

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE: _____)

**IN RE: RULEMAKING REGARDING THE
RECOVERY OF THE GAS COST PORTION
OF UNCOLLECTIBLE ACCOUNTS UNDER
THE PURCHASED GAS ADJUSTMENT
(PGA) RULES.**

DOCKET NO. 06-00225

filed electronically 4/9/07 @ 2:33pm

**COMMENTS BY THE CONSUMER ADVOCATE & PROTECTION DIVISION OF
THE OFFICE OF THE ATTORNEY GENERAL**

Comes Robert E. Cooper, Jr., the Attorney General and Reporter, through the Consumer Advocate and Protection Division of the Office of Attorney General (hereinafter “Consumer Advocate”), and hereby files written comments. The Consumer Advocate was and respectfully continues to be in opposition to the Authority’s decision to include uncollectible accounts within the definition of gas costs. Although the ultimate gate-keeper for such policy decisions lies with the Authority, petitions such as the one filed in Docket 03-00209 have sought to transfer the risks inherit with operating a business from the responsibility of the company to the consumer.

As predicted, utilities have presented other additional pass-through and trackers in other dockets such as decoupling that in operation would reduce the risk the utility embraces in operating a business. The recent trend of shifting risk from the gas companies to consumers is a troubling development. Furthermore, such proposals, if granted, would only add to the burden on the TRA Staff. The Consumer Advocate herein incorporates and respectfully maintains the Consumer Advocates's position and assertions made in Docket 03-00209. The following

comments do not constitute a waiver of such positions, but rather are given as constructive comments for the Authority to consider in the course of this rule-making.

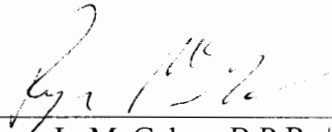
The Consumer Advocate is in agreement with Director Roberson's comments that the Staff's treatment of uncollectible accounts should not remove any incentive or the responsibility a company bears to attempt good faith efforts to collect payments from consumers that do not pay their gas bills.¹ Otherwise, consumers as a whole would be required to foot the bill entirely for those that do not pay if a company has no incentive to collect. Proposed New Rule 1220-4-7-.06 (3) provides that a company must sufficiently demonstrate "reasonable efforts" to collect delinquent accounts to the TRA Staff. At the next public hearing in this matter, the Consumer Advocate would request an explanation or examples of what in practice constitutes "reasonable efforts" in the context of this proposed rule.

One must also note that the term "Written Off" is newly defined in Rule 1220-4-7-.01 as meaning accounts deemed "uncollectible" by the company. The Consumer Advocate would seek clarification at the next public hearing in this matter as to when each of the respective petitioners in Docket 03-000209 would reach the limits of their diligence and determine an account is uncollectible. Such concerns may be ameliorated if the gas companies are required to file their proposed internal policy procedure well before the date the proposed rules would be determined as effective. As such, the Consumer Advocate would request that Proposed New Rule 1220-4-7-.06(1)(i) be amended to reflect this concern and give the Authority the time necessary to consider such proposed internal policies. It should be apparent that the Authority's decision in Docket 03-00209 did not give the petitioners license to pull back from efforts to

¹ See *Transcript of Authority Conference*, August 7, 2006, p. 16, line 6-12.

collect on accounts from which consumers have not paid. In essence, collection efforts should be as rigorous as they were prior to the Authority's decision in Docket 03-00209 if not more so.

RESPECTFULLY SUBMITTED,

A handwritten signature in dark ink, appearing to read "Ryan L. McGehee", is written over a horizontal line.

Ryan L. McGehee, B.P.R. #025559
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 532-5512

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail on April 9, 2007.

For Chattanooga Gas:

D. Billye Sanders

Waller, Lansden, Dortch & Davis, PLLC

511 Union Street, Suite 2100

Nashville, TN 37219-1760

(615) 244-6380

For Nashville Gas:

James H. Jeffries IV, Esq.

Jerry W. Amos

Nelson, Mullins, Riley & Scarborough, L.L.P.

Bank of America Corporate Center, Suite 2400

100 North Tyron Street

Charlotte, NC 28202

(704) 417-3000

For Atmos Energy:

Misty S. Kelley, Esq.


Baker, Donelson, Bearman & Caldwell

1800 Republic Centre

633 Chestnut Street

Chattanooga, Tennessee 37450-1800

(423) 756-2010



Ryan L. McGehee

106025