

# FARMER & LUNA

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February 1, 2008

## VIA HAND DELIVERY

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

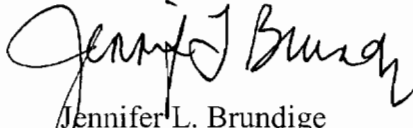
Re: Docket 08-00012 Request of Chattanooga Gas Company for Approval of  
Asset Management Agreement

Dear Chairman Roberson:

Chattanooga Gas Company is submitting the original and thirteen (13) copies of its responses to the Tennessee Regulatory Authority ("TRA") Staff's data requests dated January 15, 2008. The Confidential attachments have been filed under seal pursuant to the Agreed Protective Order entered in the above-referenced docket.

Please do not hesitate to contact J.W. Luna or me if you have any questions.

Sincerely yours,



Jennifer L. Brundige

Enclosure

cc: Elizabeth Wade, Esq.  
Archie Hickerson  
Cynthia Kinser, Esq.  
Tim Phillips, Esq.  
Stephen Butler, Esq.

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A. DOCKET ROOM

Chattanooga Gas Company  
Docket No. 08-00012  
Staff Data Request  
January 15, 2008

1. Did Chattanooga Gas Company advertise its RFP in a trade journal? If so, please identify the publication and the dates the advertisement appeared. If other than Gas Daily, provide copies of the advertisement(s).

**Response:**

Chattanooga Gas Company advertised its Asset Management RFP in the Platts Gas Daily publication. The advertisement appeared in the Tuesday, November 27, 2007 edition on page 5 and on Tuesday, December 11, 2007 on page 5.

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2. Please provide a list of the potential asset managers that received a copy of the Company's RFP.

**Response:**

Please see Attachment-2, for a list of potential bidders in Chattanooga Gas Company's RFP. This attachment is confidential and is being submitted pursuant to Protective Order. The list contains several parties that the company had identified as potential bidders prior to the advertisement in Gas Daily as well as parties that expressed interest as a result of the advertisement.

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3. Please provide a list of those asset managers that responded to the RFP, along with the bids submitted.

**Response:**

Please see Attachment-3 for a list of parties that provided Chattanooga Gas Company a bid on its Asset Management RFP to evaluate. This attachment is confidential and is being submitted pursuant to Protective Order.

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4. Did the Company ask for follow-up bids from any of the responding asset managers? If so, list the company or companies and their response(s).

**Response:**

The Company did not ask for follow-up bids from any of the responding asset managers.

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5. Please provide Chattanooga's internal documentation of its evaluation process and the basis for selecting the winning bid.

**Response:**

Please see Attachment-5 for a summary of bids received and criteria used to award to a bidder. This attachment is confidential and is being submitted pursuant to Protective Order. In addition to the information summarized therein, the Company made the RFP documents and all submitted bid packages available to the corporate Audit department. They independently evaluated the RFP requirements against the bids received and concurred with the recommendation to accept bidder #1's offer.

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6. Exhibit A to the contract was left blank. Please provide the Excel spreadsheet or clarify if this is the same Exhibit A included in the RFP.

**Response:**

The assets listed on the Exhibit A provided with the RFP package are the same as included in the executed contracts that have been filed. All bidders were informed that the Bear Creek storage withdrawal point in the Tennessee Gas Pipeline section of the information was incorrectly labeled as a Tennessee Zone 0 Index Point when it is more correctly labeled a Tennessee Zone 1 Index Point. Please see Attachment-6 for the final version of the Exhibit A. This attachment is confidential and is being submitted pursuant to Protective Order.

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7. Footnote 1 to the contract on page 4 references the Gas Purchase and Sale Agreement between Company and Asset Manager. Please clarify whether this refers to Exhibit C. If so, please provide the date that should be in the footnote.

**Response:**

Yes, the footnote does refer to Exhibit C. It would be the same effective date as the Asset Management and Agency Agreement.