

**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>	)	

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**JOINT STIPULATION OF THE CONSUMER ADVOCATE AND CHATTANOOGA  
GAS COMPANY REGARDING THE PROPOSED RFP**

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Robert E. Cooper, Jr., the Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division ("Consumer Advocate") and Chattanooga Gas Company ("CGC"), by and through the Luna Law Group, respectfully provide the following stipulation to the Proposed Request for Proposal ("RFP") filed by CGC on April 9, 2010.

The Consumer Advocate and CGC Stipulate to the Proposed RFP and Asset Management Agency Agreement and Exhibits, as filed by CGC on April 9, 2010, with the following exceptions:

1. The Consumer Advocate and CGC stipulate that Section 18.1: Early Termination of the Asset Management and Agency Agreement shall be amended to include a section (k), which shall state:

If a governmental agency having competent jurisdiction determines through investigation or a court or governmental agency having competent jurisdiction issues an order finding that the Asset Manager has violated

federal or state antitrust laws during the performance of its obligations under the AMA.

2. The Consumer Advocate and CGC stipulate that Section 18.2(b): Early Termination and Remedies of the Asset Management and Agency Agreement shall be amended and substituted in its entirety and shall state:

If CGC elects to terminate the Agreement for the reasons set forth in Section 18.1(a), (b), (c), (d), (e), (j), or (k) then the sole remedy available to CGC shall be that, subject to Sections 18.4 and 18.5 below, Asset Manager shall lose its interests in the Assets, including, without limitation, the right to administer the Assets as CGC's agent and Asset Manager shall be liable to CGC for any other Direct Damages resulting from the early termination of the Agreement. Once all such payments are made and all capacity is reassigned to CGC, each Party shall be relieved of all obligations and liabilities under the Agreement, except for other costs, refunds or credits from any service provider that accrued before the Early Termination Date that have not yet been reconciled between the Parties.

3. While expressly preserving their positions as set forth in paragraph 5, the Consumer Advocate and CGC stipulate that Section 15: Confidentiality of the Asset Management and Agency Agreement shall be amended to include the following final sentence at the end of the existing provision which shall state:

This Section shall not be construed to prevent filing the Asset Management Agreement publicly in the TRA, except to the extent that the consideration provided for in Section 4 may be redacted.

4. The Consumer Advocate and CGC stipulate that the final sentence on Page 2 of the RFP shall be amended and substituted in its entirety and shall state:

However, the Bids will be shared with the Tennessee Regulatory Authority and the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office and maintained confidential pursuant to a protective order.

5. In addition to the exceptions to the Stipulation as listed above, the Consumer Advocate previously expressed at the June 21, 2010 Status Conference its continuing objection to Section 14: Cooperation, Section 15: Confidentiality and Section 18: Events of Default and Early Termination of the of the Asset Management and Agency Agreement, as submitted by CGC on April 9, 2010. Because both the Consumer Advocate and CGC participated in substantial litigation in Tennessee Regulatory Authority ("TRA" or "Authority") Docket No. 08-00012, specifically in regard to the inclusion of these three Sections, the Consumer Advocate advised the Hearing Officer in this docket that they believed no additional oral argument was necessary in regard to the Consumer Advocate's continuing objections as the record in TRA Docket No. 08-00012 was sufficient to express the Consumer Advocate's opinion. CGC agreed that no additional oral argument would be necessary to express its position in opposition to the Consumer Advocate's continuing objections.

On July 13, 2010, the Hearing Officer in this matter ruled that after reviewing the record in TRA Docket No. 08-00012 he was not persuaded by the Consumer Advocate's argument in regard to its continuing objections and ordered the parties to rely on the rulings in Docket 08-00012 as applicable. While the Consumer Advocate maintains its position with regard to the continuing objections, it does not intend to appeal the Hearing Officer's decision.

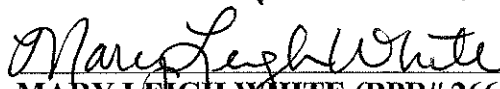
6. The Consumer Advocate and CGC stipulate that the attached revised Page 1 and Page 2 of the Request for Proposal and the attached revised Page 1 and Page 2 of the Bid

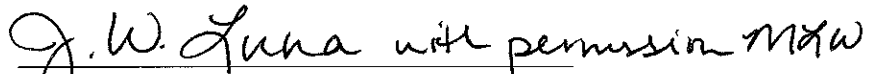
Form shall be substituted in their entirety for Page 1 and Page 2 of the Request for Proposal and Page 1 and Page 2 of the Bid Form filed by CGC with the TRA on April 9, 2010.

The parties further agree to permit the TRA to deliberate and issue a decision based upon the record including the information indicated in this stipulation without the necessity of further litigation and filings by the parties. However, should the TRA Directors desire any additional briefing, testimony or oral argument or other information, the parties will do as directed by the Authority.

RESPECTFULLY SUBMITTED,

**ROBERT E. COOPER JR., (BPR# 10934)**  
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Dated: July 20<sup>th</sup>, 2010.

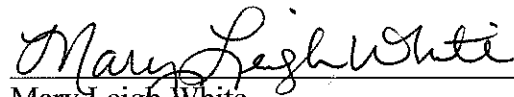
CERTIFICATE OF SERVICE

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

Director Kenneth Hill  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

J.W. Luna  
Jennifer Brundige  
Attorneys for Chattanooga Gas  
333 Union Street  
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This the 20<sup>th</sup> day of July 2010.

  
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Mary Leigh White