

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

June 3, 2011

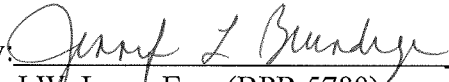
IN RE:)
PETITION OF CHATTANOOGA GAS)
COMPANY FOR APPROVAL OF) Docket No. 11-00048
NEGOTIATED FRANCHISE AGREEMENT)
WITH THE CITY OF CHATTANOOGA)
TENNESSEE PURSUANT TO)
TENNESSEE CODE ANNOTATED § 65-)
4-107)

NOTICE OF COMPLIANCE WITH TRA RULE 1220-4-1-.05

Chattanooga Gas Company ("Company") respectfully submits proof of publication of notice of this matter pursuant to TRA Rule 1220-4-1-.05. The attached legal notice was published in the *Chattanooga Times Free Press* on May 27, 2011. In additional, similar notice has been made available at the Company's business office.

Respectfully submitted,

LUNA LAW GROUP, PLLC

By: 
J.W. Luna, Esq. (BPR 5780)
Jennifer L. Brundige, Esq. (BPR 20673)
333 Union Street, Suite 300
Nashville, TN 37201
(615) 254-9146

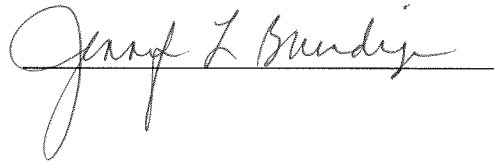
Attorneys for Chattanooga Gas Company

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been forwarded by electronic mail and/or U.S. Mail on this the 3rd day of June, 2011, to the following:

Mary W. Freeman, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-00505

Ryan L. McGehee, Esq.
Assistant Attorney General
Consumer Advocate and Protection Division
Office of Attorney General
425 5th Avenue North
Nashville, TN 37243-0491

A handwritten signature in cursive script, reading "George L. Bundy", is written over a horizontal line.

22675

CHATTANOOGA GAS CO

NOTICE

Petition 11-00048

STATE OF TENNESSEE HAMILTON COUNTY

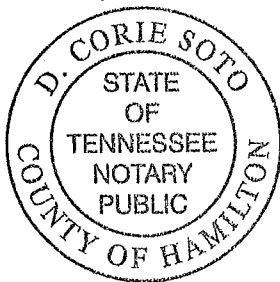
Before me personally appeared Linda Johnson who being duly sworn, that she is the Legal Sales Representative of the "CHATTANOOGA TIMES FREE PRESS" and that the Legal Ad of which the attached is a true copy, has been published in the above said Newspaper on the following dates, to-wit:

May 27, 2011

And that there is due or has been paid the "CHATTANOOGA TIMES FREE PRESS" for publication of such notice the sum of \$162.60 Dollars. (Includes \$10.00 Affidavit Charge).

Linda Johnson

Sworn to and subscribed before me, this 1 day of June 2011.



D. Corie Soto

My Commission Expires 2/18/2014

Chattanooga Times Free Press

LEGAL NOTICE

Notice is hereby given that Chattanooga Gas Company (the Company) filed a Petition with the Tennessee Regulatory Authority (Authority) on April 8, 2011 in Docket Number 11-00048, for approval of a Negotiated Franchise Agreement with the City of Chattanooga, Tennessee (the City). The Franchise Agreement adopted by the Chattanooga City Council on March 1, 2011 as Ordinance No. 12480 grants the Company a ten year franchise to construct, reconstruct, maintain and operate a Gas System in, upon, along, and under the streets within the City of Chattanooga. The franchise agreement provides that the Company will apply to all bills rendered to customers within the City a Franchise Fee of 3.15% for years 2011 and 2012, 4.15% for years 2013 and 2014, and 5.15% for years 2015 and beyond. The fee will be collected by the Company and paid to the City. The impact of the Franchise Fee at 3.15%, 4.15%, and 5.15% on the average Residential Customer served under Rate Schedule R-1 is estimated to be approximately \$20, \$26, and \$33 per year respectively. The impact on an average customer served under Rate Schedule C-1 is estimated to be approximately \$34, \$45 and \$56 per year respectively, and for customers served under Rate Schedule C-2 the impact is estimated to \$368, \$485 and \$602 per year respectively. The actual impact on the customer will vary and is dependent on the volume of gas consumed by the customers, and the cost of gas purchased to serve the customer. A complete copy of the filing is on file with the TRA and is open for public inspection.

A hearing on the matter pursuant to Tenn. Code Ann. § 65-4-107 has been scheduled beginning at 1:00 p.m. Central Time at the Office of the Tennessee Regulatory Authority at 480 James Robertson Parkway, Nashville, Tennessee, on June 6, 2011, and on subsequent days as may be ordered by the Authority.