

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

**March 14, 2008**

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

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**CHATTANOOGA GAS COMPANY'S RESPONSE TO THE CAPD'S  
MARCH 12, 2008 IDENTIFICATION OF ISSUES, CLAIMS AND REMEDIES**

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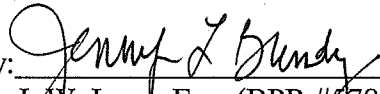
At the March 7, 2008 Status Conference, the Hearing Officer directed the Consumer Advocate and Protection Division of the Office of Attorney General & Reporter ("CAPD") to revise and resubmit its proposed claims and issues in order to provide more detail. The CAPD filed its resubmitted issues and claims on March 12, 2008. It appears that the CAPD has merely converted the six (6) "statements of claims and issues" raised in its February 20, 2008 filing into five (5) claims (omitting statement no. 6 from the February 20<sup>th</sup> filing) and has added a list of issues allegedly based on these claims. As the claims set forth the rights and privileges that will be determined in the docket, CGC is only required to respond to the CAPD's five (5) claims. Chattanooga Gas ("CGC" or "Company") is incorporating by reference herein and continues to rely upon its response filed on February 25, 2008.

CGC continues to believe that many of the claims raised by the CAPD are appropriate for dismissal at this time. CGC continues to reserve its right to seek dismissal of claims being pursued by the CAPD and will address the dismissal of claims

through its motion to dismiss that it will be filing on or before April 8, 2008 pursuant to the March 11, 2008 Order. CGC continues to deny any and all claims and allegations to the extent that any allegations and valid claims have been set forth by the CAPD. Further, CGC reserves its right to amend or supplement its response, issues list, and defenses at a later time.

Respectfully submitted,

FARMER & LUNA, PLLC

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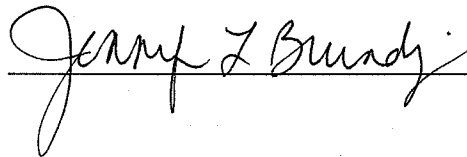
**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing has been forwarded by electronic mail on this the 14th day of March, 2008, to the following:

Eddie Roberson, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-00505

Kelly Cashman-Grams  
Hearing Officer  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-00505

Cynthia E. Kinser (Mills), Deputy  
Timothy C. Phillips  
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