

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

<b>IN RE:</b>	)	
	)	
<b>DOCKET TO EVALUATE CHATTANOOGA</b>	)	<b>DOCKET NO.</b>
<b>GAS COMPANY'S GAS PURCHASES AND</b>	)	<b>07-00224</b>
<b>RELATED SHARING INCENTIVES</b>	)	

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**CONSUMER ADVOCATE'S STATEMENT OF CLAIMS AND ISSUES**

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Robert E. Cooper, Jr., the Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division ("Consumer Advocate"), respectfully submits this statement of claims and issues.

1. Do the customers of Chattanooga Gas Company ("CGC") receive less than fair compensation for the sale, lease, release, relinquishment, or assignment of gas supply, pipeline capacity and storage assets (also known as "system capacity") by CGC to its asset manager, thereby depriving customers of money that should be used to lower their natural gas utility bills? If so, what should be done to achieve fair compensation?
2. Is CGC subscribing to too much system capacity relative to its jurisdictional requirements, thereby unfairly inflating customers' natural gas utility bills by charging them for more system capacity than is required to adequately serve their gas supply needs? If so, what changes should be made?
3. Should the Tennessee Regulatory Authority ("TRA") establish rules, regulations, tariffs, orders, or requirements regarding transactions between CGC and affiliated entities, such as Sequent Energy Management ("Sequent"), including but not confined to standards of conduct

establishing minimum standards for accounting, record-keeping, reporting, enforcement, audit, and third-party rights? If so, what should they be?

4. Should the TRA establish periodic audits or reviews of CGC's system capacity arrangements and gas supply plans to be performed by the TRA or by an independent consultant for the purpose of evaluating the facts relevant to analyzing efficiency and fairness? If so, what should they be?

5. Should the TRA make changes to the request for proposals ("RFP") process or to the agreements included in the RFP process? If so, what should they be?

6. Should the TRA make any other changes to the current systems, procedures or arrangements regarding system capacity, gas supply planning, gas purchases or related sharing incentives? If so, what changes should be made?

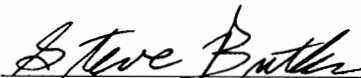
Respectfully submitted,



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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served via first-class U.S. Mail, postage prepaid, electronic mail, or hand delivery, upon the parties of record in this case on the 20th day of February, 2008.



Stephen R. Butler  
Assistant Attorney General