

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

<b>IN RE:</b>	)	
	)	
<b>REQUEST OF CHATTANOOGA GAS</b>	)	
<b>COMPANY FOR APPROVAL OF AN RFP</b>	)	
<b>FOR AN ASSET MANAGEMENT</b>	)	<b>DOCKET NO. 10-00049</b>
<b>AGREEMENT AND A GAS PURCHASE</b>	)	
<b>AND SALES AGREEMENT</b>	)	

---

**PETITION TO INTERVENE**

---

Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority ("Authority") to grant the Consumer Advocate's intervention into this proceeding on behalf of the public interest, because consumers may be adversely affected by the request for approval of a Request for Proposal ("RFP") by Chattanooga Gas Company, Inc. ("CGC"). For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in proceedings before the Authority in accordance with the Uniform Administrative Procedures Act and Authority rules.

2. CGC is a public utility regulated by the Authority and distributes natural gas to consumers in the State of Tennessee.

3. On March 30, 2010, CGC filed in the Authority a Notice of Intent not to exercise an option to extend the current asset management agreement with Sequent Energy Management, L.P. (“Sequent”). CGC stated, “response to the asset management arrangement with Sequent has become quite litigious in Tennessee, as evidenced by the Consumer Advocate challenging the currently approved asset management arrangement in Docket Nos. 07-00224 and 09-00183. Therefore, CGC believes that it is in the best interest of ratepayers to issue an RFP for management of CGC’s assets.”<sup>1</sup>

4. On April 9, 2010, CGC filed its RFP for an asset management and a gas purchase and sales agreement under seal with the Authority for approval.

5. On April 12, 2010, CGC witness Archie Hickerson proposed that if the Consumer Advocate would not object to CGC extending the current asset management agreement, CGC would withdraw its motion.<sup>2</sup>

6. On April 21, 2010, the Consumer Advocated responded to CGC’s letter of March 30, 2010 and Mr. Hickerson’s statements at the Hearing on the Merits stating, “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

---

<sup>1</sup> TRA Docket No. 10-00049, *CGC’s Notice of Intent Not to Exercise An Option to Extend the Current Asset Management Agreement and Instead Issue an RPF* (March 30, 2010).

<sup>2</sup> TRA Docket No. 10-00049, *Transcript of Proceedings* (April 12, 2010), at Page 346, Lines 22-25.

asset management agreement if CGC agrees to withdraw its proposed RFP and extends the existing contract under its current terms.”<sup>3</sup>

7. On April 23, 2010, CGC rejected the Consumer Advocate’s proposal stating, “unfortunately, Sequent notified CGC that due to changing market conditions Sequent would not agree to the extension of the current agreement because of the current guaranteed minimum amount.”<sup>4</sup> CGC then stated that they would continue with the requested RFP process.<sup>5</sup>

8. The Consumer Advocate regrets that CGC and Sequent were unable to extend the current asset management agreement, as the Consumer Advocate believes renewal would be in the best interest of consumers as well as minimizing future litigation expenses.

9. Although the Consumer Advocate believes renewal of the current asset management agreement is in the best interest of consumers, the Consumer Advocate is confident that the issuance of an RFP can be structured to insure favorable results to ratepayers.

10. The Consumer Advocate is of the opinion that any entity responding to the RFP should be required to agree to provide records for all trades with affiliate companies in an electronic format so that these records may be audited by the TRA or other interested parties.

---

<sup>3</sup> TRA Docket No. 10-00049, *The CAD Agrees Not to Intervene in Any Docket Opened to Review the Renewal of the Current Asset Management Agreement if CGC Withdraws its Proposed RFP and Extends the Existing Contract* (April 9, 2010).

<sup>4</sup> TRA Docket No. 10-00049, *Letter from Chattanooga Gas Regarding Sequent’s Response to Potential Extension of Current Asset Management Agreement* (April 23, 2010).

<sup>5</sup> *Id.*

11. The Consumer Advocate is also of the opinion that any entity responding to the RFP should agree to provide notification of any transaction with an affiliate that is subject to a FERC 284 exemption.

12. Additional investigation will be needed to determine whether CGC's proposed RFP is appropriate and effective.

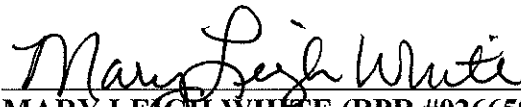
13. Only by participating in this proceeding can the Consumer Advocate assert the positions stated above, as well as any other positions, in order to adequately to protect the interests of consumers.

WHEREFORE, Petitioner respectfully asks the Authority to grant the Petition to Intervene.

RESPECTFULLY SUBMITTED,



**ROBERT E. COOPER, JR. (BPR #010934)**  
Attorney General and Reporter  
State of Tennessee



**MARY LEIGH WHITE (BPR #026659)**  
Assistant Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
Telephone: (615) 741-4657  
Fax: (615) 741-1026

Dated: May 10<sup>th</sup>, 2010.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition to Intervene was served via U.S. Mail or electronic mail upon:

Steven L. Lindsey, Vice President-Operations  
Chattanooga Gas Company  
2207 Olan Mills Drive  
Chattanooga, TN 37421

Archie Hickerson  
Director Regulatory Affairs  
AGL Resources Inc.  
150 W. Main Street, Suite 1510  
Norfolk, VA 23510

J. W. Luna, Esq.  
Jennifer L. Brundige, Esq.  
Farmer & Luna, PLLC  
333 Union Street, Suite 300  
Nashville, TN 37201

Elizabeth Wade  
Senior Regulatory Counsel  
AGL Resources Inc.  
Ten Peachtree Place, N.W., 15th Floor  
Atlanta, GA 30309

This the 10<sup>th</sup> day of May, 2010.

  
\_\_\_\_\_  
Mary Leigh White