

TENNESSEE REGULATORY AUTHORITY



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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA US MAIL AND FACSIMILE

April 28, 2011

Jennifer L. Brundige, Esq
Luna Law Group, PLLC
333 Union Street, Suite 300
Nashville, TN 37201

RE: Docket No. 11-00048 – Petition of Chattanooga Gas Company for Approval of
Negotiated Franchise Agreement with the City of Chattanooga, Tennessee Pursuant to
Tennessee Code Annotated 65-4-107.

Dear Ms. Brundige:

Please provide the information as outlined on the attached Data Request. Pursuant to TRA
Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4)
written copies or an original written response and thirteen (13) copies.

Please note that the requisite number of written copies of all requested information must be
provided to the Docket Manager and electronic responses, if filed, must be in .pdf format.

All information should be provided no later than 2 PM on Friday, May 6, 2011. Should you
have questions regarding the attached request, please contact Tiffany Underwood at (615)
741-2904 (extension 172) or Paul Greene (extension 156).

Sincerely,

David Foster
Chief, Utilities Division

Attachment (1)

Data Request Dated April 28, 2011

1. In the current franchise agreement (City Ordinance No. 12480) between the Company and the City, there is a permit fee floor in the amount of \$100,000 annually. Please clarify whether this is a separate fee from the franchise fee and how it works including but not limited to:
 - a. Is \$100,000 the minimum franchise fee to be collected from customers?
 - b. Explain the statement, "Notwithstanding the foregoing, the Franchise Fee payable hereunder shall be reduced, on an annual basis, by the amount of Permit Fees paid by Company to the City up to the Permit Fee Floor," and how that affects the amount of Franchise fee charged to customers.
2. In the current franchise agreement there is a clause stating that if the Company is more than 15 days late on the quarterly franchise fee payment, additional compensation and charges computed from such due date at an annual rate of one percent (1%) per month on any portion thereof of the unpaid amount. In the past, approximately how often has the Company been late on paying the franchise fee? Does the Company propose to pass on to customers any extra fees for late payment of quarterly franchise fee?
3. The Company has agreed to several request made by the City including: insurance requirements and the provision of service personnel and equipment based in Chattanooga and/or Hamilton County, TN to respond to customer service calls from within the City, and finally the provision of trained personnel to be available 24 hours a day, 365 days per year, who will promptly respond to emergency calls. Will these costs be recovered from customers?
4. In docket 09-00183, the TRA included \$365,000 of City of Chattanooga franchise fees for recovery in base rates. Why is the Company proposing to change its methodology of recovering franchise fees as a component of base rates to a pass through charge on customers' bills?
5. What were the actual franchise fee payments for the year ending December 31, 2010, and what are the estimated franchise fee payments for the first year under the new franchise agreement?