projects, how were the operations funded?
4. Please provide financials for the company since being approved as a public charity in July 2004.
5. Provide a signed copy of the agreement between AUI and CI.
6. Because CI is totally dependent on AUI for technical and managerial services, please provide AUI's fiscal year end 2005 financials.
7. The Application states that it is anticipated that CI will procure its long-term financing from the United States Department of Agriculture ("USDA") and that interim financing is available to CI from other sources until the USDA loan is approved. Provide names of the other financing sources. How much of this financing has been received to date? When is it anticipated that the USDA loan will be approved and funds be available to CI? What is the amount of the USDA loan?
8. Provide a procedures manual for handling after-hours emergencies.
9. Provide a copy of the Agreement to Purchase Assets of RBS Gas Utility, Inc. signed by both parties.

10. Provide cost support for the rates in the proposed tariff including number of customers and projected usage volumes for the next twelve months.
11. Provide a pro forma statement of the cost of operating the utility and estimated revenues for the first five years including all consulting and management fees. The pro forma statement should support the proposed rates.
12. Provide a copy of the proposed notification to customers informing them of the new owners and proposed rate increase.
13. Provide a map of the requested service area.
14. Has final approval of the Franchise been granted to CI by the City of Red Boiling Springs?
15. Has CI made personal contact with the management of Nestle? If so, what was the result of this meeting or contact regarding Nestle's desire to continue purchasing gas from CI?
16. What steps will CI take to win back the 100 metered customers in Red Boiling Springs who do not currently use natural gas?
17. Under what name will the gas utility operate?
18. In its proposed tariff, TRA No. 1 Sheet No. 9 regarding the competitive fuels rate adjustment, the Company proposes to charge all authorized negotiated rate gross margin losses to the "Deferred Gas Account." Since the Company is proposing that all other customers pay for any lost margin, does the Company also propose to seek prior approval from the TRA for the offering of a discount? If rates are discounted on a "temporary basis," what is the maximum number of months that a customer may receive a discount before the potential need for a special contract is established?
19. Will the Company have a policy regarding disconnection of a customer's service when the forecasted high temperature is below a specified level?

It is requested that this information be provided no later than 2:00 p.m. on Wednesday, November 22, 2006, and that you reference Docket No. 06-00281 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version.

Should you have any questions regarding this request, please contact Patsy Fulton at (615) 741-2904 ext. 193 or Ginger Collier at (615) 741-2904, ext. 174.

Sincerely,



Darlene Standley, Chief  
Utilities Division

C: Jeffery A. Callahan  
Jack W. Robinson, Jr.  
Docket File