

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 8, 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 ESTABLISHING PROCEDURE FOR HEARING

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This matter came before the Hearing Officer for an entry of an Order establishing a procedure for the Hearing in this matter scheduled for January 8, 2007. On November 13, 2006, Community Initiative ("CI") filed an *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 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* ("Application"). A notice was issued on December 19, 2006 setting the Hearing in this matter for Monday, January 8, 2007 before Chairman Sara Kyle, Director Pat Miller, and Director Ron Jones, the panel assigned to conduct the hearing and deliberate the merits of the

*Application.* On January 4, 2007, the Hearing Officer issued an order granting the *Petition to Intervene* filed by Nestle Waters North America, Inc. ("Nestle") on December 29, 2006.

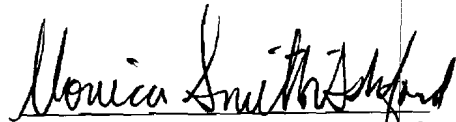
In order to facilitate the efficient conduct of the Hearing on January 8, 2007, the Hearing will proceed as follows:

- I. Preliminaries by Chairman Kyle
- II. Opening Statements
- III. Presentation of CI's case-in-chief
- IV. Presentation of Nestle's case-in-chief
- V. Rebuttal by CI (if any)
- VI. Comments by the Public
- VII. Closing by Nestle
- VIII. Closing by CI

In addition, CI has agreed to the participation of the Authority Staff, allowing them to ask questions of witnesses during the Hearing, and understands that the Authority Staff will not become or be deemed a Party by such participation during the Hearing. Further, the participation of the Authority Staff does not remove it from the role of advisor.

**IT IS THEREFORE ORDERED THAT:**

1. The Hearing shall proceed as indicated herein.
2. The schedule set forth in this order may be modified by the panel of Directors or upon a showing of good cause by motion of either party.
3. Authority Staff may ask questions of witnesses during the Hearing as set forth herein.

  
Monica Smith-Ashford, Counsel  
as Hearing Officer