Receivership Management, Inc.

215 Centerview Drive, Suite 133 Brentwood, TN 37027 (615) 370-0051 Fax (615) 373-4336

27-00049

February 14, 2007

Sara Kyle, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: ACA Tariff Filing for RBS Gas Utility Inc.

Dear Chairman Kyle:

Enclosed please find an original and four (4) copies of an ACA tariff filing for RBS Gas Utility Company ("RBS"). I am making this filing under my authority as president of Receivership. Management, Inc. ("RMI"), the court-appointed receiver for RBS. This tariff filing is made as authorized and provided for under the applicable statutes and rules of the Tennessee Regulatory Authority (the "TRA"). I request that this filing have an effective date of February 26, 2007.

In addition to the above request, I am also asking that the TRA waive the thirty (30) day notice requirement for this tariff filing, pursuant to Rule 1220-4-1-.03 of the TRA. As you know, on May 19, 2006, RBS was placed into receivership as a result of an action filed by the TRA in the Chancery Court for Macon County. A plan to sell the assets of RBS to Community Initiative was approved by the Court and the rates filed by Community Initiative approved by the TRA earlier this month. However the franchise agreement required as a condition of the TRA approval was not granted by the City of Red Boiling Springs. Therefore, it is necessary for me to file the ACA to recover from the customers of RBS the costs for gas used but not paid for by those customers. While the proposed sale was pending, the ACA filing has been held in abeyance. However, it is now necessary to go forward with this filing as the first step in providing the Court with a rehabilitation plan rather than a sale. It is on this basis the TRA is urged to grant RBS a waiver of the thirty (30) day notice requirement. As a further note, the ACA filing is based on recovery over a four year rather than a one year period. This is necessary in order to try to make the cost of gas to the RBS customer close to the estimated cost of propane. In addition to this ACA filing, I plan on filing for a new base rate as soon as possible in order to reflect current operating costs. If any rehabilitation plan has a chance to work, it must strike a balance between the costs to operate the system and allow a plan to pay the current debt.

Should you have any questions relating to this tariff filing, please contact me immediately at 370-0051.

Sigant

Sincerely,

Jeanne B. Bryant

President-Receivership Management Inc. Receiver of RBS Gas Utility Company

11th Revised Sheet No. 1 Replaces 10th Revised Sheet No. 1

RBS GAS UTILITY, INC.

Billing Rates Effective for Bills Rendered On or After: March 1, 2007

| Rate Schedule | Rate Class | Description | Tariff Rate Approved In Docket No. U-90-06366 <1> | Current Purchased Gas Adjustment <2> | Current ACA <3> | Total Adj. Factor (Sum Col.2 thru Col.3) <4> | Total Billing Rate (Col.1+Col.4) <5> |
|------------------------------|--|--------------------------|---|--------------------------------------|-----------------------|--|--|
| | | Customer Charge Plus: | \$5.00 | | | | \$5.00 |
| Service Schedule No. 1 | Residential | Per MMBTU Billed | \$7.50 | 5.8652 | 4.1845 | 10.0497 | \$17.55 |
| Canina | , | Customer Charge Plus: | \$5.00 | | | | \$5.00 |
| Service Schedule No. 2 | Commercial | Per MMBTU Billed | \$7.50 | 5.8652 | 4.1845 | 10.04970 | \$17.55 |
| | | Customer Charge Plus: | \$5.00 | | · | | \$5.00 |
| Service Schedule No. 3 | Interruptible Lg. Comm. & Industrial | Per MMBTU Billed | \$6.50 | 5.8652 | 4.1845 | 10.04970 | \$16.55 |

Issued By: Receivership Management Inc.

Issued On: 14-Feb-07

| i | | Regioning | Invoiced Gas Costs | Coefe | ~ | Neetle Usage | | Net | Net | Sales | Included | Base Rate | Sales | ACA | ACA | Sales | PGA | PGA | Total | Ending | Ave. End. | <u> </u> | | EB inc. |
|----|-------------------|--------------|--------------------|--------------|--------|--------------|------------|--------|------------|-----------|----------|--------------|------------|----------|-------------|-----------|----------|--------------|-------------|------------|------------|-------------|------------|------------|
| ģ | Month | Balance | Dkt | Costs | Dkt | Rate | Costs | Ses | Gas Costs | (Mcf) | | Recoveries | (Mcf) | | Recoveries | (Mcf) | | <u>.</u> 2 | Recoveries | Balance | Balance | | Interest | Interest |
| | (a) | (q) | (2) | (P) | (e) | € | (g) | æ | • | (RMI) | E | € | Ê | Ē | © | (£) | (b) | Ξ | (S) | Ξ | Ē | 3 | (x | Œ |
| - | Mar-03 | 1,699.31 | 2,569 | 10,810.27 | | | | 2,569 | 10,810.27 | 2,479.00 | 3.21 | 7,957.59 | 2,479.00 (| | ,,, | ,479.00 | 2,3628 | 5,857.38 | 13,427.01 | (917.43) | 390.94 | 4.62% | 1.51 | (915.92) |
| 2 | Apr-03 | (915.92) | 1,248 | 5,983.00 | | | | 1.248 | 5,983.00 | 905.40 | 3.21 | 2,906.33 | - | (0.1565) | (141.70) | 905.40 | 2.3628 | 2,139.28 | 4,903.92 | 163.16 | (376.38) | 4.25% | (1.33) | 161.83 |
| ۳ | May-03 | 161.83 | 622 | 2,792.48 | | | | 622 | 2,792.48 | 327.10 | 3.21 | 1,049.99 | _ | | | 327.10 | 2.3628 | 772.87 | 1,771.67 | 1,182.63 | 672.23 | 4.25% | 2.38 | 1,185.02 |
| 4 | Jun-03 | 1,185.02 | 200 | 4,292.60 | | | | 200 | 4,292.60 | 186.70 | 3.21 | 599.31 | _ | | (29.22) | 186.70 | 2.3628 | 441.13 | 1,011.22 | 4,466.39 | 2,825.70 | 4.25% | 10.01 | 4,476 40 |
| 5 | Jul-03 | 4,476.40 | 437 | 3,383.50 | | | | 437 | 3,383.50 | 114.10 | 3.21 | 366.26 | - | (0.1565) | (17.86) | 114.10 | 2.3628 | 269.60 | 618.00 | 7,241.90 | 5,859.15 | 4.25% | 20.75 | 7,262.65 |
| 9 | Aug-03 | 7,262.65 | 437 | 3,823.44 | | | | 437 | 3,823.44 | 135.20 | 3.21 | 433.99 | _ | | (21 16) | 135.20 | 2.3628 | 319 45 | 732.28 | 10,353.81 | 8,808,23 | 4.25% | 31.20 | 10,385.00 |
| 7 | Sep-03 | 10,385.00 | 202 | 4,108.43 | | | | 505 | 4,108.43 | 177.90 | 3.21 | 571.06 | _ | | (27.84) | 177.90 | 2.3628 | | 963.56 | 13,529.87 | 11,957.44 | 4.25% | | 13,572.22 |
| •• | Oct-03 | 13,572.22 | 1,139 | 9,574.04 | | | | 1,139 | 9,574.04 | 764.20 | 3.21 | 2,453.08 | 764.20 (| | | 764.20 | 2.3628 | 1,805.65 | 4,139.14 | 19,007.13 | 16,289.67 | 4.07% | | 19,062.38 |
| 6 | Nov-03 | 19,062.38 | 2,349 | 17,805.42 | | | | 2,349 | 17,805.42 | 1,470.40 | 3.21 | 4,719.98 | | | | ,470.40 | | | 8,291.73 | 28,576.06 | 23,819.22 | 4.07% | | 28,656.85 |
| 01 | Dec-03 | 28,656.85 | 6,513 | 49,368.54 | | | | 6,513 | 49,368.54 | 6,277.60 | 3.21 | 20,151.10 | | 0.0663 | 416.20 6 | 6,277.60 | | | 35,400.01 | 42,625.38 | 35,641.11 | 4.07% | | 42,746.26 |
| = | Jan-04 | 42,746.26 | 7,570 | 57,380.60 | 3,767 | 7.5800 | 28,553.86 | 3,803 | 28.826.74 | 4,367.30 | 3.21 | 14,019.03 | 4,367.30 | 0.0663 | | 367.30 | 2.3628 1 | | 24,627.64 | 46,945.36 | 44,845.81 | 4.00% | | 17,094.84 |
| 12 | Feb-04 | 47,094.84 | 9,900 | 52,302.00 | 2,818 | 7.5800 | 21,360.44 | 4,082 | 30,941.56 | 4,400.20 | 3.21 | 14,124.64 | | 0.0663 | | 400.20 | _ | | 24,813.17 | 53,223.24 | 50,159.04 | 4.00% | | 53,390 43 |
| 13 | Mar-04 | 53,390.43 | 4,377 | 33,177.66 | 1,236 | 7 5800 | 9,368.88 | 3,141 | 23,808.78 | 1,945.40 | 3.21 | 6,244.73 | | 0.0663 | | ,945.40 | | | 10,970.31 | 66,228.91 | 29,809.67 | 4.00% | _ | 66,428.27 |
| 7 | Apr-04 | 66,428.27 | 2,303 | 17,456.74 | 1.243 | 7.5800 | 9,421.94 | 1.060 | 8,034.80 | 1,305.90 | 3.21 | 4,191.94 | 1,305.90 | 0.0663 | 86.58 | 305.90 | 2.3628 | | 7,364.10 | 67,098.97 | 66,763.62 | 4.00% | | 67.321 52 |
| 51 | May-04 | 67,321.52 | 2,246 | 17,024.68 | 1.839 | 7.5800 | 13,939.62 | 407 | 3,085.06 | 359,50 | 3.21 | 1,154.00 | | 0.0663 | | 359.50 | | | 2,027.26 | 68,379.32 | 67,850.42 | 4.00% | 226.17 | 58,605.49 |
| 91 | Jun-04 | 68,605.49 | 3,070 | 23,270.60 | 2,112 | 7.5800 | 16,008.96 | 958 | 7,261.64 | 266.00 | 3.21 | 853.86 | 266.00 | 0.0663 | 17.64 | 266.00 | | | 1,500.00 | 74,367 13 | 71,486.31 | 4.00% | _ | 74,605 42 |
| 17 | Jul-04 | 74,605.42 | 3,757 | 26,505.92 | 3.021 | 6 4252 | 19,410.53 | 736 | 7,095.39 | 424.00 | 3.21 | 1,361.04 | | 0.0663 | | 424.00 | | | 2,390.98 | 79,309.83 | 76,957.62 | 4.00% | | 79,566.35 |
| 38 | Aug-04 | | 3,853 | 26,788.57 | 2,906 | 6.3294 | 18,393.24 | 947 | 8,395.33 | 642.50 | 3.21 | 2,062.43 | | 0.0663 | 42.60 | 642.50 | 2.3628 | | 3,623.12 | 84,338.57 | 81,952.46 | 4.00% | _ | 84,611 74 |
| 61 | Sep-04 | 84,611 74 | 4,184 | 24,682.05 | 3,512 | 5.3345 | 18,734.76 | 672 | 5,947.29 | 583.40 | 3.21 | 1,872.71 | | 0.0663 | | 583.40 | | | 3,289.85 | 87,269 18 | 85,940 46 | 4.00% | | 87,555.64 |
| 20 | Oct-04 | 87,555.64 | 3,477 | 22,942.23 | 2,338 | 5.9947 | 14,015.61 | 1,139 | 8.926.62 | 746.90 | 3.21 | 2,397.55 | | 0.0663 | | 746.90 | | | 4,211.84 | 92,270 42 | 89,913.03 | 4.23% | | 92,587.36 |
| 21 | Nov-04 | 92,587.36 | 3,720 | 32,261.36 | 1.489 | 7.9548 | 11,844.70 | 2,231 | 20,416.66 | 1.782.10 | 3.21 | 5,720.54 | 1,782.10 | 0.0663 | | ,782.10 | | | 10,049,44 | 102.954.59 | 97,770.98 | 4.23% | | 103,299.23 |
| 23 | Dec-04 | 103,299.23 | 6,959 | 63,483.37 | 1.703 | 8.3153 | 14,160.96 | 5,256 | 49,322 41 | 3,098.50 | 3.21 | 9.946.19 | | 0.0663 | | 05.860 | | _ | 17,472 75 | 135,148.89 | 119,224 06 | 4.23% | _ | 35,569.16 |
| 23 | Jan-05 | 135,569.16 | 7.424 | 53,339,93 | 2,561 | 6 4994 | 16,644 96 | 4,863 | 36.694.97 | 5,270.70 | 3.21 | 16,918.95 | 5,270.70 | 0.0663 | | 270.70 | | | 29.722.00 | 142,542.12 | 139,055.64 | 4.75% | | 143,092.55 |
| 74 | Feb-05 | 143,092.55 | 6,170 | 44,830 96 | 2.423 | 6.5766 | 15,935.10 | 3,747 | 28,895.86 | 3,052.40 | 3.21 | 9.798.20 | 3,052.40 | 0.0663 | | 052.40 | | | 17,212.79 | 154,775.62 | 148,934.08 | 4.75% | | 155,365.15 |
| 53 | Mar-05 | 155,365.15 | 7,011 | 51,066.92 | 3.036 | 6.5931 | 20,016.65 | 3,975 | 31.050.27 | 3,083.80 | 3.21 | 00.668,6 | | 0.0663 | 204 46 3 | 3,083.80 | 3628 | | 17,389.86 | 169,025.56 | 162,195.35 | 4.75% | | 169,667.58 |
| 56 | Apr-05 | 169,667.58 | 4.430 | 36,925,93 | 3,252 | 7 6427 | 24,854.06 | 1,178 | 12.071.87 | 934.80 | 3.21 | 3,000.71 | 934.80 | 0.0663 | | 934.80 | | | 5,271.43 | 176,468.02 | 173,067,80 | 5.30% | | 177.232.41 |
| 27 | May-05 | 177,232.41 | 3,608 | 27,812.85 | 2.780 | 7.0504 | 19,600.11 | 828 | 8,212.74 | 475.00 | 3.21 | 1,524 75 | | 0.0663 | _ | 475.00 | | | 2,678.57 | 182,766.57 | 179,999 49 | 5.30% | | 183,561.57 |
| 28 | Jun-05 | 183,561.57 | 2,353 | 16,531.27 | 2,232 | 6.4067 | 14,299 75 | 121 | 2.231 52 | 296.70 | 3.21 | 952.41 | 296.70 | 0.0663 | 19.61 | 296.70 | 3628 | | 1,673.12 | 184,119.96 | 183,840 77 | 5.30% | | 184,931 93 |
| 53 | Jul-05 | 184,931.93 | 1,737 | 13,817 47 | 298 | 7 2853 | 4,356.61 | 1,139 | 9,460.86 | 358.10 | 3.21 | 1,149.50 | 358.10 | 0.0663 | 23.74 | 358.10 | 3628 | ٠. | 2.019.36 | 192,373.43 | 188,652.68 | 5.77% | | 193,280.53 |
| 30 | Aug-05 | 193,280.53 | 2,042 | 17,739.77 | 1,431 | 7.9764 | 11,414.23 | 611 | 6,325.54 | 377 70 | 3.21 | 1,212.42 | 377 70 | 0.0663 | 25.04 | 377 70 | 3628 | 892 43 | 2,129.89 | 197,476.18 | 195,378.36 | 5.77% | | 198,415.63 |
| 31 | Sep-05 | 198,415.63 | 2,376 | 28,935.08 | 1,721 | 11.2724 | 19.399.80 | 655 | 9.535.28 | 317.40 | 3.21 | 1.018.85 | 317.40 | 0.0663 | 21.04 | 317.40 | 3628 | 749.95 | 1,789.85 | 206,161.06 | 202,288,34 | 5.77% | | 207,133.73 |
| 32 | Oct-05 | 207,133.73 | 3,171 | 49,188.04 | 1.763 | 14.4242 | 25,429.86 | 1,408 | 23,758.18 | 1,034,10 | 3.21 | 3,319 46 | 1,034.10 | 0.0663 | 98.36 | 034.10 | 3628 | 2,443.37 | 5,831.39 | 225,060.51 | 216,097 12 | 6.23% | | 226,182.41 |
| 33 | Nov-05 | 226,182,41 | 4,036 | 62,283.48 | • | 14.3470 | | 4,036 | 62,283 48 | | 3.21 | • | 1 | 0.0663 | | | 3628 | | , | 288,465,89 | 257,324.15 | _ | • • | 289,801 83 |
| 34 | Dec-05 | 289,801.83 | 7,157 | 90,505.31 | 4,014 | 11.6154 | 46,624.22 | 3,143 | 43,881.09 | • | 3.21 | • | , | 0.0663 | | | | | · | 333,682.93 | 311.742.38 | _ | , | 35,301,39 |
| 35 | Jan-06 | | 5,740 | 74,156.73 | 1,836 | 11.8739 | 21,800.48 | 3.904 | 52,356.25 | 5,747.40 | 3.21 | | 5.747 40 | 0.0663 | | 5.747 40 | 2.3628 | 13.579.96 | 32,410 16 | 355.247 48 | 345.274 43 | 6 78% | | 357,198.28 |
| 36 | Feb-06 | 357,198.28 | 5,907 | 56,627 41 | 1.767 | 8.7520 | 15,464.78 | 4.140 | 41.162.63 | 6,581.80 | 3.21 | | 6,581.80 | 0.0663 | | 6,581.80 | | 15,551.48 | 37,115.43 | 361,245.48 | 359,221.88 | | | 63,275.08 |
| 37 | Mar-06 | 363,275.08 | 3,885 | 31,744.03 | 1,126 | 7.4254 | 8,361.00 | 2,759 | 23,383.03 | 2,152,10 | 3.21 | | 2,152 10 | 0 0663 | | 2,152.10 | 3628 | | 12,135.91 | 374,522,20 | 368,898.64 | 6.78% 2 | ,084.28 | 76,606.48 |
| 38 | 3/03-2/04 | | 30,789 | 221,624.32 | 6,585 | | 49,914.30 | 24,204 | 171,710 02 | 21,605.10 | | | 21.605.10 | | | 21,605.10 | Ś | | 120,699.36 | | | | 980 46 | |
| 39 | 3/04-2/05 | | 51,540 | 385,764 07 | 26.383 | | 177,879.26 | 25,157 | 207,884.81 | 19,477.30 | | | 19,477.30 | _ | | 19,477.30 | 4 | | 109,834.44 | | | (*) | 3,924.35 | |
| 40 | 3/05-3/06 | | 53,453 | 557,334.29 | 25.556 | | 231,621.56 | 27,897 | 325,712.73 | 21,358.90 | | • | 21,358.90 | _ | _ | 21,358.90 | ·c | | 120,444.97 | | | 15 | 15,973.58 | |
| 4 | Total (37 months) | nonths) | 135,782 | 1,164,722.68 | 58,524 | • | 459,415.12 | 77,258 | 705,307.56 | 62,441.30 | ~ | 200,436.57 6 | 62,441.30 |] | 3,005.90 62 | 441.30 | =1 | 147,536.30 3 | 550,978.77 | | | 2 | ,578.38 | |
| | | ı | | | | | | | | | | | | | | | | | | | | | | |

 42
 Beginning Balance (col b, line 10)
 1,699.31

 43
 Gas Costs excluding Neatle (col 1, line 41)
 705.307.56

 44
 Gas Costs recovered thru rates (col s, line 41)
 350.978.77

 45
 ACA Balance before Interest (Line 42 + Line 44)
 350.028.10

 46
 Interest (col. w, line 41)
 20.578.38

 47
 ACA Balance Including Interest (Line 45 + Line 46)
 376,606.48

48 Estimated 48-months sales volumes (Net of Nestle volumes) 90,000.00 MMBTU

49 ACA Factor (Line 47/Line 48).

4.1845 per MMBTU for 36-months