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WILLIAM L. TAYLOR, JR.
JAMES W. GENTRY, JR.
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HOWELL G. CLEMENTS
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JOSEPH C. WILSON, III
SCOTT N. BROWN, JR.
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MARK A. RAMSEY
RANDY CHENNAULT
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HOWELL DEAN CLEMENTS
CARL EUGENE SHILES, JR.
JOHN B. BENNETT
SHAREL VANSANDT HOOPER
SUE ELLEN SCRUGGS
STEPHANY S. PEDIGO
DANIEL M. STEFANIUK

LAW OFFICES

SPEARS, MOORE, REBMAN & WILLIAMS

INCORPORATED

SIXTH FLOOR PIONEER BANK BUILDING

8TH AND CHESTNUT STREETS

P. O. BOX 1749

CHATTANOOGA, TENNESSEE 37401-1749

(423) 756-7000

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WILLIAM D. SPEARS
(1906-1992)

A. FRED REBMAN, III
(1917-1992)

FORD P. MITCHELL
(1930-1993)

MICHAEL W. BOEHM
(1944-1996)

ALVIN O. MOORE
(1912-1998)

HOWELL G. CLEMENTS, P.C.
PALMER OFFICE
(931) 779-5333

November 23, 1999

VIA OVERNIGHT DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

99 00908

In re: Chattanooga Gas Company - E. I. du Pont de Nemours Company
Special Contract

Dear Mr. Waddell:

On behalf of Chattanooga Gas Company and E. I. du Pont de Nemours Company, we enclose herewith a Petition and 15 copies of an executed contract between Chattanooga Gas Company and du Pont. Please note that the copies enclosed have been redacted with respect to the rates which have been agreed to in the contract. A complete copy of the contract is also enclosed, under seal, with a request that it be limited in access to those who would need to know since the information that has been redacted is sensitive in a competitive market. Accordingly, it is considered proprietary information and requested to be kept confidential.

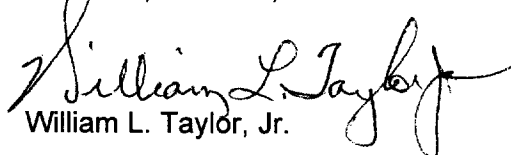
We are requesting that this Petition be filed and expedited in order to have the contract approved by the Tennessee Regulatory Authority and thus enable Chattanooga Gas Company to keep du Pont as a customer.

We are also enclosing our check in the amount of \$25.00 to cover the cost of filing this document.

Please acknowledge receipt of this in the enclosed carbon copy of the letter and return to the writer in the enclosed self-addressed stamped envelope.

Very truly yours,

SPEARS, MOORE, REBMAN & WILLIAMS


William L. Taylor, Jr.

WLT:jcb

November 23, 1999
Page 2

cc.: Mr. Hal Novak
Atlanta Gas Light Company
P. O. Box 4569
Atlanta, Georgia 30302

Mr. Harrison F. Thompson
Mr. Earl Burton
Chattanooga Gas Company
6125 Preservation Drive
Chattanooga, Tennessee 37416

Mr. Vincent Williams
Consumer Advocate Division
Office of the Attorney General
450 James Robertson Parkway
Nashville, Tennessee 37243-0485

Mr. Jerry Violette
Plant Manager, Chattanooga Plant
E. I. du Pont de Nemours Company
4501 Access Road
Chattanooga, Tennessee 37415

Mr. G. M. Pinto
Gas Marketing
E. I. du Pont de Nemours Company
600 North Dairy Ashford
P. O. Box 2197, CH1081
Houston, Texas 77252-2197

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: CHATTANOOGA GAS COMPANY)

APPLICATION FOR APPROVAL OF)
NEGOTIATED CONTRACT WITH E. I.)
du PONT deNEMOURS COMPANY)

DOCKET NO. 99-00908

APPLICATION OF CHATTANOOGA GAS COMPANY
FOR APPROVAL OF NEGOTIATED CONTRACT
WITH E. I. du PONT deNEMOURS COMPANY

Chattanooga Gas Company (Chattanooga) respectfully requests the Tennessee Regulatory Authority (Authority) to approve a Negotiated Contract with E. I. du Pont deNemours (du Pont), including the rates set forth therein.

I.

The names and addresses of the persons to whom any notices or other communications with respect to this Petition are to be sent are as follows:

Harry Thompson, President
Chattanooga Gas Company
6125 Preservation Drive
Chattanooga, Tennessee 37416
Telephone: (423) 490-4232

Hal Novak
Atlanta Gas Light Company
P. O. Box 4569
Atlanta, Georgia 30302
Telephone: (404) 386-3399

William L. Taylor, Jr.
Spears, Moore, Rebman & Williams
801 Broad Street, 6th Floor
P. O. Box 1749
Chattanooga, Tennessee 37401-1749
Telephone: (423) 756-7000

*paid
ack # 25
67644*

II.

Chattanooga is incorporated under the laws of the State of Tennessee and is engaged in the business of transporting, distributing and selling natural gas in Hamilton and Bradley Counties within the State of Tennessee and surrounding environs. Chattanooga is a public utility established under the laws of the State of Tennessee and its public utility operations are subject to the jurisdiction of this Authority.

III.

du Pont Company is a Delaware corporation which operates a manufacturing plant located at 4501 North Access Road, Chattanooga, Hamilton County, Tennessee.

IV.

Chattanooga currently provides natural gas services to du Pont at its Hamilton County plant under the terms of Chattanooga's jurisdictional tariff TRA No. 1, Schedule T-1, dated October 12, 1998. On or about August 20, 1998, du Pont notified Chattanooga that it intended to bypass Chattanooga by constructing a pipeline from its plant to a new direct point of interconnection with East Tennessee Natural Gas Company (East Tennessee), which proposed site is actually located on the property of du Pont's plant (approximately 3,000 feet from du Pont's plant).

V.

On or about February 17, 1999, East Tennessee filed with the Federal Energy Regulatory Commission (FERC) a Notice of Request Under Blanket Authority in which authority was sought to install and operate a new delivery point in Hamilton County for du Pont which would enable du Pont to bypass Chattanooga. The subject filing states in part:

"... East Tennessee requests authorization to install a 4-inch tap, check valve, approximately 50 feet of 4-inch diameter interconnecting pipe, and electronic gas measurement equipment to provide natural gas service to du Pont. The new tap will be located on an existing lateral line, near Milepost 3213-1-2.7, in Hamilton County, Tennessee. The estimated cost of installing this project is \$59,400 which will be reimbursed fully by du Pont."

If such bypass were to occur, all of the transportation revenue currently being realized from du Pont would be lost, resulting in a shifting of such requirement to other Chattanooga customers.

VI.

For several months, Chattanooga has sought to negotiate with du Pont to reach a fair and reasonable rate that would avoid the threatened bypass and permit Chattanooga to retain du Pont's revenue contribution to Chattanooga's fixed costs. On November 22, 1999, Chattanooga and du Pont entered into a Negotiated Contract, attached as Exhibit A,¹ by which du Pont will acquire third party gas supplies, transport or cause to be transported said gas supplies through interstate pipeline facilities to Chattanooga's interconnection with such pipeline and have Chattanooga redeliver such gas supplies through Chattanooga's natural gas distribution system to du Pont's Hamilton County manufacturing plant.

VII.

In Docket No. 97-00982, the Authority approved as a part of Chattanooga's Gas Tariff, TRA No. 1, an Interruptible Margin Credit Rider whereby 90% of gross profit margin losses resulting from negotiated rates to meet competitive rates of alternative fuels would be recovered. Chattanooga proposes to recover such losses from the Negotiated Contract with du Pont in accordance with the Interruptible Margin Credit Rider.

VIII.

Chattanooga avers that approval of the Negotiated Contract with du Pont is necessary and in the best interests of the other customers of Chattanooga and will prevent an uneconomic bypass of Chattanooga which is imminent if such Negotiated Contract is not approved. Further,

¹The Negotiated Contract, Exhibit A attached, has been redacted to remove the negotiated rates du Pont will pay to Chattanooga for the transportation services. Due to today's highly competitive gas markets, this redacted information is very sensitive and disclosure of such information could have an adverse effect on Chattanooga and its other customers. A non-redacted version of the Negotiated Contract is being filed under seal for use by the Authority, the Authority Staff and any qualified intervener who executes an appropriate non-disclosure agreement.

Chattanooga and du Pont have negotiated in good faith to determine a rate which will maintain du Pont as a customer of Chattanooga, such rate having been determined by Chattanooga to be fair and reasonable and non-discriminatory to the other customers.

IX.

Chattanooga requests expeditious action on this request so that du Pont's retention is assured and the rate pursuant to the Negotiated Contract may be made effective pursuant to its terms and provisions as of November 1, 1999.

X.

Chattanooga would also request the Authority to grant a protective order as necessary to close the non-redacted version of Exhibit A filed under seal in order to restrict the use of the redacted information by unnecessary parties. To permit open public inspection and use of such information would be damaging to the parties to the Negotiated Contract.

XI.

Chattanooga requests that the effective date of the Negotiated Contract to be November 1, 1999.

Premises considered, Petitioner prays:

1. That this Application (Petition) be filed and docketed.
2. That the Authority, upon expedited action, convene a hearing, if necessary, and approve the Negotiated Contract.
3. That a Protective Order be granted so that the Negotiated Contract may be kept under seal, allowing only necessary parties access to such information.
4. That Petitioners be granted such other, further and/or general relief as may be required or deemed appropriate and/or necessary under the circumstances.

Respectfully submitted, this the 23 day of November, 1999.

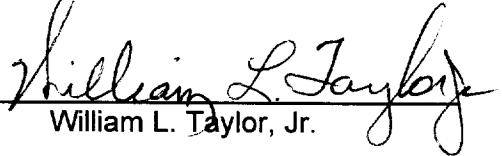
CHATTANOOGA GAS COMPANY

By: William L. Taylor, Jr.
William L. Taylor, Jr., Attorney

VERIFICATION

STATE OF TENNESSEE
COUNTY OF HAMILTON

William L. Taylor, Jr., being duly sworn, deposes and says that he is attorney for Chattanooga Gas Company; and that, as such, he has read the foregoing Petition and knows the contents thereof; that the same are true of his own knowledge, except as to those matters stated on information and belief and to those he believes them to be true.



William L. Taylor, Jr.

Sworn to, and subscribed before me
this 23rd day of November, 1999.



Notary Public

My commission expires: 9-4-02

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Application on:

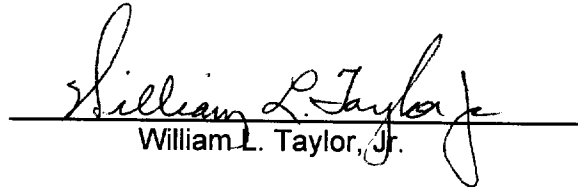
Mr. Jerry Violette
Plant Manager, Chattanooga Plant
E. I. du Pont deNemours Company
4501 Access Road
Chattanooga, Tennessee 37415

Mr. G. M. Pinto
Gas Marketing
E. I. du Pont deNemours Company
600 North Dairy Ashford
P. O. Box 2197, CH1081
Houston, Texas 77252-2197

Vincent Williams
Consumer Advocate Division
Office of the Attorney General
Cordell Hull Building
426 5th Avenue North
Nashville, Tennessee 37243

by placing a copy of same in an envelope, postage prepaid and placed in the U.S. Mail.

This the 23rd day of November, 1999.


William L. Taylor, Jr.

AGREEMENT

RECORDED
REGULAR MONTH.
22nd
39 NOV 29 PM 3 43

THIS NEGOTIATED CONTRACT entered into, this 22nd day of November, 1999, to be effective as of November 1, 1999, by and between E. I. du PONT de NEMOURS COMPANY ("Customer"), a Delaware corporation, and CHATTANOOGA GAS COMPANY ("Company"), a Tennessee corporation.

99-00908

W I T N E S S E T H :

WHEREAS, E. I. du Pont de Nemours Company is a present customer of Company and receives gas service from Company at Customer's nylon plant located at 4501 North Access Road, Chattanooga, Tennessee (the "Plant"); and

WHEREAS, Customer plans to bypass Company and seek gas service at the Plant directly from the East Tennessee Natural Gas Company, which pipeline is located on Customer's property, unless Customer can obtain gas service from Company at prices that are more favorable to Customer; and

WHEREAS, Company desires to maintain E. I. du Pont de Nemours Company as a customer and relies on the fact that continuation of service to Customer will provide the ability of the Company to recover its fixed costs related to E. I. du Pont de Nemours Company and the gas delivery system; and

WHEREAS, Customer is willing to continue as a customer of Company and not seek to bypass Company if Company furnishes service

to Customer in accordance with the terms and conditions of this Negotiated Contract; and

WHEREAS, Company is willing to furnish sales and transportation service to Customer at the Plant under the terms and conditions of this Negotiated Contract unless and until the same is disapproved by the Tennessee Regulatory Authority ("Authority"); and

WHEREAS, with respect to the volumes of gas to be transported by Company to Customer (as opposed to the volumes of gas to be sold by Company to Customer) hereunder, Customer has made, or will make, the necessary arrangements to acquire such volumes, and for the transportation of such volumes for delivery to Company at the delivery point from East Tennessee Natural Gas Company and/or Southern Natural Gas Company or any other available pipeline to Company near the Plant; and

WHEREAS, this Negotiated Contract is entered into subject to the approval of the Authority pursuant to the rules and regulations governing public utilities in the State of Tennessee; and

WHEREAS, the parties desire to enter into this Negotiated Contract setting forth the terms and conditions under which Company will render such service to Customer.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, Company and Customer hereby agree as follows:

1.

TERM: The Customer agrees to purchase from Company, and the Company agrees to sell to Customer, gas sales and transportation service, as detailed in Paragraph 6 of this Negotiated Contract, for the industrial natural gas requirements of the Customer at the Plant, which is located at 4501 North Access Road, Chattanooga, Tennessee under the terms and conditions of this Negotiated Contract for an initial term of twenty (20) years, ending October 31, 2019, and thereafter from year to year (each such year being hereafter referred to as a "Service Year" and each month of a Service Year being referred to as a "Service Month") until written notice of cancellation shall be given by either party to the other at least one hundred eighty (180) days prior to the annual renewal date or until the subsequent disapproval of the Negotiated Contract by the Authority.

2.

SERVICE COMMENCEMENT: Service under this Negotiated Contract shall commence on November 1, 1999, which service commencement date will be requested in the Petition for Approval to be filed with the Authority.

3.

QUANTITIES: The Customer's estimated maximum daily requirements of the Plant (from 8:00 a.m. to 8:00 a.m.) that are to

be served under this Negotiated Contract (including in the aggregate both sales and transportation service) total 8500 MCF, and the maximum hourly requirements total 360 MCF. The Plant's requirements are for six (6) dow therm vaporizers, two (2) boilers, one (1) building and one (1) new boiler which may be added to the Plant during the term of this Negotiated Contract.

4.

SALES SERVICE: Customer may buy natural gas from Company periodically. Gas thus sold (as opposed to gas transported) by Company to Customer hereunder shall be sold on an interruptible basis as that term normally applies at the applicable monthly interruptible commodity cost (PGA) as filed by the Company, plus applicable refunds and surcharges, in addition to the transportation charges pursuant to this Negotiated Contract and such other applicable rules and regulations of Company, as may be in force from time to time.

5.

TRANSPORTATION SERVICE: Customer agrees to purchase and Company agrees to furnish on a best efforts basis, transportation and delivery service to Customer on an interruptible basis as that term normally applies and pursuant to the terms and conditions of the current Interruptible Transportation Service Tariff T-1 of

Company (see attached Sheets 30, 30A and 30B), but under the rates and charges as set forth in this Negotiated Contract.

6.

VOLUMES TO BE TRANSPORTED: The volumes to be transported and delivered by Company to Customer hereunder consist of quantities purchased by Customer from others and delivered to Company for Customer's account at the delivery point from East Tennessee Natural Gas Company and/or Southern Natural Gas Company or any other pipeline near the Plant available to Company.

7.

DESIGNATION OF PERSON TO ADVISE COMPANY: Customer will from time to time designate and furnish to the Company in writing the name(s), address(es) and telephone number(s) of a person or persons (each of whom is hereinafter referred to as "Designee") who will advise the Company of the volumes of gas allocable to the Customer's account of the total volumes delivered to the Company for the account of Customer and one or more other transportation customers of the Company ("Bulk Deliveries").

8.

RELIANCE UPON DESIGNEE: The Company shall be entitled to rely upon all information and advice given by a Designee to the Company regarding allocations of Bulk Deliveries for Customer's account but

Company shall not be bound thereby if circumstances are contrary. Customer agrees, however, to indemnify and hold Company harmless from and against any and all claims, causes of action, actions, damages, injuries or losses Company may suffer or incur or which may be asserted against Company by Customer, or by any other person, firm or corporation, by reason of, or arising out of, the reliance by Company on advice or information given by a Designee to Company concerning the allocation of Bulk Deliveries by Pipeline to Company for the Customer's account.

9.

SALES, USE OR OTHER TAX: Without limiting the extent or generality of the terms of service applicable to this Negotiated Contract, the Customer agrees to pay, indemnify and hold the Company harmless against any applicable portion of the Company's annual gross receipts tax, and any sales, use or other tax imposed by any taxing authority upon the purchase or use by Customer of gas delivered to Company pursuant to this Negotiated Contract.

10.

WARRANTY OF TITLE: Each party warrants that it will, at the time of delivery of gas to the other, have good title to or good right to deliver all such gas, and that it will deliver, or cause to be delivered, such gas free from all liens, encumbrances and claims whatsoever. Each party will, as to the gas it delivers or

causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, fees or charges thereon.

11.

CHARGES UNDER NEGOTIATED CONTRACT FOR TRANSPORTATION:

The charges for gas transported and delivered by Company to Customer hereunder shall be a Customer Base Use Charge of _____ per Service Month plus a Transportation Charge of _____ per MCF for the first _____ MCF transported per Service Year and a Transportation Charge of _____ for all volumes transported in excess of _____ MCF per Service Year.

12.

CUSTOMER BASE USE CHARGES: Customer shall pay for each Service Month a Customer Base Use Charge (as applicable) to the Company in the amount of _____. Such Customer Base Use Charge shall not be subject to change in accordance with the amount of change authorized to be charged by the Company in its Interruptible Service Tariff (L-1) or its Interruptible Transportation Service Tariff (T-1) during the term of this Negotiated Contract. Such Customer Base Use Charge shall be due whether or not any gas is

sold or transported hereunder (provided Company is required to maintain facilities to Customer in anticipation of Customer's Plant's future gas usage).

13.

CHANGES TO RATES: Company agrees not to seek revision to the rates set forth in this Negotiated Contract unless it can be proven that the annual costs of complying with this Negotiated Contract exceeds the revenues produced from it. If Company obtains modification of the rates by the regulatory authority, Customer shall have the right to terminate this Negotiated Contract within one hundred eighty (180) days after the rates are approved. The parties to this Negotiated Contract also agree that if, at some future time, the Company offers a standard tariff for which Customer would otherwise qualify, Customer shall have the right to select such alternate tariff in lieu of continuing to receive service under the negotiated charges detailed in Paragraphs 11 and 12 of this Negotiated Contract.

14.

SERVICE SUBJECT TO TARIFF AND OTHER REGULATORY PROVISIONS:
All service hereunder is subject to the terms of service and Rules and Regulations of the Company and the applicable tariff provisions of Rate Schedule T-1 as filed as exhibits to this Negotiated Contract (except such rates as may be specified therein). In the event of any conflict between the terms and provisions of this

Negotiated Contract and such terms of service, Rules and Regulations and tariff provisions, the terms and provisions of this Negotiated Contract, plus applicable tariff sheets attached, shall govern, unless such terms of service, Rules and Regulations or tariff provisions are approved by the Authority subsequent to the Authority's approval of this Negotiated Contract and by their terms explicitly prevail over any conflicting provisions of this Negotiated Contract. Should the Federal Energy Regulatory Commission (FERC), the Department of Energy (DOE), or any other regulatory or governmental authority having jurisdiction impose by statute, rule, order or regulation any terms or conditions, including state or local taxes, upon this Negotiated Contract, which are not mutually satisfactory to the parties, then the party adversely affected may, within thirty (30) days of the issuance of such rule, order or regulation, and with notification to the other party, terminate this Negotiated Contract.

15.

PAYMENT: Bills are due when rendered at the rates and charges provided herein and shall be paid in full at an office of the Company within sixteen (16) days from the date mailed to the Customer or otherwise delivered to the Customer. Any failure to pay within such time shall be subject to late payment charges as normally applicable to industrial customers of the Company.

16.

POINT OF DELIVERY: All gas delivered hereunder shall be delivered to the Customer at the outlet of the Company's metering and regulating equipment installed upon the Customer's premises in order to provide service under this Negotiated Contract.

17.

DELIVERY PRESSURE: The Company will provide delivery pressure not to exceed that available in the Company's system at its meter installed upon the Customer's premises. So long as the Company incurs no additional cost to provide an elevated pressure, there will be no charge for pressures in excess of twenty-five pounds per square inch gauge.

18.

CHARACTER OF SERVICE: All service under this Negotiated Contract will be on an interruptible basis except when Customer delivers natural gas to Company's system on a firm basis, in which event, Company agrees to redeliver such gas to Customer's facilities unless prevented by a force majeure or if such delivery would compromise the integrity of the Company's system. In case the supply of gas is interrupted, curtailed or cut off by the Company pursuant to the terms and provisions of this Negotiated Contract, the Rules and Regulations of the Company filed with and made effective by the Authority from time to time, or for any other

cause or reason authorized or prescribed by law, or by order, rule or directive of any governmental body having jurisdiction, or by force majeure, the Company shall have no liability to Customer for damages of any nature whatsoever on account of such failure in service or any consequences resulting therefrom or from the restoration of service thereafter. Company agrees that any curtailments to Customer shall be consistent with curtailments imposed on other industrial customers without discrimination between such industrial customers.

19.

LEAKAGE OF GAS: The Customer agrees to give immediate notice to the Company when any leakage of gas is discovered, with confirmation in writing, and the Customer agrees to take all precautions which are reasonable under the circumstances. The Customer agrees not to use any flame or light of any character, electrical switches or other equipment that might produce a spark, or other igniting medium in the proximity of escaping gas or to do or suffer to be done any act which would ignite such gas and to shut off the flow of gas immediately.

20.

RESPONSIBILITY AND LIABILITY: The Company and Customer do respectively assume full responsibility and liability for the maintenance and operation of the facilities operated by each, and

each shall indemnify and save harmless the other from all liability and expense, including attorneys' fees, on account of any and all damages, claims and actions, including injury to and death of persons, arising from any act or omission of the indemnifying party. Neither party hereto shall be responsible for damage to the equipment, apparatus, appliances or property of any kind of one party caused by defects in or failure of the machinery, apparatus or appliance of the other except to the extent that such defect or failure was proximately caused by acts or omissions of such other party. The Company shall not, in any way, be responsible for the distribution, control or care of the gas beyond the point of its delivery to the Customer, which point shall be the Company's metering facilities, and shall not be liable for damages on account of injuries to persons or property resulting in any manner from the receiving, use or application by the Customer of such gas. Customer shall not, in any way, be responsible or liable for the distribution, control or care of the gas prior to the point of its delivery to the Customer.

21.

TERMINATION OF SERVICE: The Customer agrees that the Company may terminate or suspend delivery of gas for any default in payments for gas delivered or for any breach by the Customer of the conditions set out herein, if such default continues after the Company has given the Customer thirty (30) days written notice thereof. In addition, Customer may terminate or suspend service

from the Company if Customer shall have discontinued its operations and dismantled its Plant in which event Customer shall be relieved from its obligation to pay any future charges, including the Customer Base Use Charge. In the event of a default by Customer, other than for payment for service, which cannot be reasonably cured within thirty (30) days of written notice, additional time may be granted in the Company's sole discretion, provided Customer has commenced the cure of such default within such thirty (30) days. The Customer also agrees that the Company may, in its sole discretion, suspend service immediately and without notice in the event Customer fails to provide a safe environment for the Company's facilities or fails to operate and maintain the Customer's facilities in conformity with applicable codes and regulations. Any failure of the Company to exercise any such right to discontinue service to Customer shall not prevent Company from exercising such right in respect to any breach or event which may subsequently occur.

22.

NOTICE: All correspondence and notices required under this Negotiated Contract except notices of curtailment, "force majeure" or restoration of service, are to be addressed to the Customer at 4501 North Access Road, Chattanooga, Tennessee 37415 and to the Company at 6125 Preservation Drive, Chattanooga, Tennessee 37416, Attention: Harry Thompson, President. Notices with respect to curtailment of gas or restoration of delivery of gas or with

respect to "force majeure" shall be given by the parties in writing or by FAX or orally in person or by telephone to the person or one of the persons designated from time to time by each party authorized to receive such notices. If Customer shall not have made such designation or, if made, the Company is unsuccessful in its efforts promptly to establish communication with the person or one of the persons so designated, then in any such event said notice shall be given by Company to any person or persons who are on said premises or who answer Customer's telephone.

23.

MISCELLANEOUS PROVISIONS: No agent or employee of the Company or Customer has any power to waive or modify any of the provisions of this Negotiated Contract or to make any promises or representations contrary to, expansive of, or inconsistent with the provisions hereof, unless agreed to in writing by both parties. This instrument constitutes the entire contract between the parties relating to the subject matter hereof. The parties may, however, enter into separate contracts for additional service under particular tariff provisions or rate schedules of the Company. If they do so, such additional service shall not be governed by this instrument but by such other contract or contracts. This Negotiated Contract shall be binding upon the parties hereto, their successors or assigns, and shall be governed by the laws of the State of Tennessee.

24.

SPECIAL NOTICE: Subject to the provisions of Paragraph 14 hereof, the rates, terms and conditions stated in this Negotiated Contract are subject to approval of and to change by the Authority in the manner prescribed by law at any time. In the event of disapproval or any such change, the rates, terms and conditions approved or prescribed by the Authority will be applied as of the effective date of such disapproval, approval or change, and not retroactively.

25.

APPROVALS AND REGULATORY STATUS: This Negotiated Contract is entered into pursuant to applicable rules and regulations of the Tennessee Regulatory Authority to avoid an uneconomic by-pass for the Company. The parties agree that good faith negotiation has determined the terms and provisions of this Negotiated Contract. The Company is required to submit this Negotiated Contract to the Tennessee Regulatory Authority (TRA) for approval. The Authority may disapprove the Negotiated Contract. In the event of disapproval, the rates and terms of the Negotiated Contract shall terminate immediately upon the date of such disapproval and all future charges shall be charged in accordance with the provisions of the then authorized tariff of the Company, however, prior charges pursuant to the terms of this Negotiated Contract from the effective date to the date of disapproval by the TRA shall not be

adjusted to the tariff rate. Customer agrees to cooperate in the filing of any such petition and in the submission of necessary information to seek approval of this Negotiated Contract. If this Negotiated Contract is disapproved by the Authority, neither party shall have any responsibility or liability to the other hereunder except for the payment of bills for service rendered prior to the date of such disapproval and for future charges at the applicable tariff rate. This Negotiated Contract shall be terminated if any necessary regulatory authority is revoked, canceled, terminated, or if any of the terms and conditions which either party deemed to be satisfactory at the time of any required authorization by the Authority is revoked, canceled or terminated. Customer agrees that it will cooperate with the Company in good faith to secure all regulatory authority necessary to the effectiveness of this Negotiated Contract, including, without limitation, authority to enter into an order of the Authority to find that the information filed is confidential.

26.

CONFIDENTIALITY: The parties acknowledge that this Negotiated Contract and all documents and information provided to either party pursuant to this contract contain commercially sensitive and proprietary information and each party agrees that it will not, without the written consent of the other, disclose to any third party this Negotiated Contract or the terms or provisions thereof except to the extent, and only to the extent, that disclosure is

required (1) by law or by a court or administrative agency having jurisdiction over the disclosing party, (2) to obtain transportation of the gas hereunder, (3) for purposes of an investigation of the economics of bypass if any third party to which the information is disclosed is bound to keep the information confidential, (4) for use by agents or consultants working with Customer regarding Customer's natural gas supply, or (5) in the course of an audit of the disclosing party, and further provided that upon learning that disclosure is required by law or by a court or administrative agency, the party required to make such disclosures shall immediately notify the other party and shall take all reasonable steps requested by such other party to limit the extent of such disclosure.

IN WITNESS WHEREOF, the parties hereto have caused this Negotiated Contract to be executed by their duly authorized officers as of the date first above written.

E. I. du PONT de NEMOURS COMPANY

Not
CSH
GMP
Q

By: M. J. Johnson

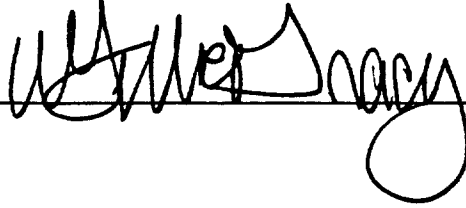
WITNESS:

Jerry Pinto

CHATTANOOGA GAS COMPANY

By: Harold F. Thompson

WITNESS:

A handwritten signature in black ink, appearing to read "Walter Dancy", is written over a horizontal line.

1:\library\users\julie\wlt\cgc dupont contract.wpd