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January 16, 2007

VIA HAND-DELIVERY

Hon. Sara Kyle, Chairman
c/o Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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 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 Chairman Kyle:

I would like to clear up one question which arose at the hearing in the above-mentioned matter held on January 8. At the hearing, Director Jones pointed out that the charter of Community Initiative ("CI") provides that upon dissolution its assets are to be distributed to another § 501(c)(3) organization. As I understand, he questioned whether the assets of the utility could thus ever be sold or transferred to any entity other than a § 501(c)(3) organization.

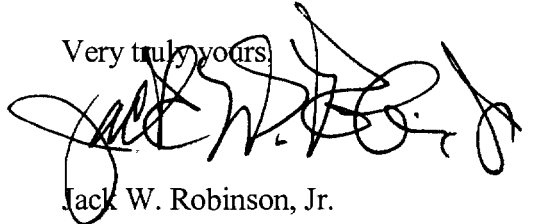
Many utilities are owned by for-profit corporations, where their shareholders (through dividends and other distributions) share in the profits and assets of the corporation. Upon dissolution, after all creditors are paid, the remaining proceeds (which are indeed assets of the corporation) are then distributed to the shareholders for their personal benefit and gain. However, since CI is a § 501(c)(3) corporation, upon dissolution, its remaining assets cannot go into the pockets of its members, directors or officers. The provision in question in CI's charter was included in part to indicate that if CI dissolves, such remaining assets will not inure to the

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benefit of any private individual, but will continue to be used for an exempt purpose.¹ Such provision does not mean that the assets of CI (or the utility which it operates) cannot be sold to a non-501(c)(3) utility. However, if they are indeed sold, the remaining proceeds, after all creditors are paid, cannot be distributed to members, officers, directors or any other private persons, as a shareholder of a for-profit corporation would receive dividends or other distributions when his or her corporation sells all of its operating assets and turns them into cash. In dissolving, if CI has cash after selling or otherwise transferring all of its operating assets to another entity, then that cash will need to go to another § 501(c)(3) organization (which may include a governmental entity).

I hope that this explanation clarifies any question that Director Jones may have had, but if a further explanation is required, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jack W. Robinson, Jr.", written over the typed name below.

Jack W. Robinson, Jr.

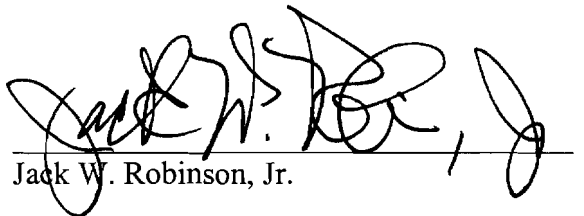
JWRjr:plw

¹ See also Treas. Reg. § 1.501(c)(3)-1(b)(4).

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon the City of Red Boiling Springs, Tennessee, c/o Jon A. Wells, Esq., city attorney, 206 Court Square, P. O. Box 116, Lafayette, Tennessee 37083-0116; Macon County, Tennessee, c/o County Mayor Shelvy Linville, Room 201 Macon County Courthouse, Lafayette, Tennessee 37083; the City of Lafayette, Tennessee, c/o Jon A. Wells, Esq., city attorney, 206 Court Square, P. O. Box 116, Lafayette, Tennessee 37083-0116; the Consumer Advocate Division, Tennessee Attorney General's Office, Attn.: Timothy Phillips, Esq., Senior Counsel, 425 Fifth Avenue North, Nashville, Tennessee 37243-0491; J. Graham Matherne, Esq., attorney for Receiver of RBS Gas Utility, Inc., Wyatt, Tarrant & Combs LLP, Suite 1500, 2525 West End Avenue, Nashville, Tennessee 37203-1423 and Robert M. Steele, Esq. and John A. Gupton III, Esq., attorneys for Nestle Waters North America, Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C., 211 Commerce Suite, Suite 1000, Commerce Center, Nashville, TN 37201, by depositing a copy of the same in the United States mail, first class mail, postage prepaid, this 16th day of January, 2007.



Jack W. Robinson, Jr.