

Jennifer L. Brundige
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April 1, 2010

VIA EMAIL AND HAND DELIVERY

Gary Hotvedt, Esq.
Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

filed electronically in docket office on 04/01/10

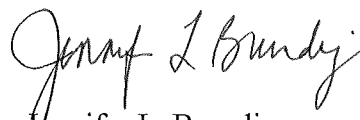
Re: Docket No. 09-00183

Dear Hearing Officer Hotvedt:

Pursuant to your directions at the March 26, 2010 status conference in the above referenced docket, Chattanooga Gas Company ("CGC") is providing the attached affidavit in further support of its Objections to the Revised Second Set of Discovery Requests of the Consumer Advocate and Protection Division ("CAPD") and to assist you in resolving the issues surrounding discovery and the CAPD's motion to compel. CGC continues to object to the CAPD's discovery requests on the basis in part that they are not seeking relevant information or information reasonably calculated to lead to the discovery of admissible evidence. CGC continues to reserve its right to object to the admissibility of any of this evidence at the hearing on the merits.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,



Jennifer L. Brundige

Enclosure

cc: Counsel of Record

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

March 31, 2010

IN RE:

**PETITION OF CHATTANOOGA GAS COMPANY
FOR A GENERAL RATE INCREASE,
IMPLEMENTATION OF THE ENERGYSMART
CONSERVATION PROGRAMS AND
IMPLEMENTATION OF A REVENUE
DECOUPLING MECHANISM**

Docket No. 09-00183

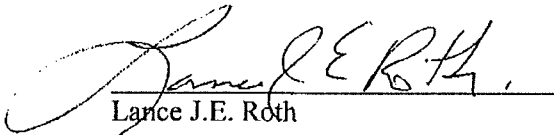
AFFIDAVIT OF LANCE J.E. ROTH

Having been duly sworn I, Lance J. E. Roth, attest as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein.
2. I am the Vice President of Asset Management for Sequent Energy Management, L.P. ("Sequent").
3. I have primary responsibility for the Asset Management Agreement ("AMA") between Sequent and Chattanooga Gas Company ("CGC").
4. I submit this affidavit in further support of the Objections to the Revised Second Set of Discovery Requests of the Consumer Advocate and Protection Division of the Office of Attorney General and Reporter ("CAPD") filed by CGC on March 18, 2010 in TRA Docket 09-00183 ("CAPD Discovery Requests"), and in response to the request made by the Hearing Officer at the Hearing on March 26, 2010.
5. The CAPD Discovery Requests seek information regarding downstream transactions of SouthStar Energy Services LLC ("SouthStar") that may involve CGC assets, both transportation and supply, purchased by SouthStar from Sequent, as agent for CGC. Sequent does not possess any information on any subsequent transactions by SouthStar, nor does it have any knowledge of downstream activities conducted by any of its counterparties. Sequent is not concerned with such activity, as there is no longer any financial interest, or otherwise, in such transactions downstream from point of the title transfer from CGC, with Sequent as its agent, to any third-party.
6. Sequent has a fiduciary duty under the AMA as asset manager for CGC to generate the highest value for CGC in the utilization of the AMA assets. As such, Sequent enters into transactions at prices arrived through arms-length negotiations and that would be indicative of prevalent market rates.

7. As asset manager, Sequent is not concerned with the identity of counterparties bidding for CGC supply assets, and has no incentive to choose any counterparty over another provided all are in good contract and credit standing with Sequent. Sequent does not give any undue preference to, or engage in any discriminatory treatment towards any counterparty, regardless of affiliation, with respect to its business decisions around CGC supply assets.
8. Sequent also does not give any undue preference to any counterparty, regardless of affiliation, with respect to its business decisions around CGC interstate pipeline or storage assets. When releasing CGC, or any, interstate pipeline or storage asset, Sequent is legally required to follow the rules and regulations of the Federal Energy Regulatory Commission ("FERC"). All releases are subject to the posting and bidding requirements of FERC, and must be conducted through the applicable storage or pipeline electronic bulletin board ("EBB") system.
9. The applicable interstate pipeline or storage company is also required to follow FERC policy, rules and regulations with respect to releases of capacity. In fact, Sequent is unable to release pipeline or storage capacity outside of the pipeline or storage EBB, and outside of the context of the FERC posting and bidding requirements.
10. While such transactions rarely occur, with respect to transactions involving CGC assets that may not be subject to FERC rules and regulations, Sequent would still abide by its obligations as fiduciary under AMA and will obtain the best value it can under arms length negotiations for such transactions, regardless of its affiliation with any potential counterparty.
11. Any conclusions associated with TRA Staff audit of these transactions, of which Sequent would be in full cooperation, would be consistent with the foregoing representations.

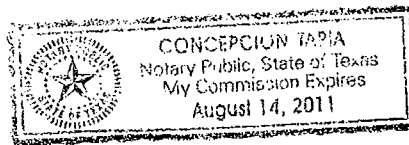
FURTHER THE AFFIANT SAITH NOT.


Lance J.E. Roth

STATE OF TEXAS)

COUNTY OF HARRIS)

Sworn to and subscribed before me,
a Notary Public, on this the 31st day
of March 2010.




Notary Public
My Commission Expires: 8.14.11