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April 21, 2010

J.W. Luna, Esq.
Luna Law Group
333 Union Street, Suite 300
Nashville, TN 37201

filed electronically in docket office on 04/21/10

Re: Chattanooga Gas Rate Case, TRA Docket No. 09-00183
And Renewal of CGC Asset Management Agreement,
TRA Docket No.10-00049

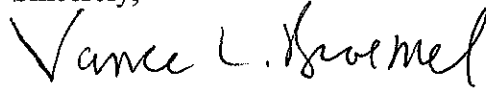
Dear Mr. Luna:

On March 31, 2010, Chattanooga Gas Company ("CGC") sent a letter to the TRA announcing that it intended to seek a Request for Proposal ("RFP") for an asset management agreement rather than renew the current asset management agreement. At the hearing in the current CGC rate case, 09-00183, Archie Hickerson, a witness and corporate representative of CGC, announced that CGC would consider withdrawing the proposed RFP if the Consumer Advocate would agree not to intervene in any docket opened to review the renewal of the current asset management agreement. As requested by Chairman Kyle during the current rate case, the Consumer Advocate is responding to CGC's proposal.

The Consumer Advocate believes that CGC's proposal would be in the best interest of the public and accordingly agrees not to intervene in any docket opened to review the renewal of the current asset management agreement if CGC agrees to withdraw its proposed RFP and extends the existing contract under its current terms. We believe the ratepayers of Chattanooga will benefit from this agreement and any litigation costs that would be incurred in a docket opened to review the asset management agreement will be avoided.

We thank CGC for putting this offer forward and the TRA for encouraging the Consumer Advocate and CGC to work together. We believe this agreement will benefit all parties.

Sincerely,

A handwritten signature in black ink that reads "Vance L. Broemel". The signature is written in a cursive style with a large, stylized 'V' and 'B'.

Vance Broemel
Assistant Attorney General
(615) 741-8733

cc: Chairman Kyle and Directors Roberson, Freeman and Hill