

# FARMER & LUNA

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NASHVILLE, TENNESSEE 37201  
T.R.A. DOCKET 05-00322

A PROFESSIONAL LIMITED LIABILITY COMPANY

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January 14, 2008

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

08-00012

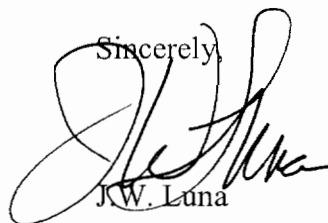
Re: Docket 05-00322 Chattanooga Gas Company's Annual Incentive Plan  
Filing for 12 Months Ended June 30, 2005

Dear Chairman Roberson:

Pursuant to the Tennessee Regulatory Authority's ("TRA") April 24, 2007 Order in the above-referenced docket, Chattanooga Gas Company ("CGC" or "Company") is submitting to the TRA for approval an original and thirteen (13) copies of the Asset Management and Agency Agreement, which the Company has awarded as a result of the RFP that it issued on November 20, 2007. The Company has designated the new contract and the RFP as Confidential pursuant to the March 23, 2006 Protective Order in the above-referenced docket and is filing the documents under seal.

If you have any questions, please call me at 254-9146 or Archie Hickerson at 757-616-7510.

Sincerely,



J.W. Luna

Enclosures

cc: Elizabeth Wade, Esq.  
Archie Hickerson  
Steve Lindsey

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

**January 14, 2008**

<b>IN RE:</b>	)	
	)	
<b>CHATTANOOGA GAS COMPANY'S</b>	)	
<b>ANNUAL INCENTIVE PLAN</b>	)	
<b>FILING FOR THE TWELVE MONTHS</b>	)	<b>Docket No. 05-00322</b>
<b>ENDED JUNE 30, 2005</b>	)	
	)	

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**CHATTANOOGA GAS COMPANY'S FILING OF ITS  
ASSET MANAGEMENT AGREEMENT  
WITH THE TENNESSEE REGULATORY AUTHORITY FOR APPROVAL**

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In its April 24, 2007 Order in Docket 05-00322, the Tennessee Regulatory Authority ("TRA" or "Authority") ordered Chattanooga Gas Company ("CGC" or "Company") to rebid its asset management agreement prior to the end of March 31, 2008, when the current asset management agreement terminates. The TRA further ordered the Company to submit the new agreement to the TRA for approval.

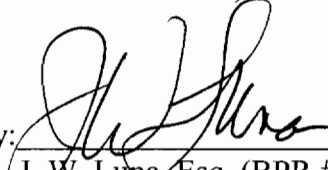
Accordingly, CGC issued a Request for Proposal ("RFP") for bids to contract for asset management services, including a gas purchase agreement included as an exhibit to the asset management agreement, on November 20, 2007. (A copy of the RFP, which was previously provided to the TRA Staff under seal, is attached hereto as Confidential Exhibit B pursuant to the March 23, 2006 Protective Order in this Docket.) The RFP required that all bid proposals be submitted to the Company on or before December 21, 2007, and provided that the Company would evaluate the proposals and award the new contract to the winning bidder on or before January 4, 2008.

CGC received five (5) bids in response to the RFP. CGC evaluated the bids in accordance with its Tariff. Upon a careful evaluation of the bids, one bid clearly demonstrated the projected greatest net benefit to CGC and its customers. On January 4, 2008, CGC awarded the contract to this bidder, pending the TRA's approval.

In accordance with the April 24, 2007 Order, the Company hereby files under seal pursuant to the March 23, 2006 Protective Order filed in this Docket the executed Asset Management and Agency Agreement (attached as Confidential Exhibit A) for the TRA's approval. As the new contract for asset management services provides the greatest benefit to CGC's customers, the Company respectfully requests that the TRA approve the new contract without delay so that asset management services may continue after March 31, 2008.

Respectfully submitted,

FARMER & LUNA, PLLC

By:   
J. W. Luna, Esq. (BPR #5780)  
Jennifer L. Brundige, Esq. (BPR #20673)  
333 Union Street, Suite 300  
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*Attorneys for Chattanooga Gas Company*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing has been forwarded by hand delivery on this the 14<sup>th</sup> day of January, 2008, to the following:

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

J. Richard Collier, Esq.  
General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

A handwritten signature in black ink, appearing to read "J. Richard Collier", is written over a horizontal line.