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October 30, 2008

VIA HAND DELIVERY

Hon. Tre Hargett, Chairman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

filed electronically in docket office on 10/30/08

Re: *CompSouth Petition for Declaratory Ruling*
Docket No. 08-00184

Dear Chairman Hargett:

To the extent the case submitted by CompSouth, *United Cities Gas Co. v. Tennessee PSC*, 789 SW2d 256 (Tenn. 1990) ("*United Cities*"), has any application whatsoever, the case supports AT&T's position. While CompSouth's short letter of October 27 did not provide any explanation of *United Cities*, the letter left the impression that the case supported CompSouth's position.

In *United Cities*, the Tennessee PSC denied a gas rate increase request made by United Cities Gas Company ("Company") and denied the Company's petition for reconsideration of the rate increase denial. Thereafter, the Company appealed the PSC's decision, which was affirmed by the Chancery Court.

Here, the TRA has denied CompSouth's request to expand its definition of commingling and has denied CompSouth's petition for reconsideration on the same issue. As AT&T has previously pointed out, the next step would be for CompSouth (like the gas company in *United Cities*) to appeal the TRA's commingling decision.

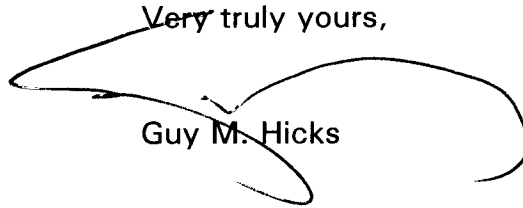
To the extent *United Cities* has been submitted in connection with AT&T's *res judicata* position (i.e. that CompSouth should be barred from re-litigating a matter already twice decided by the TRA), once again the case supports AT&T's position. That is, in *United Cities*, the Court of Appeals ruling that *res judicata* was not applicable was reversed by the Tennessee Supreme Court.

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A copy of this letter has been provided to counsel of record.

Very truly yours,

A handwritten signature in black ink, consisting of a large, sweeping loop that starts under the 'V' of 'Very', goes up and over the 'y', then loops back down and around the 'Hicks' part of the signature.

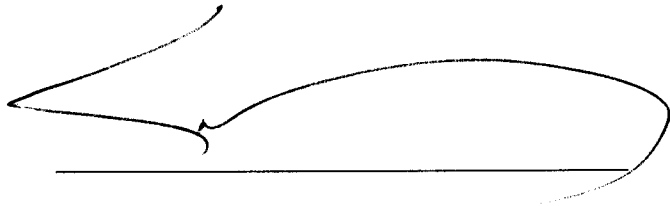
Guy M. Hicks

CERTIFICATE OF SERVICE

I hereby certify that on October 30, 2008, a copy of the foregoing document was served on the following, via the method indicated:

- ☐ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight
- ☒ Electronic

Henry Walker, Esquire
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A handwritten signature in black ink, appearing to read "H. Walker", is written over a horizontal line.