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January 25, 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

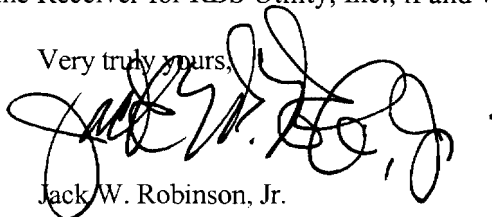
Docket No. 06-00281

Dear Chairman Kyle:

Enclosed is a copy of the Notice that was published in the *Macon County Chronicle* on January 23, 2007, notifying the public of: (a) the revisions to the proposed rates to be charged by Community Initiative ("CI"), and (b) the fact that the public hearing in this docket will be reconvened on February 5. As you may recall, at the hearing on January 8, you requested that CI and Nestle Waters North America, the sole intervenor in this docket, work together to negotiate mutually acceptable rates, which the parties have now done. The revised rates reflect the negotiations between CI and Nestle.

Additionally, CI requests that the rates set out in its proposed tariff (as modified by its recent filing after the negotiations with Nestle), together with the PGA that has been filed, take effect at the time it takes over operation of the gas utility from the Receiver for RBS Utility, Inc., if and when that occurs.

Very truly yours,



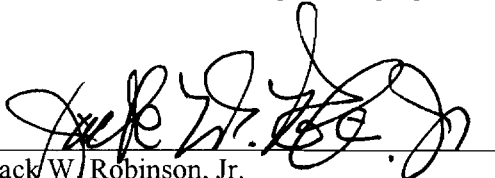
Jack W. Robinson, Jr.

JWRjr:plw
Enclosure

Hon. Sara Kyle, Chairman
c/o Sharla Dillon, Docket Manager
January 25, 2007
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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document, together with the enclosures, 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 Street, 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 25th day of January, 2007.



Jack W. Robinson, Jr.

NOTICE

Community Initiative, a Tennessee nonprofit corporation ("CI"), has contracted with the court-appointed Receiver of RBS Utility, Inc. ("RBS") to acquire some of the RBS assets out of the receivership. CI then intends to operate the natural gas utility formerly operated by RBS, which serves Red Boiling Springs and surrounding areas, provided it receives regulatory approval. CI has filed an application for a certificate of public convenience and necessity ("CCN") and a tariff, as required by law, with the Tennessee Regulatory Authority ("TRA"), setting forth the rates to be charged. The rates and increases are necessary to help the gas utility to serve the needs of its customers and to operate the gas system efficiently and in a financially sound and responsible manner. The rates are somewhat different from those previously charged by RBS and its Receiver.

Under CI, the monthly base rates will generally be as follows: for residential service, \$8 during the May – October billing months, and \$12 for the remainder of the year; for commercial service, \$35; and for large commercial and industrial service, \$200. Under RBS and the RBS Receiver, the monthly base rates for all customers have all been \$5.

The above rates (i.e., those proposed by CI and those which have been charged by RBS and its Receiver) are all in addition to the charges for gas itself. After the TRA hearing on January 8, 2007, the TRA Directors asked that CI negotiate with the party that had intervened in the case. After the negotiations, the new, revised rates, as agreed upon between CI and the intervenor, are as follows: for residential service and commercial service, CI will charge \$0.60 per therm; and for large commercial and industrial service, CI will charge \$0.375 per therm. The allowed purchased gas adjustments and other costs, taxes and adjustments permitted by law will be added to these charges. Currently, in addition to its base rate, the RBS Receiver generally charges \$4.29 per mcf for gas (which is approximately \$0.43 per therm), plus the allowed purchased gas adjustments and other costs, taxes and adjustments permitted by law. If gas service must be reconnected (such as after it has been disconnected for the non-payment of a bill), then CI will charge a reconnection fee of \$50, where RBS previously charged \$25. Other than the gas costs, the RBS charges and fees have not changed in over 15 years.

A complete copy of CI's application for a CCN, the proposed tariff (including the revised rates), and the reasons for the changes from what RBS and its Receiver charged, are on file with the TRA at 460 James Robertson Pkwy, Nashville, TN 37243, and are open to public inspection. The TRA hearing on CI's application and tariff will reconvene in the TRA hearing room at the TRA address listed above on Monday, February 5, 2007, at 1 pm.

COMMUNITY INITIATIVE
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