

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

December 18, 2008

IN RE:

**DOCKET TO EVALUATE CHATTANOOGA
GAS COMPANY'S GAS PURCHASES AND
RELATED SHARING INCENTIVES**

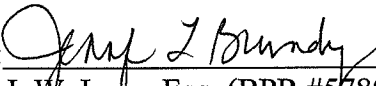
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Docket No. 07-00224

STATUS REPORT OF CHATTANOOGA GAS COMPANY

At the time of this filing, settlement discussions have taken an unproductive turn. While Chattanooga Gas Company ("CGC") continues to be willing to discuss settlement, CGC believes that at this stage it is in the best interest of the Authority to set a date for a status conference to resolve all pending motions and a date for trial. In the spirit of cooperation, CGC will confer with the Consumer Advocate and Protection Division ("CAPD") of the Office of the Attorney General & Reporter and submit recommended dates to the Authority if agreement can be reached. Otherwise, CGC will submit recommended dates for the Authority's consideration.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been forwarded by electronic mail on this the 18th day of December, 2008, to the following:

Kelly Cashman-Grams, Hearing Officer
Tennessee Regulatory Authority
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Cynthia E. Kinser (Mills), Deputy
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