

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

**IN RE:**

**PETITION OF CHATTANOOGA GAS  
COMPANY FOR APPROVAL OF  
NEGOTIATED FRANCHISE AGREEMENT  
WITH THE CITY OF CHATTANOOGA**

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**DOCKET NO. 11-00048**

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**PETITION TO INTERVENE**

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Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority ("TRA" or "Authority") to grant the Consumer Advocate's intervention into this proceeding on behalf of the public interest because consumers may be adversely affected. For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in proceedings before the Authority in accordance with the Uniform Administrative Procedures Act and Authority rules.

2. Chattanooga Gas Company ("CGC") is a public utility regulated by the Authority and provides natural gas services to consumers located in the State of Tennessee.

3. On April 8, 2011, CGC filed a petition requesting approval of a negotiated franchise agreement with the City of Chattanooga ("City") related to use of the public right-of-way within the City for construction and maintenance of CGC's gas supply system.

4. The new franchise agreement supersedes a previous franchise agreement which has expired. The terms of the new franchise agreement require a significant increase in the franchise fees collected from consumers by CGC and paid to the City.

5. Whereas the previous franchise agreement required a franchise fee of up to \$365,000 annually, the new franchise fee is based on a percentage of CGC's gross receipts which raises the franchise fee to \$1.2 million in 2011 and up to \$2.2 million by 2015.

6. In Docket 09-00183, a rate case filed by CGC and completed in 2010, the Authority fixed rates for CGC which included \$365,000 specifically for the franchise fee paid by CGC to the City.<sup>1</sup> The rates fixed in Docket 09-00183 are still in effect.

7. Based on the record in this docket thus far, it is unclear whether the new franchise fee proposed by CGC under Tenn. Code Ann. § 65-4-107 will be adjusted to recognize that the base rates currently paid by consumers already include \$365,000 in franchise fees representing what was formerly payable to the City under the previous franchise agreement.<sup>2</sup>

8. Only by participating in this proceeding can the Consumer Advocate work adequately to protect consumers from paying more to CGC for the recovery of franchise fees than is necessary under the new franchise agreement pending before the Authority between the City and CGC.

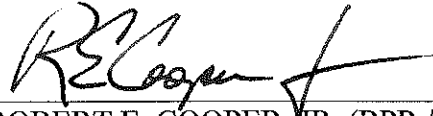
WHEREFORE, Petitioner respectfully asks the Authority to grant the Petition to Intervene.

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<sup>1</sup> Docket 09-00183, *Final Order* (November 8, 2010), p. 31-32.

<sup>2</sup> Docket 11-00048, CGC Response of May 5, 2011, to Question 4 of TRA Staff Data Request Dated April 28, 2011.

RESPECTFULLY SUBMITTED,



ROBERT E. COOPER, JR. (BPR #010934)  
Attorney General and Reporter  
State of Tennessee



RYAN L. MCGEHEE (BPR #025559)  
Assistant Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
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Dated: May 23<sup>rd</sup>, 2011.

CERTIFICATE OF SERVICE

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

J.W. Luna, Esq.  
Jennifer Brundige, Esq.  
Farmer & Luna  
333 Union Street  
Suite 300  
Nashville, TN 37201

Archie R. Hickerson  
Director-Regulatory Affairs  
AGL Services Company  
150 West Main Street  
Suite 1510  
Norfolk, VA 23510

This the 23<sup>rd</sup> day of May, 2011.



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Ryan L. McGehee