

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 4, 2007

IN 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 CUSTOMER 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

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ORDER GRANTING PETITION FOR INTERVENTION

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This matter came before the Hearing Officer upon the *Application of Community Initiative for a Certificate of Public Convenience and Necessity to Provide Natural Gas Services in Certain Areas of Macon County, Tennessee (Including within the City of Red Boiling Springs); to Approve the transfer of Certain Assets and Customers of RBS Gas Utilit , 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* (“Application”) filed on November 13, 2006 by Community Initiative (“CI”) and the *Petition to Intervene* filed by Nestle Waters North America, Inc. (“NWNA”) on December 29, 2006.

**BACKGROUND**

On November 13, 2006, CI filed its *Application* for a certificate of public convenience and necessity (“CCN”) to provide natural gas service in certain areas of Macon County, Tennessee

(including within the City of Red Boiling Springs). In addition, CI requests Authority approval to transfer certain assets and customers of RBS Gas Utility, Inc.; to approve a franchise agreement with the City of Red Boiling Springs; to confirm cancellation of a special contract of RBS Gas Utility, Inc. and to set rates and approve its tariff.

CI is the successful bidder on the assets of RBS Gas Utility, Inc., which has been in receivership since May 19, 2006. By Court Order dated September 15, 2006, Chancellor Smith approved the asset sale to CI, after which time RBS Gas Utility, Inc. will be liquidated. Therefore, CI has applied for a new CCN in order to proceed with the closing of the asset sale, lawfully operate the gas company, and serve the consumers of Red Boiling Springs.

#### **INTERVENTION**

Tenn. Code Ann. § 4-5-310(a) (2005) sets forth the following criteria for granting petitions to intervene:

(a) The administrative judge or hearing officer shall grant one (1) or more petitions for intervention if:

- (1) The petition is submitted in writing to the administrative judge or hearing officer, with copies mailed to all parties named in the notice of the hearing, at least seven (7) days before the hearing;
- (2) The petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of the law; and
- (3) The administrative judge or hearing officer determines that the interests of justice and the orderly and prompt conduct of the proceedings shall not be impaired by allowing the intervention.

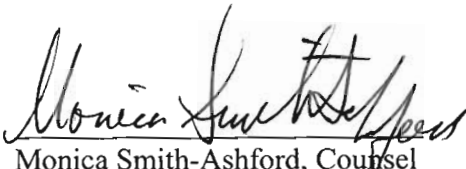
In its *Petition to Intervene* filed on December 29, 2006, NWNA states that CI's *Application* seeks cancellation of a Gas Service Agreement that was previously entered into by and between

NWNA and the prior utility owner, RBS Gas Utility, Inc. NWNA also maintains that the *Application* seeks a new and significantly changed rate and tariff structure to be charged by CI for providing natural gas service to NWNA and other customers in and near Red Boiling Springs.

The Hearing Officer finds that the legal rights and interests of NWNA may be determined in this proceeding, NWNA's petition is timely and its intervention will not impair the interests of justice and the orderly and prompt conduct of these proceedings. In addition, CI has not objected to NWNA's petition for intervention. For these reasons, and applying the standards set forth in Tenn. Code Ann. § 4-5-310(a) (2005), the Hearing Officer grants the *Petition to Intervene*.

**IT IS THEREFORE ORDERED THAT:**

The *Petition to Intervene* filed by Nestle Waters North America, Inc. on December 29, 2006 is granted. Nestle Waters North America, Inc. may participate in this proceeding as its interests require and receive copies of any notices, orders or other documents filed herein.

  
Monica Smith-Ashford, Counsel  
as Hearing Officer